



**BUDROS RUHLIN ROE**

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# Part 2A of Form ADV The Brochure

Updated: March 30, 2018

This brochure provides information about the qualifications and business practices of Budros, Ruhlin & Roe, Inc. (“Budros, Ruhlin & Roe”). If you have any questions about the contents of this brochure, please contact us at (614) 481-6900. 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. Budros, Ruhlin & Roe is an investment adviser registered with the SEC. References herein to Budros, Ruhlin & Roe as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Additional information about Budros, Ruhlin & Roe is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes

Budros, Ruhlin & Roe's last annual update to Part 2A of Form ADV was made on March 31, 2017. Since that time, there have been no material changes made to this Form ADV Part 2A.

Although not material, this Form ADV Part 2A has been revised at Items 4, 5, 8 and 15 to enhance disclosures related to Budros, Ruhlin & Roe's Advisory Business; Fees and Compensation; Methods of Analysis, Investment Strategies and Risk of Loss; and Custody. Specific to Item 5, the fee schedule for Retirement Plan Advisory Services was amended to add a reduced fee for investment assets in excess of \$8 million.

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## Advisory Business

Budros, Ruhlin & Roe is an independently owned, fee-only wealth management firm, founded in 1979. Currently, a majority of its shares are owned by Peggy Ruhlin, Daniel Roe, and John Schuman, and a minority of its shares are owned by five other employees.

As of December 31, 2017, Budros, Ruhlin & Roe managed \$2,389,773,277 on a discretionary basis and \$107,940,566 on a non-discretionary basis. These amounts do not reflect assets held in certain ERISA plans that Budros, Ruhlin & Roe provides advice as part of its Retirement Plan Advisory Services. Budros, Ruhlin & Roe has four service offerings: 1) wealth management services; 2) investment management services; 3) retirement plan advisory services; and 4) divorce financial planning and consulting services.

### Wealth Management Services.

Budros, Ruhlin & Roe's wealth management services combine customized financial planning services with the firm's investment management services (described below) and are typically offered to high-net-worth individuals and their associated entities, trusts and estates. Budros, Ruhlin & Roe's financial planning service counsels clients in the areas of retirement planning, risk management (life, disability, long-term care, property & casualty) planning, estate planning, income tax planning, education planning and/or charitable planning, by assisting them in setting goals and developing strategies to achieve those goals.

### Investment Management Services.

Budros, Ruhlin & Roe's investment management services include working with each client to establish an appropriate investment risk/return profile. Clients typically choose from among seven (7) different portfolio strategies ranging from more conservative strategies to more aggressive strategies. Budros, Ruhlin & Roe typically manages each portfolio strategy on a discretionary basis. Each portfolio is managed in accordance with a written investment policy statement, which can impose reasonable restrictions on Budros, Ruhlin & Roe's discretionary management.

Clients that determine to engage Budros, Ruhlin & Roe on a non-discretionary investment advisory basis **must be willing to accept** that Budros, Ruhlin & Roe cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that Budros, Ruhlin & Roe would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, Budros, Ruhlin & Roe will be unable to effect the account transaction(s) (as it would for its discretionary clients) **without first obtaining the client's verbal consent.**

Please see *Methods of Analysis, Investment Strategies and Risk of Loss* for how Budros, Ruhlin & Roe generally manages clients' investment assets.

### Retirement Plan Advisory Services.

Budros, Ruhlin & Roe's retirement plan advisory services assist plan sponsors in managing and designing retirement plans that serve the plan participants. Budros, Ruhlin & Roe shares in the plan trustees' fiduciary role by serving in an ERISA 3(21) capacity. Retirement plan advisory services include: assisting with plan design, assisting in the selection of additional plan service providers (TPA, record keeper, custodian), educating participants, and providing due diligence in the investment selection and monitoring process.

### Divorce Financial Planning and Consulting Services.

Budros, Ruhlin & Roe's divorce financial planning and consulting services assist clients and their attorneys in creating a financial profile and analysis of the divorcing couple in order to develop financial strategies and options to mediate, settle or litigate the client's divorce. Budros, Ruhlin & Roe may also serve as an expert witness on financial issues, as well as assist clients with post-divorce transition by implementing the financial aspects of a settlement or divorce decree.

In performing any of these services, Budros, Ruhlin & Roe 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 their responsibility to promptly notify Budros, Ruhlin & Roe if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Budros, Ruhlin & Roe's previous recommendations and/or services.

A copy of Budros, Ruhlin & Roe's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client before, or contemporaneously with, the execution of a services agreement.

## Fees and Compensation

Budros, Ruhlin & Roe has separate fee schedules for each of its service offerings.

Wealth management fees: The wealth management fee is based on all investment assets (including cash and cash equivalents) regardless of where custodied or held, including investment assets held within insurance products, non-qualified and qualified plans, trusts and other entities or vehicles. It is not based on "assets under management" as the fee applies to all investment assets whether or not Budros, Ruhlin & Roe manages the assets as part of the client's portfolio. The current wealth management fee schedule is as follows:

Market Value of Investment Assets	Quarterly Fee %	Annual Fee %
First \$4 Million	0.2125%	0.85%
In excess of \$4 Million and up to \$8 Million	0.1500%	0.60%
In excess of \$8 Million	0.0875%	0.35%

Wealth management clients are subject to a minimum quarterly fee of \$4,250.00.

Investment management fees: Unlike the wealth management fees, investment management fees are based on the client's assets under Budros, Ruhlin & Roe's management. The current investment management fee schedule is as follows:

Market Value of Investment Assets	Quarterly Fee %	Annual Fee %
First \$1 Million	0.1875%	0.75%
In excess of \$1 Million and up to \$4 Million	0.1250%	0.50%
In excess of \$4 Million	0.0625%	0.25%

Investment management clients are subject to a minimum quarterly fee of \$1,250.00. In the event the calculated fee is less than the minimum quarterly fee and Budros, Ruhlin & Roe agrees to waive the minimum quarterly fee, the quarterly fee is the lesser of 1) .25% of the investment assets; or 2) the minimum quarterly fee.

**Retirement Plan Advisory Fees:** Retirement plan advisory fees are based on the client's assets under Budros, Ruhlin & Roe's management. The retirement plan advisory fee schedule is as follows:

Market Value of Investment Assets	Quarterly Fee %	Annual Fee %
First \$2 Million	0.1875%	0.75%
In excess of \$2 Million and up to \$4 Million	0.1250%	0.50%
In excess of \$4 Million and up to \$8 Million	0.0625%	0.25%
In excess of \$8 Million	0.0250%	0.10%

Retirement plan advisory clients are subject to a minimum quarterly fee of \$1,250.00. In the event the calculated fee is less than the minimum quarterly fee and Budros, Ruhlin & Roe agrees to waive the minimum quarterly fee, the quarterly fee is the lesser of 1) .25% of the investment assets; or 2) the minimum quarterly fee.

**Divorce Financial Planning and Consulting Fees:** Divorce Financial Planning and Consulting Fees are based on hourly rates and not on assets under management. Budros, Ruhlin & Roe may request a client pay (or replenish) a retainer fee from which the future services at the hourly rates will be deducted. Any unused portion of a retainer will be returned to the client within six (6) months or at the end of the engagement. The divorce financial planning and consulting hourly rates are as follows:

Officer of Budros, Ruhlin & Roe ..... \$250/hour  
Senior Wealth Manager and  
Certified Divorce Financial  
Analyst® ..... \$225/hour  
Senior Wealth Manager ..... \$200/hour  
Wealth Manager ..... \$175/hour  
Assistant/Associate Wealth Manager .. \$150/hour

If an employee of Budros, Ruhlin & Roe is asked to provide legal testimony or provide assistance at a legal proceeding, the hourly rate for each employee will be 120% of their stated hourly rate.

For all services: In certain instances, depending on the client's needs and the services to be performed by Budros, Ruhlin & Roe, a different fee schedule may be negotiated with a client. Additionally, Budros, Ruhlin & Roe has "grandfathered" some wealth management clients under older fee schedules. Typically, Budros, Ruhlin & Roe calculates wealth management, investment management and retirement advisory fees quarterly or annually based on the asset values at the beginning of the quarterly or annual period, invoices fees quarterly or semi-annually, and fees are payable in advance. However, for most Retirement Advisory fees, they are payable in arrears. Divorce financial planning fees are calculated and billed monthly. The foregoing fees (and retainers) are not required to be prepaid six (6) months or more in advance.

The Wealth Management Services Agreement, Investment Management Services Agreement, Retirement Plan Advisory Agreement, and Divorce Financial Planning Services Agreement between Budros, Ruhlin & Roe and the client will continue in effect until terminated by either party by written notice in accordance with the terms of such Agreement. Upon termination, Budros, Ruhlin & Roe shall refund the pro-rated portion of the unearned advisory fee based upon the number of days that services were provided during the billing period (annual, semi-annual or quarterly, as applicable) or until an agreed upon termination date. Most clients authorize Budros, Ruhlin & Roe to deduct fees automatically from their investment accounts, but clients may request that Budros, Ruhlin & Roe allow invoices to be paid by check.

As discussed below, unless the client directs otherwise or an individual client's circumstances require, Budros, Ruhlin & Roe shall generally recommend that Charles Schwab & Co., Inc. ("Schwab") serve as the broker-dealer and custodian for client investment assets. Broker-dealers such as Schwab charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition

to Budros, Ruhlin & Roe's fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual funds, separately managed accounts, alternative investments and exchange traded funds, charges imposed at the fund or manager level (e.g. management fees and other fund expenses).

## Performance Based Fees and Side-by-Side Management

Budros, Ruhlin & Roe does not charge any performance based fees. Some investment advisers experience conflicts of interest in connection with the side-by-side management of accounts with different fee structures. However, these conflicts of interest are not applicable to Budros, Ruhlin & Roe.

## Types of Clients

Budros, Ruhlin & Roe primarily provides wealth management services to high-net-worth individuals and their associated entities, trusts and estates. Budros, Ruhlin & Roe provides investment management services to high-net-worth individuals, trusts, estates, pension and profit sharing plans, foundations and endowments, business entities and other legal entities. Budros, Ruhlin & Roe provides retirement plan advisory services to 401 (k) plans, profit sharing plans, and pension plans as well as other qualified defined contribution or defined benefit plans. Divorce financial planning and consulting clients are typically high-net-worth individuals who would qualify as either a wealth management client or an investment management client.

Budros, Ruhlin & Roe's minimum account size for investment management and retirement plan advisory services is generally \$500,000. Budros, Ruhlin & Roe may, in its discretion, accept accounts smaller than \$500,000. There is no minimum account size for wealth management services or divorce financial planning services.



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

The firm's investment committee is responsible for setting strategy for all client portfolios. The committee consists of members of the firm's Board of Directors: James Budros, Peggy Ruhlin, Daniel Roe, John Schuman and Aaron Armstrong as well as the firm's Director of Research, Eric Shisler. The investment committee is led by the Chief Investment Officer and meets at least quarterly to discuss strategy, client portfolio performance, existing and prospective investments, and asset allocation for portfolios.

Budros, Ruhlin & Roe's investment process begins with the creation of an investment policy statement for each client portfolio. It is drafted with the input of the client and is based on the client's spending policy, portfolio time horizon and risk tolerance. The asset allocation strategy currently includes the following asset classes: domestic equities, international equities, global fixed income, alternative investments, commodities and real estate. Investment vehicles within each asset class can include individual securities, open-end mutual funds, exchange traded funds (ETFs), exchange traded notes (ETNs), separately managed accounts and limited partnerships.

Each asset class to be utilized in a portfolio will have a stated target allocation, but the strategy and investment policy statement will allow for some variation around the targeted allocation. This not only allows for day-to-day market volatility, but also for Budros, Ruhlin & Roe to express current views by overweighting and underweighting asset class allocations. Within each asset class, fundamental analysis is prepared and reviewed for all investment securities recommended for client portfolios. This analysis varies depending on the security in question.

For mutual funds, separately managed accounts, ETFs, ETNs, and limited partnerships, the analysis generally includes a review of:

- management team;
- historical risk and return characteristics;
- sector and security exposures;
- marketability and liquidity issues;
- fee structure; and
- any other factors considered relevant.

For stocks and bonds, where Budros, Ruhlin & Roe is making final purchase or sale decisions, the review may include:

- external research prepared by non-affiliated firms;
- the potential impact of that position on the return of the portfolio; and
- historical and expected performance and volatility.

Budros, Ruhlin & Roe attempts to educate clients on the risks associated with investments, and the need to have a relatively long time horizon when investing in "risk" assets. The firm also educates on the importance of constructing diversified portfolios that allow for investments in companies and governments across the globe.

Budros, Ruhlin & Roe may recommend strategies that engage in option writing, but that will only be implemented with the consent of the client. The use of option writing poses additional risks that are discussed with any client who is considering the use of these investment vehicles. In addition, on a discretionary basis, Budros, Ruhlin & Roe may engage other fund managers or managers who engage in option writing for which it will not seek client consent.

When engaging in option writing, Budros, Ruhlin & Roe is generally engaging in covered call writing. Covered call writing is the sale of in-, at-, or out-of-the money call option against a long security position held in a client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

Budros, Ruhlin & Roe has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Budros, Ruhlin & Roe will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, mutual fund manager tenure, style drift, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Budros, Ruhlin & Roe determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by Budros, Ruhlin & Roe will be profitable or equal any specific performance level(s).

**Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. 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 Budros, Ruhlin & Roe) will be profitable or equal any specific performance level(s). **Please Note: Investing in securities involves risk of loss that clients should be prepared to bear.**

**Separately Managed Account Programs.** Budros, Ruhlin & Roe may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated separately managed account programs in accordance with the client's designated investment objective(s). In such situations, the separately managed account manager shall have day-to-day responsibility for the active discretionary management of the allocated assets. Budros, Ruhlin & Roe shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which Budros, Ruhlin & Roe shall consider in recommending separately managed account programs include the client's designated investment objective(s) as applied to the separately managed account program: management style, performance, reputation, financial strength, reporting, pricing, and research. The fee charged by separately managed account programs are separate and in addition to the Budros, Ruhlin & Roe fees as set forth in Fees and Compensation section above.

**Private Investment Funds.** Budros, Ruhlin & Roe may provide investment advice regarding private investment funds. Budros, Ruhlin & Roe may recommend that its clients consider the purchase of private investment funds on a non-discretionary basis. Budros, Ruhlin & Roe's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. The private investment fund shall be included for purposes of calculating Budros, Ruhlin & Roe's investment advisory fee. **Budros, Ruhlin & Roe's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).**

**Please Note:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints, and lack of transparency, a

complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that they are qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

**Please Also Note: Valuation.** In the event that Budros, Ruhlin & Roe references private investment funds owned by the client on any supplemental account reports prepared by Budros, Ruhlin & Roe, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If the fund sponsor does not provide regular post-purchase valuations, then the valuation shall reflect the initial purchase price or the most recent valuation provided by the fund sponsor. If the valuation reflects the initial purchase price or the most recent valuation provided by the fund sponsor, then the current fund value (to the extent ascertainable) **could be significantly more or less than the fund's reflected valuation.** The client's advisory fee shall be based upon such reflected fund value(s).

**Mutual Funds.** Budros, Ruhlin & Roe may recommend that clients allocate investment assets to publicly-available mutual funds that the client could obtain without engaging Budros, Ruhlin & Roe as an investment adviser. However, if a client or prospective client determines to access such mutual funds themselves, then the client or prospective client will not receive Budros, Ruhlin & Roe's initial and ongoing investment advisory services. Budros, Ruhlin & Roe may be able to access institutional share classes not typically available to the public (or retail clients). Additionally, other mutual funds, such as those issued by Dimensional Fund Advisors ("DFA"), are generally only available through selected registered investment advisers. Budros, Ruhlin & Roe may allocate client investment assets to DFA mutual funds. Therefore, upon the termination of Budros, Ruhlin & Roe's services to a client, restrictions regarding transferability and/or additional purchases of, or reallocation among DFA funds will apply.



Retirement Rollovers-Potential for Conflict of Interest. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Budros, Ruhlin & Roe recommends that a client roll over their retirement plan assets into an account to be managed by Budros, Ruhlin & Roe, such a recommendation creates a conflict of interest if Budros, Ruhlin & Roe will earn an advisory fee on the rolled over assets. **No client is under any obligation to roll over retirement plan assets to an account managed by Budros, Ruhlin & Roe. Budros, Ruhlin & Roe's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

ERISA / IRC Fiduciary Acknowledgment. If the client is: (i) a participant or beneficiary of a Plan subject to Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (ii) the beneficial owner of an IRA acting on behalf of the IRA; or (iii) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then Budros, Ruhlin & Roe represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by Budros, Ruhlin & Roe or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

## Disciplinary Information

Budros, Ruhlin & Roe and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

## Other Financial Industry Activities and Affiliations

Peggy Ruhlin serves on the Board of Directors of the Certified Financial Planner Board of Standards, Inc. ("CFP Board"), the non-profit certification body that owns the CFP® and CERTIFIED FINANCIAL PLANNER™ certification marks in the U.S. The mission of CFP Board is to benefit the public by granting the CFP® certification and upholding it as the recognized standard of excellence for competent and ethical personal financial planning. The Board of Directors, in furthering CFP Board's mission, acts on behalf of the public, CFP® professionals and other stakeholders. The Board meets several times per year in person and telephonically. CFP Board members serve for one 4-year term; Peggy Ruhlin's term ends on December 31, 2018. CFP Board members are not compensated by the CFP Board for their service, but CFP Board does pay for or reimburse CFP Board members' travel, lodging, meals and other incidental expenses incurred in attending CFP Board meetings.

Daniel Roe serves on the PIMCO RIA Advisory Board ("The Board"). Budros, Ruhlin & Roe does currently recommend mutual fund and private investments managed by, and distributed by, PIMCO. The Board consists of approximately 18 representatives of independent investment advisory firms who have been invited by PIMCO management to participate in meetings and discussions of how PIMCO may better serve their RIA clients. The board serves as a forum for new product ideas as well as a sounding board for PIMCO to learn how to better support the registered investment advisor community. Board members are asked to serve for one 3-year term, but the duration can be extended. Daniel Roe's term ended in the Fall of 2017, but has been temporarily extended. Board members enter nondisclosure agreements with PIMCO under which they agree not to disclose confidential information shared with them. Board members are not compensated by PIMCO for their service, but PIMCO does pay for or reimburse Board members' travel, lodging, meals and other incidental expenses incurred in attending Board meetings, expected to be held twice a year. Members receive additional access to key PIMCO investment personnel which may be beneficial in performing due diligence on investment strategies.

Otherwise, Budros, Ruhlin & Roe and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

Budros, Ruhlin & Roe has adopted a written code of ethics that is applicable to all employees. Among other things, the code requires Budros, Ruhlin & Roe and its employees to act in clients' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report on many types of personal securities transactions. Budros, Ruhlin & Roe's restrictions on personal securities trading apply to employees, as well as employees' family members living in the same household. A copy of Budros, Ruhlin & Roe's code of ethics is available upon request.

Budros, Ruhlin & Roe maintains a watch list of securities for which employees must obtain pre-clearance from the Chief Compliance Officer prior to executing personal security transactions in those securities. The Chief Compliance Officer does not grant pre-clearance where it would appear that an employee's trading could disadvantage Budros, Ruhlin & Roe's clients or have the appearance of insider trading.

## Brokerage Practices

Budros, Ruhlin & Roe generally recommends that clients arrange for their assets to be held with Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC. Although Budros, Ruhlin & Roe may recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab by entering into an account agreement directly with them. Budros, Ruhlin & Roe does not open such accounts for its clients, although it will assist in the preparation of the paperwork. Budros, Ruhlin & Roe is independently owned and operated and not affiliated with Schwab.

For Budros, Ruhlin & Roe clients' accounts maintained in Schwab's custody, Schwab will hold client assets in a brokerage account and buy and sell securities when Budros, Ruhlin & Roe (or the client) instructs them to do so. Schwab generally does not charge separately for custody, but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Budros, Ruhlin & Roe has managed client assets held at Schwab for many years and has found Schwab to offer good services at competitive prices. Subject to

following provisions, a client would have a similar relationship and fee arrangement with a broker-dealer other than Schwab.

### Research and Additional Benefits

Schwab also makes available to Budros, Ruhlin & Roe other products and services that benefit Budros, Ruhlin & Roe but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Budros, Ruhlin & Roe's accounts, including accounts not maintained at Schwab.

Currently, Budros, Ruhlin & Roe's receipt of products and services from Schwab and other brokers is not tied to the level of commissions generated for such brokers, or the amount of client assets that are custodied at such brokers. If Budros, Ruhlin & Roe were to enter into such an arrangement with any broker, it will be fully disclosed to clients. Furthermore, Budros, Ruhlin & Roe does not believe that clients whose accounts are held by Schwab bear any additional costs in connection with Budros, Ruhlin & Roe's receipt of the products and services.

Schwab's products and services that assist Budros, Ruhlin & Roe in managing and administering clients' accounts include software and other technology that: provide access to client account data (such as trade confirmations and account statements); facilitate trade execution and allocate aggregate trade orders for multiple client accounts; provide research, pricing information and other market data; facilitate payment of Budros, Ruhlin & Roe's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting.

Schwab also makes available to Budros, Ruhlin & Roe other services intended to help Budros, Ruhlin & Roe manage and further develop its business enterprise. These services may include consulting, education events, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to Budros, Ruhlin & Roe by independent third-parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Budros, Ruhlin & Roe.

While as a fiduciary, Budros, Ruhlin & Roe endeavors to act in its clients' best interests, Budros, Ruhlin & Roe's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Budros, Ruhlin & Roe of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest. Also, some of the products and services listed above benefit clients whose accounts are held by other broker-dealer/custodians, which could create a conflict of interest between the clients at Schwab, who are indirectly paying for the products and services, and the clients at other broker-dealer/custodians who may benefit from the products and services.

#### The Selection of Trading Counterparties

Budros, Ruhlin & Roe can typically trade accounts held at Schwab using other broker/dealers. However, Schwab may charge clients trade-away fees that Budros, Ruhlin & Roe believes outweigh any benefits from trading stocks, mutual funds, or ETFs with other brokers. The availability and pricing of bonds varies more widely, so prior to placing a bond trade Budros, Ruhlin & Roe may solicit bids from several dealers and then execute the trade with the dealer that offers sufficient liquidity and the most favorable pricing.

For clients who elect to have their accounts held by firms other than Schwab, Budros, Ruhlin & Roe's approach is generally to trade stocks, mutual funds, and ETFs with the chosen broker-dealer/custodian, and to trade bonds with the dealer that offers sufficient liquidity and the most favorable pricing.

Some clients' accounts are relatively small, in which case the broker-dealer/custodian may not allow Budros, Ruhlin & Roe to trade through other firms. Other clients may specifically request that their accounts only be traded through a particular broker/dealer. Budros, Ruhlin & Roe trades these accounts through the firm chosen by the client, which limits Budros, Ruhlin & Roe's ability to seek best execution. Trading restrictions may result in materially higher trading costs and reduced returns.

#### Best Execution Reviews

Budros, Ruhlin & Roe has a fiduciary duty to seek best execution for client securities transactions. Best execution takes into account many factors in the execution of transactions other than simply cost. Budros, Ruhlin & Roe's investment committee evaluates the pricing and services offered by Schwab and other trading counterparties with those offered by other reputable firms. Budros, Ruhlin & Roe has sought to make a good-faith determination that Schwab and other chosen trading counterparties provide clients with good services at competitive prices. However, clients should be aware that this determination could have been influenced by Budros, Ruhlin & Roe's receipt of products and services from Schwab. Historically Budros, Ruhlin & Roe has concluded that Schwab is as good as, or better than, the other firms that have been considered. Budros, Ruhlin & Roe would notify its clients if it were to determine that another firm offered better pricing and services than Schwab. If a client directs Budros, Ruhlin & Roe to utilize a different broker, such direction may negatively impact the ability to obtain best execution for such client's securities transactions, as Budros, Ruhlin & Roe's ability to negotiate price, commissions and execution may be limited or eliminated.

#### Aggregated Trades

Budros, Ruhlin & Roe may aggregate securities sale and purchase orders for a client with similar orders being made contemporaneously for other accounts it manages. In such event the average price of all securities purchased or sold in such transactions may be determined and a client may be charged or credited, as the case may be, the average transaction price. As a result, however, the price may be less favorable to the client than it would be if similar transactions were not being executed concurrently for other accounts. Budros, Ruhlin & Roe may also cause a client to buy or sell securities directly from or to another client, if such cross-transaction is in the interest of both such clients.

### Client Referrals

Budros, Ruhlin & Roe does not currently participate in any client referral programs with Schwab or any other broker-dealer/custodian.

### **Review of Accounts**

Client portfolios under Budros, Ruhlin & Roe's wealth management services are monitored on an ongoing basis by the Chief Investment Officer (or another member of the investment team, identified on Budros, Ruhlin & Roe's Form ADV Part 2B) and/or a Senior Wealth Manager. Client portfolios under Budros, Ruhlin & Roe's investment management and retirement plan advisory services are monitored on an ongoing basis by the Chief Investment Officer (or another member of the investment team) and/or the Senior Portfolio Advisor. Each review is designed to determine if the client portfolio is in compliance with the investment policy statement, and that the asset allocation and investment selections for each asset class are as specified by the investment committee. Each client portfolio is reviewed on at least a quarterly basis. Reviews of client accounts will also be triggered if a client deposits or withdraws meaningful amounts to or from the portfolio, changes his or her investment objectives, or if the market, political, or economic environment changes materially.

Clients receive account statements directly from their chosen broker-dealer/custodian on at least a quarterly basis. Budros, Ruhlin & Roe provides quarterly reports to supplement these custodial statements and will provide reports at other times upon a client's request. Clients should carefully review the broker-dealer/custodian's statements and should compare these statements to the reports provided by Budros, Ruhlin & Roe.

Reports from Budros, Ruhlin & Roe, as well as other documents, are delivered to clients electronically through a secure client portal website suite called Client Online Relationship Experience ("CORE"). Each client has their own portal that is accessed by the client pursuant to a client username and a client selected password. All reports and document files during transport (either upload or download) across the internet and while stored on the site are encrypted for client security purposes. In addition, clients may upload document files to their CORE portal for delivery to Budros, Ruhlin & Roe or to store electronically. Clients may elect not to have a CORE portal in

which case reports and documentation will be delivered to clients via encrypted email, fax or regular mail.

Budros, Ruhlin & Roe's review statements may be prepared, in conjunction with the services provided by ByAllAccounts, Inc. and eMoney Advisor. Therefore, client review statements may incorporate client's investment assets that are not part of the assets managed by Budros, Ruhlin & Roe (the "Excluded Assets"). Should the client receive such a comprehensive statement, the client acknowledges and understands that with respect to the Excluded Assets, Budros, Ruhlin & Roe's service is limited to reporting services only and does not include investment management, review, or monitoring services, nor investment recommendations or advice. As such, the client, and not Budros, Ruhlin & Roe, shall be exclusively responsible for the investment performance of the Excluded Assets. In the event the client desires that Budros, Ruhlin & Roe provide investment management services with respect to the Excluded Assets, the client may engage Budros, Ruhlin & Roe to do so.

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

If a client is introduced to Budros, Ruhlin & Roe by either an unaffiliated or an affiliated solicitor, Budros, Ruhlin & Roe may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Budros, Ruhlin & Roe's wealth management, investment management or retirement plan advisory fee, and shall not result in any additional charge to the client. If the client is introduced to Budros, Ruhlin & Roe by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of their solicitor relationship, and shall provide each prospective client with a copy of Budros, Ruhlin & Roe's written ADV brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between Budros, Ruhlin & Roe and the solicitor, including the compensation to be received by the solicitor from Budros, Ruhlin & Roe.



As described above, Budros, Ruhlin & Roe does not currently participate in any client referral programs with Schwab or any other broker-dealer/custodian. However, Budros, Ruhlin & Roe has participated in such programs in the past and is continuing to pay a portion of its advisory fees to Schwab for certain legacy accounts in connection with Schwab's referral of those clients to Budros, Ruhlin & Roe.

Other than the previously described products and services that Budros, Ruhlin & Roe receives from Schwab, Budros, Ruhlin & Roe does not receive any other economic benefits (i.e. 12b-1 fees or commissions) from non-clients in connection with the provision of investment advice to clients.

## Custody

Under government regulation, Budros, Ruhlin & Roe is deemed to have custody of clients' accounts if a client authorizes it to instruct the broker-dealer/custodian (e.g. Schwab) to deduct Budros, Ruhlin & Roe's fees from a client's account. However, all clients' accounts are held in actual custody by unaffiliated broker-dealers/custodians or banks. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian. Budros, Ruhlin & Roe may also provide a written periodic report summarizing account activity and performance. Clients should carefully review these statements, and clients are urged to compare these statements to any account information provided by Budros, Ruhlin & Roe.

Budros, Ruhlin & Roe engages in other practices (e.g. online access to client accounts) on behalf of its clients that may deem it to have "custody" over client assets and require reporting on Form ADV, Part 1. These client accounts are subject to a surprise examination by an independent accountant.

In addition, certain clients have established asset transfer authorizations which permit the qualified custodian to rely upon instructions from Budros, Ruhlin & Roe to transfer client funds or securities to third parties. These arrangements are also disclosed at ADV Part 1, Item 9, but in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination.

## Investment Discretion

Budros, Ruhlin & Roe has investment discretion over nearly all clients' accounts. Clients grant Budros, Ruhlin & Roe trading discretion through the execution of a limited power of attorney with the account broker-dealer/custodian.

Clients can place reasonable restrictions on Budros, Ruhlin & Roe's investment discretion by noting such restrictions on the investment policy statement. For example, some clients have asked Budros, Ruhlin & Roe not to sell certain securities where the client has a particularly low tax basis or wishes to maintain an investment position.

## Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisers Act, Budros, Ruhlin & Roe has adopted and implemented written policies and procedures governing the voting of client securities. All proxies that Budros, Ruhlin & Roe receives will be treated in accordance with these policies and procedures.

Budros, Ruhlin & Roe considers the reputation, experience, and competence of a company's management and board of directors when it evaluates a prospective investment. In general, Budros, Ruhlin & Roe votes in favor of routine corporate matters, such as the re-approval of an auditor or a change of a legal entity's name. Budros, Ruhlin & Roe also generally votes in favor of compensation practices and other measures that are in line with industry norms, that allow companies to attract and retain key employees and directors, that reward long-term performance, and that align the interests of management and shareholders. Budros, Ruhlin & Roe supplements its evaluation of client proxies with guidance from an independent corporate governance consulting firm.

Budros, Ruhlin & Roe has not identified any material conflicts of interest in connection with past proxy votes. Such a conflict could arise if, for example, a client was a senior executive with a publicly traded company and other clients held securities issued by that company. Absent specific client instructions, if Budros, Ruhlin & Roe identifies a material conflict of interest it will follow the voting recommendation of the independent corporate governance consulting firm that it has retained.

A copy of Budros, Ruhlin & Roe's proxy voting policies and procedures, as well as specific information about how Budros, Ruhlin & Roe has voted in the past, is available upon written request. Upon written request, clients can also take responsibility for voting their own proxies, or can give Budros, Ruhlin & Roe instructions about how to vote their respective shares.

### **Financial Information**

Budros, Ruhlin & Roe does not solicit fees of more than \$1,200 per client six months or more in advance, has never filed for bankruptcy, and is not aware of any financial condition that is expected to affect its ability to manage client accounts.