

# Corbenic Partners, LLC

SEC File Number: 801 – 72703

## **ADV Part 2A, Firm Brochure**

**Dated: March 30, 2018**

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This Brochure provides information about the qualifications and business practices of Corbenic Partners, LLC. If you have any questions about the contents of this Brochure, please contact us at (610) 814-2474 or [bgriswold@corbenicpartners.com](mailto:bgriswold@corbenicpartners.com). 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 Corbenic Partners, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to Corbenic Partners, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

## **Item 2           Material Changes**

The following material changes have been made to Corbenic’s Disclosure Brochure since our last Annual Amendment filing made on February 13, 2018:

- Corbenic has undergone a change in control. As of March 30, 2018, two previous Members of Firm transitioned their ownership interest to the remaining members of the firm.

## **Item 3           Table of Contents**

Item 1	Cover Page.....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents.....	2
Item 4	Advisory Business .....	3
Item 5	Fees and Compensation .....	7
Item 6	Performance-Based Fees and Side-by-Side Management .....	9
Item 7	Types of Clients.....	9
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Item 9	Disciplinary Information .....	10
Item 10	Other Financial Industry Activities and Affiliations .....	10
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	12
Item 12	Brokerage Practices .....	13
Item 13	Review of Accounts.....	15
Item 14	Client Referrals and Other Compensation .....	15
Item 15	Custody.....	16
Item 16	Investment Discretion.....	16
Item 17	Voting Client Securities.....	17
Item 18	Financial Information .....	17

#### Item 4            Advisory Business

- A. Corbenic Partners, LLC (“Corbenic”) is a limited liability company formed on July 9, 1998 in the Commonwealth of Pennsylvania. Corbenic is owned by Brad Griswold, Robert Vitale, Anthony Deutsch and Anthony Bragano. Mr. Griswold is Corbenic’s Managing Member.
- B. As discussed below, Corbenic offers to its clients (individuals, business entities, trusts, estates and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

#### INVESTMENT ADVISORY SERVICES

The client can determine to engage Corbenic to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis. Corbenic's annual investment advisory fee shall include investment advisory services, and, to the **extent specifically requested** by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of Corbenic), Corbenic may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

#### FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, Corbenic *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Prior to engaging Corbenic to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Corbenic setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Corbenic commencing services. If requested by the client, Corbenic may recommend the services of other professionals for implementation purposes, including Corbenic’s representatives in their individual capacities as registered representatives of a broker dealer, licensed insurance agents and/or certified public accountants. (*See* disclosure at Item 10.C 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 Corbenic. **Please Note**: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note**: It remains the client’s responsibility to promptly notify Corbenic if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Corbenic’s previous recommendations and/or services.

## MISCELLANEOUS

**Business Relationship – Dynasty Financial Partners, LLC.** Corbenic maintains a business relationship with Dynasty Financial Partners, LLC (“Dynasty”). Please see Item 10 below for more information.

**Non-Investment Consulting/Implementation Services.** To the extent requested by the client, Corbenic *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither Corbenic, nor any of its representatives, serves as an attorney or accountant and no portion of Corbenic’s services should be construed as same. To the extent requested by a client, Corbenic may recommend the services of other professionals and other firms for certain non-investment implementation purposes (i.e. attorneys, law firms, accounting firms, accountants, insurance agents or agencies, etc.), including representatives or affiliates of Corbenic (See Item 10 for a complete description of our affiliates). The client is under no obligation to engage the services of any such recommended professional or affiliate. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Corbenic. **Please Note:** If the client engages any such recommended professional or affiliate, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional or affiliate. **Please Also Note:** It remains the client’s responsibility to promptly notify Corbenic if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating and revising our previous recommendations or services.

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

**Use of Mutual and Exchange Traded Funds:** Most mutual funds and exchange traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that may be utilized by Corbenic independent of engaging Corbenic as an investment advisor. However, if a prospective client determines to do so, he/she will not receive Corbenic’s initial and ongoing investment advisory services. **Please Note:** In addition to Corbenic’s investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

**Portfolio Activity.** Corbenic has a fiduciary duty to provide services consistent with the client’s best interest. As part of its investment advisory services, Corbenic 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, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client’s investment objective. Based upon these factors, there may be extended periods of time when Corbenic 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 Corbenic will be profitable or equal any specific performance level(s).

**Trade Error Policy.** Corbenic shall reimburse accounts for losses resulting from Corbenic's trade errors, but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within Corbenic's custodian firm account and Corbenic's custodian donates the gains to charity.

**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 Corbenic recommends that a client roll over their retirement plan assets into an account to be managed by Corbenic, such a recommendation creates a conflict of interest if Corbenic will earn an advisory fee on the rolled over assets. To the extent that Corbenic recommends that clients roll over assets from their retirement plan to an IRA managed by Corbenic, then Corbenic represents that it and its investment adviser representatives are fiduciaries under the Employment Retirement Income Security Act of 1974, or the Internal Revenue Code, or both. **No client is under any obligation to roll over retirement plan assets to an account managed by Corbenic. Corbenic's Chief Compliance Officer, Brad Griswold, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such rollover recommendation.**

**ERISA / IRC Fiduciary Acknowledgment.** If the client is: (i) a retirement plan ("Plan") organized under ERISA; (ii) a participant or beneficiary of a Plan subject to Title I of 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; (iii) the beneficial owner of an IRA acting on behalf of the IRA; or (iv) 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 the Registrant 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 the Registrant or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

**ByAllAccounts, eMoney and Addepar.** In conjunction with the services provided by ByAllAccounts, eMoney and/or Addepar, Corbenic may also provide access to account aggregation services, which can incorporate all of the client's investment assets," including those investment assets that are not part of the assets that we manage (the "Excluded Assets"). **The client and/or their other advisors that maintain trading authority, and not us, shall be exclusively responsible for the investment performance of the Excluded Assets.** Unless otherwise specifically agreed to, in writing, Corbenic's service relative to the Excluded Assets is limited to reporting only. Corbenic does not provide investment management, monitoring or implementation services for the Excluded Assets. If Corbenic is asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and Corbenic shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. The client may engage Corbenic to provide investment management services for

the Excluded Assets pursuant to the terms and conditions of the *Investment Advisory Agreement* between Corbenic and the client.

In addition, eMoney also provides access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice or recommendations provided by Corbenic.

**Independent Managers.** For those clients that require a specialized level of investment management services, Corbenic may also recommend that certain clients authorize us to engage certain independent investment managers (the “*Independent Managers*”), based upon the stated investment objectives of the client. Corbenic shall continue to monitor and review the client’s account performance, investment objectives, and asset allocation, for which Corbenic shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Managers*. Factors which Corbenic shall consider in recommending *Independent Managers* include the client’s stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. Corbenic generally has the authority to determine the broker-dealer/custodian to be used by the designated *Independent Managers* relative to those accounts for which the *Independent Managers* provide discretionary investment management services for Corbenic’s clients. The investment management fees charged by the designated *Independent Managers*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client’s assets, are exclusive of, and in addition to, Corbenic’s ongoing investment advisory fee. Fees charged by Corbenic pursuant to the use of *Independent Managers* may be either in advance or arrears depending upon the specific *Independent Manager* relationship, and will be disclosed to the client at the point of entering into the relationship. Once a client has authorized Corbenic to engage an Independent Manager, Corbenic is authorized to add additional client assets to the Independent Manager. This may result in a client paying additional fees. A client may direct Corbenic, in writing, not to engage an Independent Manager or not to allocate additional assets to any Independent Manager.

**Client Obligations.** In performing its services, Corbenic 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 Corbenic if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Corbenic’s previous recommendations and/or services.

**Disclosure Statement.** A copy of Corbenic’s written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement* or *Financial Planning and Consulting Agreement*.

- C. Corbenic shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client’s investment objective(s). Thereafter, Corbenic shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on Corbenic’s services.
- D. Corbenic does not participate in a wrap fee program.

- E. As of December 31, 2017, Corbenic had \$486,751,682 in assets under management on a discretionary basis and \$1,337,661 in assets under management on a non-discretionary basis.

## Item 5 Fees and Compensation

A.

### INVESTMENT ADVISORY SERVICES

If a client determines to engage Corbenic to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis, Corbenic's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under Corbenic's management as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
Up to \$5,000,000	1.00%*
Next \$5,000,000	0.75%
Above \$10,000,000	Negotiable

\*Accounts are subject to a minimum fee of \$7,500. Therefore, if a client maintains less than \$750,000 of assets under Corbenic's management, and is subject to the \$7,500 annual minimum fee, the client will pay a higher percentage annual fee than the 1.00% referenced in the above fee schedule.

### FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, Corbenic *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Corbenic's planning and consulting fees are negotiable, but generally range from \$2,000 to \$10,000 on a fixed fee basis, and from \$250 to \$550 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

- B. Clients may elect to have Corbenic's advisory fees deducted from their custodial account. Both Corbenic's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of Corbenic's investment advisory fee and to directly remit that management fee to Corbenic in compliance with regulatory procedures. In the limited event that Corbenic bills the client directly, payment is due upon receipt of Corbenic's invoice. Corbenic shall deduct fees and/or bill clients monthly in advance, based upon the market value of the assets on the last business day of the previous month.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Corbenic shall generally recommend that Charles Schwab & Co. Inc. ("*Schwab*") serve as the broker-dealer/custodian for client investment management 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 Corbenic's investment management fee, brokerage

commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). Clients engaging Independent Managers will incur additional investment advisory fees.

- D. Corbenic's annual investment advisory fee shall be prorated and paid monthly, in advance, based upon the market value of the assets on the last business day of the previous month.

The *Investment Advisory Agreement* between Corbenic and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, Corbenic shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing month.

- E. **Securities Commission Transactions.** In the event that the client desires, the client can engage certain of Corbenic's representatives, in their individual capacities, as registered representatives of Purshe Kaplan Sterling Investments ("PKS"), a FINRA member broker-dealer, to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through PKS, PKS will charge brokerage commissions to effect securities transactions, a portion of which commissions PKS shall pay to Corbenic's representatives, as applicable. The brokerage commissions charged by PKS may be higher or lower than those charged by other broker-dealers. In addition, PKS, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.

1. **Conflict of Interest:** The recommendation that a client purchase a commission product from PKS 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. No client is under any obligation to purchase any commission products from Corbenic's representatives. **Corbenic's Chief Compliance Officer, Brad Griswold, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
2. **Please Note:** Clients may purchase investment products recommended by Corbenic through other, non-affiliated broker dealers or agents.
3. Corbenic does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products Corbenic recommends to its clients.
4. When Corbenic's representatives sell an investment product on a commission basis, Corbenic does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, Corbenic's representatives do not also receive commission compensation for such advisory services. **However**, a client may engage Corbenic to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from Corbenic's representatives on a separate commission basis.



## **Item 6            Performance-Based Fees and Side-by-Side Management**

Neither Corbenic nor any supervised person of Corbenic accepts performance-based fees.

## **Item 7            Types of Clients**

Corbenic's clients shall generally include individuals, business entities, pension and profit sharing plans, trusts, estates and charitable organizations.

Corbenic, in its sole discretion, may charge a lesser investment advisory fee or modify its annual 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, competitive pricing, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **Please Also Note:** If you maintain less than \$750,000 of assets under Corbenic's management, and are subject to the \$7,500 minimum fee, you will pay a higher percentage quarterly fee than the 1% referenced in the fee schedule at Item 5 above.

## **Item 8            Methods of Analysis, Investment Strategies and Risk of Loss**

A. Corbenic may utilize the following methods of security analysis:

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

Corbenic may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

**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 Corbenic) will be profitable or equal any specific performance level(s).

B. Corbenic's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis Corbenic must have access to current/new market information. Corbenic has no control over the dissemination rate of market information; therefore, unbeknownst

to Corbenic, certain analyses may be compiled with outdated market information, limiting the value of Corbenic's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Corbenic's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, Corbenic may also implement and/or recommend covered call writing. Options transactions pose a higher level of inherent risk than the fundamental investment strategies discussed above.

**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.

- C. Currently, Corbenic primarily allocates client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or exchange traded funds ("ETFs"), on a discretionary and/or non-discretionary basis in accordance with the client's designated investment objective(s).

## **Item 9            Disciplinary Information**

Corbenic has not been the subject of any disciplinary actions.

## **Item 10          Other Financial Industry Activities and Affiliations**

- A. **Registered Representative of PKS.** As disclosed above in Item 5.E, certain of Corbenic's representatives are also registered representatives of PKS, a FINRA member broker-dealer
- B. Neither Corbenic, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

- C. **Broker Dealer.** As disclosed above in Item 5.E, certain of Corbenic's representatives are registered representatives of *PKS*, a FINRA member broker-dealer. Clients can choose to engage Corbenic's representatives, in their individual capacities, to effect securities brokerage transactions on a commission basis.

**Licensed Insurance Agents.** Corbenic's representatives, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can engage Corbenic's representatives to purchase insurance products on a commission basis.

- **Conflict of Interest:** The recommendation by Corbenic's representatives that a client purchase a securities and/or insurance commission product 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. No client is under any obligation to purchase any commission products from Corbenic's representatives. Clients are reminded that they may purchase securities and/or insurance commission products recommended by Corbenic through other non-affiliated registered representatives of a broker/dealer and or licensed insurance agents. **Corbenic's Chief Compliance Officer, Brad Griswold, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Concannon Miller & Co.** Certain members of Corbenic are also owners of Concannon Miller & Co. P.C. ("*Concannon Miller*"), a public accounting firm. To the extent that a client specifically requests accounting advice and/or tax preparation services, Corbenic may recommend the services of *Concannon Miller*. Any such accounting advice and/or tax preparation services shall be rendered independent of Corbenic pursuant to a separate agreement between the client and the CPA and/or *Concannon Miller*. Corbenic shall not receive any of the fees charged by the CPA and/or *Concannon Miller*, referral or otherwise.

**Conflict of Interest:** The recommendation by Corbenic's representatives that a client engage the services of *Concannon Miller*, presents a conflict of interest. No client is under any obligation to engage *Concannon Miller*. **Corbenic's Chief Compliance Officer, Brad Griswold, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

**Relationship with Dynasty.** Corbenic maintains a business relationship with Dynasty. Dynasty offers operational and back office core service support to independent registered investment advisors either directly or through its network of third-party service providers. Through the Dynasty network of service providers, Corbenic has access to trading technology, transition support, reporting, custody, brokerage, investments, compliance, marketing support and other related consulting services.

While Corbenic believes that this open architecture structure for both operational and investment services best serves the interests of its advisory Clients, this relationship presents certain conflicts of interest due to the fact that Dynasty charges a tiered asset based fee that lowers the fee percentage as assets increase. Corbenic receives the benefit of asset-based breakpoints with Dynasty. The fee for these services is included in the fees paid by the Client.

Dynasty has assisted Corbenic in negotiating or facilitating payments from *Schwab* in the form of credits to be applied toward qualifying third party service provider expenses incurred in relation to transition costs or the provision of core services. This may include, but is not limited to, support of Corbenic's research, marketing, technology or software platforms. In some instances, Dynasty may serve in an administrative capacity to support the disbursement of these funds furnished by the Custodian.

- D. Corbenic does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

## **Item 11            Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

- A. Corbenic maintains an investment policy relative to personal securities transactions. This investment policy is part of Corbenic's overall Code of Ethics, which serves to establish a standard of business conduct for all of Corbenic's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Corbenic also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Corbenic or any person associated with Corbenic.

- B. Neither Corbenic nor any related person of Corbenic recommends, buys, or sells for client accounts, securities in which Corbenic or any related person of Corbenic has a material financial interest.
- C. Corbenic and/or representatives of Corbenic *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Corbenic and/or representatives of Corbenic are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Corbenic did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Corbenic's clients) and other potentially abusive practices.

Corbenic has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Corbenic's "Access Persons". Corbenic's securities transaction policy requires that an Access Person of Corbenic must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Corbenic selects; provided, however that at any time that Corbenic has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Corbenic and/or representatives of Corbenic *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation

where Corbenic and/or representatives of Corbenic are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11.C, Corbenic has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Corbenic's Access Persons.

## **Item 12      Brokerage Practices**

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

Factors that Corbenic considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with Corbenic, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Corbenic's clients shall comply with Corbenic'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 Corbenic 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 Corbenic 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, Corbenic's investment management fee. Corbenic'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.

### **1. 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, Corbenic received from *Schwab* (or another broker-dealer/custodian, investment platform and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Corbenic to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Corbenic 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 Corbenic 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 Corbenic in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Corbenic to manage and further develop its business enterprise.

Corbenic'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 Corbenic to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**Corbenic's Chief Compliance Officer, Brad Griswold, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest.**

**Technology & Marketing Reimbursement:** Specifically, *Schwab* has agreed to reimburse Corbenic for certain technology expenses in furtherance of the transition of custodian relationships to *Schwab*, so as to permit Corbenic to upgrade existing technology to enhance its client offering and its internal systems. Corbenic estimates that upon completion of the technology & marketing enhancements, such reimbursement will approximate \$25,000 over the next year. *Schwab's* has agreed to reimburse these expenses with the expectation that Corbenic will have an additional \$50 million in client assets custodied with *Schwab*.

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

Corbenic'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 Corbenic to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

2. Corbenic does not receive referrals from broker-dealers.
3. Corbenic does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Corbenic 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 Corbenic. 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 Corbenic 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 Corbenic. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**Corbenic's Chief Compliance Officer, Brad Griswold, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that Corbenic provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Corbenic decides to purchase or sell the same securities for several clients at approximately the same time. Corbenic may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Corbenic's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Corbenic shall not receive any additional compensation or remuneration as a result of such aggregation.

### **Item 13      Review of Accounts**

- A. For those clients to whom Corbenic provides investment supervisory services, account reviews are conducted on an ongoing basis by Corbenic's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Corbenic of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Corbenic on an annual basis.
- B. Corbenic may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Corbenic may also provide a written periodic report summarizing account activity and performance.

### **Item 14      Client Referrals and Other Compensation**

- A. As referenced in Item 12.A.1 above, Corbenic received an economic benefit from *Schwab*. Corbenic, without cost (and/or at a discount), received support services and/or products from *Schwab*.

Corbenic'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 Corbenic to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**Corbenic's Chief Compliance Officer, Brad Griswold, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest.**

- B. If a client is introduced to Corbenic by either an unaffiliated or an affiliated solicitor, Corbenic *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 Corbenic's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Corbenic by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of Corbenic's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between Corbenic and the solicitor, including the compensation to be received by the solicitor from Corbenic.

## **Item 15      Custody**

Corbenic shall have the ability to have its advisory fee for each client debited by the custodian on a monthly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Corbenic may also provide a written periodic report summarizing account activity and performance. **Please Note:** To the extent that Corbenic provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Corbenic with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Corbenic's advisory fee calculation.

**Please Also Note: Custody Situations:** Corbenic engages in other practices that require disclosure at the Custody section of Part 1 of Form ADV, which practices are subject to an annual surprise examination by an independent accountant in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940. **Corbenic's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

## **Item 16      Investment Discretion**

The client can determine to engage Corbenic to provide investment advisory services on a discretionary basis. Prior to Corbenic assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming Corbenic as the client's attorney and agent in fact, granting Corbenic full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.



Clients who engage Corbenic on a discretionary basis may, at anytime, impose restrictions, **in writing**, on Corbenic's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Corbenic's use of margin, or add additional assets to an Independent Manager for which additional fees are incurred, etc.).

#### **Item 17      Voting Client Securities**

- A. Corbenic does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. For clients engaging Independent Managers, clients are encouraged to request the proxy voting policy of such Independent Manager, who may or may not vote proxies.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Corbenic to discuss any questions they may have with a particular solicitation.

#### **Item 18      Financial Information**

- A. Corbenic does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Corbenic is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Corbenic has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: Corbenic's Chief Compliance Officer, Brad Griswold, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**