



FOUNTAINHEAD FINANCIAL, LLC

**Fountainhead Financial, LLC**

**500 North Michigan Ave  
Suite 2000  
Chicago, IL 60611**

**Phone (312) 222-9840**

**Fax (312) 222-9834**

**12/31/2015**

**FORM ADV PART 2  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Fountainhead Financial, LLC. If you have any questions about the contents of this brochure, please contact us at (312) 222-9840. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Fountainhead Financial, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Fountainhead Financial, LLC is 150813.**

**Fountainhead Financial, LLC a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## Table of Contents

<b><i>Advisory Business.....</i></b>	<b><i>1</i></b>
<b><i>Fees and Compensation .....</i></b>	<b><i>5</i></b>
<b><i>Performance-Based Fees and Side-By-Side Management.....</i></b>	<b><i>7</i></b>
<b><i>Types of Clients.....</i></b>	<b><i>8</i></b>
<b><i>Methods of Analysis, Investment Strategies and Risk of Loss.....</i></b>	<b><i>9</i></b>
<b><i>Disciplinary Information.....</i></b>	<b><i>10</i></b>
<b><i>Other Financial Industry Activities and Affiliations .....</i></b>	<b><i>12</i></b>
<b><i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</i></b>	<b><i>14</i></b>
<b><i>Brokerage Practices .....</i></b>	<b><i>15</i></b>
<b><i>Review of Accounts .....</i></b>	<b><i>19</i></b>
<b><i>Client Referrals and Other Compensation.....</i></b>	<b><i>20</i></b>
<b><i>Custody .....</i></b>	<b><i>21</i></b>
<b><i>Investment Discretion.....</i></b>	<b><i>22</i></b>
<b><i>Voting Client Securities.....</i></b>	<b><i>19</i></b>
<b><i>Financial Information.....</i></b>	<b><i>20</i></b>
<b><i>Additional Information.....</i></b>	<b><i>25</i></b>

## Advisory Business

Form ADV Part 2A, Item 4

*A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).*

Fountainhead Financial, LLC is primarily engaged in the business of financial planning and asset supervision. Fountainhead Financial, LLC also offers insurance products for sale to clients. Fountainhead Financial, LLC was established by Dominick J. Vetrano in September of 2003 and has been registered with the SEC since July of 2009.

Fountainhead Financial, LLC. Is 100% owned by Dominick J. Vetrano, CFP, CLU, ChFC, CFA, RHU

*B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.*

Fountainhead Financial, LLC is primarily engaged in the business of financial planning and asset supervision. There are three types of services that Fountainhead Financial, LLC offers on a fee basis.

1<sup>st</sup> – Investment Supervisory Services.

The client may engage us to assist with the implementation of an investment plan and monitor their portfolio.

We will monitor and adjust the portfolio on a continuous basis. Our review shall include a summary of the investment performance and other actions deemed appropriate. Included in this fee are also financial planning services covering the areas of Tax, Estate, Retirement and Insurance planning. The majority of our clients utilize this service.

2<sup>nd</sup> – One Time Written Financial Analysis

The client may engage us for either a single needs analysis or a comprehensive financial analysis. The comprehensive analysis will include a written financial plan. It will provide clients with a clear understanding of their present financial situation and what actions would be necessary to achieve their desired objectives. The analysis shall cover each of the six core areas:

- I. Cash Flow and Budgeting
- II. Protection Planning
- III. Investment Planning
- IV. Tax Planning
- V. Retirement Planning
- VI. Estate Planning

In addition to comprehensive financial plans, we offer individual modules consisting of each of the six core areas listed above. They can be purchased to develop a written single needs analysis.

The fee for the one time written services will be based on the complexity of the matter involved and will be quoted in advance.

3<sup>rd</sup> Hourly Consultations

These are available at the request of clients to review and discuss any financial planning or investment matters. Examples are starting a business or review insurance coverage or establishing a retirement plan. The hourly consulting fee for this will be based on the principal's hour bill rate listed in the "Fees and Compensation" on page 4.

Fountainhead Financial, LLC has no limitations on investments it recommends. Therefore, all types of investments will be considered for each client. Further, Fountainhead Financial customizes each client's investment recommendations to that client's specific situation and preferences.

Fountainhead Financial, LLC does not accept discretionary power for any assets of clients. The client will retain absolute discretion over all investments and implementation decisions. This means the client must authorize all transactions executed by Fountainhead Financial, LLC.

In some situations (*Charles Schwab, Vanguard and Fidelity*), it may be expedient for the client to authorize Fountainhead Financial, LLC to have limited power of attorney to effect transactions approved by the client. The client will always retain decision-making authority or discretion.

*C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.*

All advisory services are specifically tailored to each client. The financial planning process is utilized to ascertain the client's situation, their goals and preferences. Over a period of months as information is gathered and goals are established a plan is formalized that identifies a strategic allocation for asset classes and specific investments within each selected asset class. Then on a quarterly basis a written review is prepared and discussed with the client. Appropriate changes are agreed to and implemented while strategic goals and targets are reviewed.

Clients may impose restrictions or directives toward investing as long as Fountainhead Financial, LLC and the client mutually agree to those restrictions.

*D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.*

Fountainhead Financial, LLC does not utilize or participate.

*E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date "as of" which you calculated the amounts.*

Fountainhead Financial, LLC manages/supervises client assets **only** on a **non**-discretionary basis.

As of December 31, 2015 the total assets under management were \$133.0 million.

## MISCELLANEOUS

**Financial Planning and Non-Investment Consulting/Implementation Services.** To the extent requested by the client, Fountainhead Financial, LLC shall generally provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, taxes, etc. To the extent requested by a client, Fountainhead Financial, LLC may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including Fountainhead's President, Dominick Vetrano, in his separate individual capacity as a licensed insurance agent and/or GCR Financial for tax preparation services (**See disclosure** at Item 10 below). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Fountainhead Financial, LLC. **Please Note-Conflict of Interest:** The recommendation by Fountainhead Financial, LLC that a client purchase an insurance commission product from Mr. Vetrano presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. Clients are reminded that they may purchase securities and insurance products recommended by Fountainhead Financial, LLC through insurance agents. **Fountainhead Financial, LLC's Chief Compliance Officer, Dominick Vetrano, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**PLEASE NOTE: RETIREMENT ROLLOVERS-No Obligation/Conflict of Interest:** A client leaving an employer typically has four options (and may engage in a combination of these options): i) leave the money in his former employer's plan, if permitted, ii) roll over the assets to his new employer's plan, if one is available and rollovers are permitted, iii) rollover to an IRA, or iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Fountainhead Financial, LLC may recommend an investor roll over plan assets to an Individual Retirement Account (IRA) managed by Fountainhead Financial, LLC. As a result, Fountainhead Financial, LLC and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave his or her plan assets with his or her old employer or roll the assets to a plan sponsored by a new employer will generally result in no compensation to Fountainhead Financial, LLC (unless you engage Fountainhead Financial, LLC to monitor and/or manage the account while maintained at your employer). Fountainhead Financial, LLC has an economic incentive to encourage an investor to roll plan assets into an IRA that Fountainhead Financial, LLC will manage **or** to engage Fountainhead Financial, LLC to monitor and/or manage the account while maintained at your employer. There are various factors that Fountainhead Financial, LLC may consider before recommending a rollover, including but not limited to: i) the investment options available in the plan versus the investment options available in an IRA, ii) fees and expenses in the plan versus the fees and expenses in an IRA, iii) the services and responsiveness of the plan's investment professionals versus Fountainhead Financial, LLC's, iv) protection of assets from creditors and legal judgments, v) required minimum distributions and age considerations, and vi) employer stock tax consequences, if any. No client is under any obligation to rollover plan assets to an IRA managed by Fountainhead Financial, LLC or to engage Fountainhead Financial, LLC to monitor and/or manage the account while maintained at your employer. **Fountainhead Financial, LLC's Chief Compliance Officer, Dominick Vetrano, remains available to address any questions that a client or prospective client may have regarding the above and the corresponding conflict of interest presented by such engagement.**

**Please Note: Non-Discretionary Service Limitations.** Clients that determine to engage Fountainhead Financial, LLC on a non-discretionary investment advisory basis **must be willing to accept** that Fountainhead Financial, LLC cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that Fountainhead Financial, LLC would like to make a transaction for a client's account, and the client is unavailable, Fountainhead Financial, LLC will be unable to effect the account transaction (as it would for its discretionary clients) **without first obtaining the client's consent.**

**Please Note: Cash Positions.** At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), Fountainhead Financial, LLC *may* maintain cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating the

Fountainhead Financial, LLC's advisory fee. **Fountainhead Financial, LLC 's Chief Compliance Officer, Dominick Vetrano, remains available to address any questions that a client or prospective may have regarding the above fee billing practice.**

**Client Obligations.** In performing its services, Fountainhead Financial, LLC shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Fountainhead Financial, LLC if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Fountainhead Financial, LLC's previous recommendations and/or services.

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Fountainhead Financial, LLC) will be profitable or equal any specific performance level(s).

## ***Fees and Compensation***

Form ADV Part 2A, Item 5

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

Fountainhead Financial, LLC is compensated for its services in 3 ways:

1<sup>st</sup> – Securities Advisory/Supervisory:

This is the primary means Fountainhead Financial, LLC is compensated. This supervisory fee is:

<u>Percentage Billable</u>	<u>Dollar Value of Assets under Supervision</u>
----------------------------	---

1.0%	\$0 - \$ 500,000
0.8%	\$500,001 - \$ 1,000,000
0.6%	\$1,000,001- \$ 5,000,000
0.4%	\$5,000,001 - \$20,000,000
0.3%	\$20,000,001 - Over

Or \$5,000 whichever is greater.

The fee will be determined on an end of quarter basis depending upon the value of the assets under supervision subject to a minimum fee of \$1,250. The client will receive a quarterly invoice from Fountainhead Financial, LLC which is due upon receipt.

Assets under supervision will be identified in advance or in conjunction with the Agreement. Fountainhead Financial, LLC does not have discretion over the client accounts.

This fee is always billed at the end of the quarterly supervisory period.

Fountainhead Financial, LLC, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its aggregate minimum fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). **Please Also Note:** If you maintain less than \$500,000 of assets under Fountainhead Financial, LLC's management, and are subject to the \$1,250 per quarter minimum fee, you will pay a higher percentage Annual Fee than the 1.00% referenced in the above fee schedule.

2<sup>nd</sup> – Non-Securities Advisory/Financial Planning :

The fee schedule below does not include the implementation of any investment advice. If desired, the client can opt to implement the investment plan either on their own or under the Applicant's *Supervisory Service*.

Refer to Securities Advisory/Supervisory 1<sup>st</sup> (above).

Although our fee is not based on the income or assets of the client, the following chart can serve as a guideline:

<u>Gross Income</u>	<u>Net Worth</u>	<u>Fee Range</u>
Under \$100,000	Under \$600,000	\$2,500 to \$3,000
\$100,000 to \$150,000	Under \$600,000	\$3,000 to \$3,500
\$150,000 to \$300,000	Under \$1,000,000	\$3,500 to \$4,000
Over \$300,000	Over \$1,000,000	Negotiable

The actual fee will be quoted in advance and will vary with the complexity and the work required to prepare an individualized written financial plan. In some cases, the actual fee could exceed the above ranges when working with dual-income couples, self-employed clients and/or clients with individualized employer benefit packages.

One-half of the fee is due and payable upon the signing of the Financial Planning Contract. The balance of the fee will be due upon delivery of the Financial Plan.

With the exception of hourly consultations, a client may terminate any Financial Planning Contract without penalty within five (5) business days of the date of the agreement. After five business days, a client will receive a refund of unearned fees.

3<sup>rd</sup> – Hourly Financial Consultation:

The charge for this will be quoted in advance and based on the length of time and personnel involved. The charges will be paid after the work is complete.

**Current Rates:**

Dominick J. Vetrano, CFP, CLU CFC, CFA, RHU	-	\$400 per hour.
Kevin E. Wozniak, CFP	-	\$250 per hour.
Shelley Frank	-	\$ 70 per hour.

The fee will be paid at the completion of the service.

D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

The only prepaid fee option is the 50% of the fee for a financial plan. The client may terminate any Financial Planning Contract without penalty within five (5) business days of the date of the agreement. After five business days, a client will receive a refund of unearned fees.

The supervisory fee is always billed at the end of the quarter it is earned.

E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

1. Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.

Dominick J. Vetrano is a licensed Health, Life and Disability Producer. As such Mr. Vetrano does receive standard commissions on any fixed annuity, health, disability or life product sold. Therefore, it is in Mr. Vetrano's interest to sell life, health, long term care or disability. As such, he is acting the same as any insurance agent. Mr. Vetrano is not licensed to offer variable life insurance products.

No one at Fountainhead Financial, LLC receives any commissions or other compensation from the sale of any other investment products.

2. Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.

Clients are free to implement any recommendations or obtain products through any other firm or company and are not required to implement investment recommendations through Fountainhead Financial, LLC.

3. If more than 50% of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.



Fountainhead Financial, LLC receives none of its revenue from advisory clients from commissions or other compensation for the sales of investment products.

4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.

Fountainhead Financial, LLC does not receive any markups or commissions from investments.  
No one at Fountainhead Financial, LLC holds any active securities licenses.

### ***Performance-Based Fees and Side-By-Side Management***

Form ADV Part 2A, Item 6

If you or any of your supervised persons accepts performance-based fees - that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) - disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

Fountainhead Financial, LLC does not accept any form of performance based fees.

### ***Types of Clients***

Form ADV Part 2A, Item 7

Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Fountainhead Financial, LLC provides investment advice to Individuals, Trusts and Small Businesses with a focus on Advertising and Marketing Professionals.

Dominick J. Vetrano, CFP, CLU, CFC, CFA, RHU is accepting new clients with a minimum of portfolio assets of \$2 million dollars for quarterly supervisory services. Clients with assets below \$2 million can be accepted on an hourly consulting basis. The fee for this service will be based on the hourly rate of Mr. Vetrano and quoted in advance.

Kevin Wozniak, CFP is accepting clients with a minimum of portfolio assets of \$500,000 for quarterly supervisory services.

Clients with assets below \$500,000 can be accepted either on an hourly consulting basis or with a minimum fee of \$5,000 per year for supervisory services. The hourly fee will be quoted in advance and based on the hourly rates listed previously.

## ***Methods of Analysis, Investment Strategies and Risk of Loss***

Form ADV Part 2A, Item 8

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.

Fountainhead Financial, LLC utilizes a combination of Modern Portfolio Theory, Fundamental Analysis, Technical Analysis and Quantitative Analysis to develop an investment strategy for each client contingent on the client's preferences and constraints. There are no model portfolios or generic allocations used across clients. All asset classes are open to inclusion in the client's portfolio. This means mutual funds, ETFs, individuals stocks and bonds, Unit Investment Trusts, Closed End Funds, private placements, real estate, hedge funds, CDs, options and venture capital will all be considered in developing a portfolio.

The process of developing the investment strategy is as follows:

1<sup>st</sup> – A target strategic investment portfolio is designed utilizing asset classes for each client. The weightings of this portfolio are determined by the client's risk tolerance.

2<sup>nd</sup> – Once the strategic investment portfolio is agreed upon individual investments will be selected to fulfill each asset class. Client input will be sought to meet any specific desires for inclusion or exclusion in their portfolio.

All forms of investing involve a myriad of risk with risk to principal being one. It is not possible to invest with no risk to principal or loss of any kind. Therefore, the amount of risk the client will accept is determined overtime while working with the client in actual investing circumstances.

B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Every investment strategy and investment has risks and can lose principal.

Fountainhead Financial, LLC does not use high frequency trading strategies because of the increased trading costs and taxes. Fountainhead Financial, LLC utilizes a longer term buy and hold strategy looking to hold positions for several years.

C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

Fountainhead Financial, LLC primarily utilizes publically managed products such as mutual funds and ETFs. These investments all fluctuate in value and can lose principal.

## ***Disciplinary Information***

Form ADV Part 2A, Item 9

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a management person has been involved in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the management person's favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a management person has been involved in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a client's or prospective client's evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a client's or prospective client's evaluation.

A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person

1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;

None/No One

2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;

None/No One

3. was found to have been involved in a violation of an investment-related statute or regulation; or

None/No One

4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

None/No One

B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person

1. was found to have caused an investment-related business to lose its authorization to do business; or

None/No One

2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority

(a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;

None/No One

(b) barring or suspending your firm's or a management person's association with an investment-related business;

None/No One

(c) otherwise significantly limiting your firm's or a management person's investment-related activities; or

None/No One

(d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.

None/No One

C. A self-regulatory organization (SRO) proceeding in which your firm or a management person

1. was found to have caused an investment-related business to lose its authorization to do business; or

None/No One

2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership;

(ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

None/No One

### ***Other Financial Industry Activities and Affiliations***

Form ADV Part 2A, Item 10

A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

Fountainhead Financial, LLC and any of its employees are not registered or have any application pending to be registered as a broker dealer or registered representative.

B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

Fountainhead Financial, LLC and any of its employees are not registered or have applied for registration with any commodity firm or commodity operator.

C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

Fountainhead Financial, LLC maintains a relationship with GCR Financial Services, LLC whereby GCR prepares personal income tax returns for quarterly clients which is included as a service with the quarterly financial supervisory fee. Fountainhead Financial, LLC pays GCR Financial Services, LLC directly for this service. Clients are free to use their own tax preparer at their own expense. There will be no offset or credit offered for using another tax preparer.

Fountainhead Financial, LLC does not have any relationship or arrangements with any other firms.

D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

Fountainhead Financial, LLC maintains no relationship with any other investment advisors.

**Please Note:** As indicated above at Item 4, the recommendation by Fountainhead Financial, LLC that a client purchase an insurance commission product from Mr. Vetrano presents a ***conflict of interest***, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. Clients are reminded that they may purchase securities and insurance products recommended by Fountainhead Financial, LLC through insurance agents. In addition, no client is under any obligation whatsoever to engage GCR Financial for tax preparation. However, if the client desires to engage a different CPA (which he/she is absolutely free to do), Fountainhead will **not pay** a portion of its advisory fee for tax preparation services. **Fountainhead Financial, LLC's Chief Compliance Officer, Dominick Vetrano, remains available to address any questions that a client or prospective client may have regarding the above.**

## ***Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

Form ADV Part 2A, Item 11

A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.

All employees, independent contractors, interns and principals of Fountainhead Financial, LLC shall at all times be in compliance with Federal Law as outlined in the compliance manual.

**I. General Ethical Principles:**

- 1. The interests of clients are always to be the primary motivation.**
- 2. All personal transactions shall be conducted to avoid any conflict of interest with clients and if a conflict arises than the interest of the client must be paramount.**
- 3. Under no circumstance shall any associated person with Fountainhead Financial, LLC take inappropriate advantage of knowledge acquired through the firm.**
- 4. All Client Information is Confidential.**
- 5. All investment decisions shall be driven by the client's situation and needs on an independent basis.**
- 6. All affiliates of Fountainhead Financial, LLC have a duty of care, loyalty, honesty and good faith to act in the best interests of Fountainhead Financial, LLC's clients.**
- 7. As we are a small firm our reputation is our most valuable asset and any deviation from these principals or the CFP Code of Ethics is grounds for immediate dismissal.**

Fountainhead Financial, LLC's code of ethics is available to anyone upon request.

B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Fountainhead Financial, LLC or any of its related people do not have material financial interests in any client recommendations.

C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading. It is possible that the Associated persons of the Applicant may, from time to time, suggest investments (i.e., mutual funds, stocks, bonds, etc.) which they themselves may already own or contemplate purchasing. All client purchases or sales of securities shall have priority over orders of any Associated individual(s) of Applicant.

Approval by a compliance manager or Chief Compliance Officer is required before any trade over \$5,000 is executed. The compliance person will ascertain whether or not any client trades are pending or contemplated before the Fountainhead Financial member is cleared to trade.

D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

**Note:** The description required by Item 11.A may include information responsive to Item 11.B, C or D. If so, it is not necessary to make repeated disclosures of the same information. You do not have to provide disclosure in response to Item 11.B, 11.C, or 11.D with respect to securities that are not "reportable securities" under SEC rule 204A-1(e)(10) and similar state rules.

All Fountainhead Financial, LLC Associated persons must follow the preapproval process in C above to place a trade. As such they will always be forced to execute after all client trades have occurred.



## Brokerage Practices

Form ADV Part 2A, Item 12

A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.

**Note:** Your disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

Implementation of the Fountainhead Financial, LLC's recommendations is entirely at the client's discretion and clients may purchase financial products from any outside source.

In the event that the client requests that Fountainhead Financial, LLC recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Fountainhead Financial, LLC to use a specific broker-dealer/custodian), Fountainhead Financial, LLC generally recommends that investment management accounts be maintained at Charles Schwab & Co. Inc ("*Schwab*"). Prior to engaging Fountainhead Financial, LLC to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Fountainhead Financial, LLC setting forth the terms and conditions under which Fountainhead Financial, LLC shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Fountainhead Financial, LLC considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with Fountainhead Financial, LLC, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Fountainhead Financial, LLC's clients shall comply with Fountainhead Financial, LLC's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Fountainhead Financial, LLC determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Fountainhead Financial, LLC will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Fountainhead Financial, LLC's investment management fee. Fountainhead Financial, LLC's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

### Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Fountainhead Financial, LLC may receive from *Schwab* (or another broker-dealer/custodian, investment manager, platform or fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Fountainhead Financial, LLC to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Fountainhead Financial, LLC may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice

management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Fountainhead Financial, LLC in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Fountainhead Financial, LLC in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Fountainhead Financial, LLC to manage and further develop its business enterprise.

Fountainhead Financial, LLC's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by Fountainhead Financial, LLC to *Schwab* or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**Fountainhead Financial, LLC's Chief Compliance Officer, Dominick Vetrano, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

**Directed Brokerage:** In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Fountainhead Financial, LLC will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Fountainhead Financial, LLC. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Please Note:** In the event that the client directs Fountainhead Financial, LLC to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Fountainhead Financial, LLC. Higher transaction costs adversely impact account performance.

a. Explain that when you use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.

Fountainhead Financial, LLC does not benefit in any way from client brokerage commissions or the direction of commissions.

b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your clients' interest in receiving most favorable execution.

As referenced above Fountainhead Financial, LLC does benefit from having greater than \$25million in client assets in custody at Charles Schwab.

c. If you may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.

Fountainhead Financial, LLC does not cause clients to pay higher commissions (markups or markdowns) due to broker dealer selection.

d. Disclose whether you use soft dollar benefits to service all of your clients' accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

Fountainhead Financial, LLC does not receive or utilize soft dollars.

e. Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or markups or markdowns) within your last fiscal year.

Fountainhead Financial, LLC has not received any products or services save what is detailed in A.1 on page 12.

f. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.

Fountainhead Financial, LLC does not direct client transactions to particular broker dealers.

2. **Brokerage for Client Referrals.** If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving client referrals, rather than on your clients' interest in receiving most favorable execution.

Fountainhead Financial, LLC receives no referrals from any broker-dealers or securities firms.

b. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.

Fountainhead Financial, LLC receives no referrals from any broker-dealers or securities firms.

3. **Directed Brokerage.**

a. If you routinely recommend, request or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.

Fountainhead Financial, LLC does not utilize directed brokerage relationships.

b. If you permit a client to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of client transactions. Explain that directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

Fountainhead Financial, LLC allows clients to direct brokerage through Charles Schwab. However, no clients at the present time have requested to utilize a directed brokerage relationship:

In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Fountainhead Financial, LLC will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Fountainhead Financial, LLC. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Please Note:** In the event that the client directs Fountainhead Financial, LLC to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Fountainhead Financial, LLC. Higher transaction costs adversely impact account performance.

B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.

Fountainhead Financial, LLC can aggregate trades and will do so if it is beneficial to clients. However, because Fountainhead Financial, LLC does not take discretion of client assets it is very difficult to aggregate trades as individual approval must be obtained from each client. Further, the trading costs at Schwab are less than \$20 per trade therefore, any commission savings is nominal. Therefore, market conditions and timeliness of trades are the primary factors which generally preclude utilizing aggregate orders.

### ***Review of Accounts***

Form ADV Part 2A, Item 13

A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.

Fountainhead Financial, LLC provides written or oral reviews on all supervisory client accounts on a quarterly basis. Dominick J. Vetrano and Kevin Wozniak are always involved in each review. All hourly based client portfolios receive a written review periodically, but no less than annually, per their specific agreement, by both Dominick J. Vetrano and Kevin Wozniak.

B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.

Client accounts are reviewed at any time they are requested by the client. Further, significant changes to client's specific positions or during market events can generate a review as soon as practical.

C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.

Written and oral reviews are generated quarterly for each supervisory client. All hourly based clients receive a written review periodically, but no less than annually, per their specific agreement.

### ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

Fountainhead Financial, LLC receives no economic benefits for providing investment advice or other advisory service to our clients from anyone other than the client who receives the service.

B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.

Fountainhead Financial, LLC does not compensate in any form any person or entity for referrals.

## ***Custody***

Form ADV Part 2A, Item 15

Fountainhead Financial, LLC never has physical custody of client funds or assets. However, in certain circumstances clients provide Fountainhead Financial, LLC with logins and passwords for accounts not maintained with Charles Schwab. In certain cases this enables Fountainhead Financial, LLC to transfer funds to accounts without the client's signature. This ability constitutes Custody. For this specific account Fountainhead Financial, LLC is required to have an annual surprise audit for these accounts. Richey May & Co. has been retained for this service.

Most of our clients hold their assets with Charles Schwab.

Each Qualified Custodian will send monthly and at least quarterly account statements. Clients should carefully review these statements as they will detail all transactions in their accounts.

Fountainhead Financial, LLC will provide quarterly statements for supervisory clients and periodic statements for hourly clients. The goal of these statements is to present a concise complete overview of the clients financial situation and track the performance of all relevant assets.

The Fountainhead Financial, LLC statements should always be compared to the Qualified Custodian (*Charles Schwab*) statements to ensure that everything is being accounted for accurately by both Fountainhead Financial, LLC and the Qualified Custodian.

### ***Investment Discretion***

Form ADV Part 2A, Item 16

Fountainhead Financial, LLC never accepts discretion over any clients accounts. All trades must be authorized by the client in advance.

**ANY QUESTIONS: Fountainhead Financial, LLC's Chief Compliance Officer, Dominick Vetrano, remains available to address any questions regarding this Part 2A.**



### ***Voting Client Securities***

Form ADV Part 2A, Item 17

A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.

Fountainhead Financial, LLC never accepts authority to vote client securities.

B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

Fountainhead Financial, LLC never accepts authority to vote client securities.

Clients will receive all proxies and other solicitations directly from their custodian and transfer agent. Clients are encouraged to call Fountainhead Financial, LLC. directly with any questions regarding the voting of their securities.

## **Financial Information**

Form ADV Part 2A, Item 18

A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.

1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.

Fountainhead Financial, LLC does not solicit prepayment of more than \$1,200 in fees per client six months or more in advance.

2. Show parenthetically the market or fair value of securities included at cost.  
This is not applicable.

3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.  
This is not applicable.

B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.

Fountainhead Financial, LLD does not have discretionary authority of client funds or solicit prepayment of more than \$1,200 in fees per client six months or more in advance. Therefore, this is not applicable.

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.  
If you are registering or are registered with one or more state securities authorities, you must respond to the following additional item.

Fountainhead Financial, LLC and its affiliates have not ever been subject to a bankruptcy petition.

***Additional Information***