

# Front Row Advisors LLC

d/b/a GenCap Portfolio Management

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Front Row Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (415) 797-6003 or by email at: [mvogel@gencappm.com](mailto:mvogel@gencappm.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 Front Row Advisors LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Front Row Advisors LLC's CRD number is: 269910.*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of Front Row Advisors LLC on 3/8/2017 are described below. Material changes relate to Front Row Advisors LLC's policies, practices or conflicts of interests.

- The firm now acts as a solicitor for JP Morgan.
- The firm has updated its custody disclosure regarding SLOA.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Front Row Advisors LLC d/b/a GenCap Portfolio Management (hereinafter “FRA LLC”) is a Limited Liability Company organized in the State of California.

The firm was formed in July 2015, and the principal owner is GenCap Partners LLC.

### B. Types of Advisory Services

#### *Portfolio Management Services*

FRA LLC offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. FRA LLC creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Personal investment policy

- Asset allocation
- Risk tolerance
- Asset selection
- Regular portfolio monitoring

FRA LLC evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. FRA LLC will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

FRA LLC seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of FRA LLC's economic, investment or other financial interests. To meet its fiduciary obligations, FRA LLC attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, FRA LLC's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is FRA LLC's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

### ***Subadviser Services***

FRA LLC may also act as a subadviser to advisers unaffiliated with FRA LLC. These third-party advisers would outsource portfolio management services to FRA LLC. This relationship will be memorialized in each contract between FRA LLC and the third-party adviser.

### ***Financial Planning***

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

### **Services Limited to Specific Types of Investments**

FRA LLC generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, ETFs, treasury inflation protected/inflation linked bonds, commodities and non-U.S. securities, although FRA LLC primarily recommends equities to a majority of its clients. FRA LLC may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

FRA LLC will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by FRA LLC on behalf of the client. FRA LLC may use "model portfolios" together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent FRA LLC from properly servicing the client account, or if the restrictions would require FRA LLC to deviate from its standard suite of services, FRA LLC reserves the right to end the relationship.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. FRA LLC does not participate in any wrap fee programs.

### **E. Assets Under Management**

FRA LLC has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$149,122,000	\$24,000,000	December 2017

## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

#### ***Asset-Based Fees for Portfolio Management***

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$0 - \$2,000,000	1.10%
\$2,000,001 - \$5,000,000	0.95%
\$5,000,001 - \$10,000,000	0.80%

Total Assets Under Management	Annual Fee
\$10,000,001 – And Up	0.65%

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of FRA LLC's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

FRA LLC uses the value of the account as of the last business day of the prior billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

### ***Subadviser Services Fees***

FRA LLC may also act as a subadviser to unaffiliated third-party advisers and FRA LLC would receive a share of the fees collected from the third-party adviser's client. The fees charged will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for subadviser services will depend on the specific third-party investment adviser engaging FRA LLC as subadviser. This relationship will be memorialized in each contract between FRA LLC and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency.

### ***Financial Planning Fees***

Clients may terminate the agreement without penalty for a full refund of FRA LLC's fees within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

### ***Hourly Fees***

The negotiated hourly fee for these services is \$250. Fees are charged in arrears upon completion.

## **B. Payment of Fees**

### ***Payment of Asset-Based Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis, or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. Fees are paid in advance.

### ***Payment of Subadviser Fees***

Subadviser fees may be withdrawn from clients' accounts or clients may be invoiced for such fees, as disclosed in each contract between FRA LLC and the applicable third-party adviser.

### ***Payment of Financial Planning Fees***

Financial planning fees are paid via check.

Hourly financial planning fees are paid in arrears upon completion.

### **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by FRA LLC. Please see Item 12 of this brochure regarding broker-dealer/relationship.

### **D. Prepayment of Fees**

FRA LLC collects fees in advance. Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

### **E. Outside Compensation For the Sale of Securities to Clients**

Neither FRA LLC nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

FRA LLC does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

FRA LLC generally provides advisory services to the following types of clients:



- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Other Investment Advisers

### ***Minimum Account Size***

There is no account minimum for any of FRA LLC's services.

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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

FRA LLC's methods of analysis include fundamental analysis and modern portfolio theory.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

#### ***Investment Strategies***

FRA LLC uses long term trading, short term trading, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

FRA LLC may recommend unusually risky investments to clients. For example:  
Non-investment grade bonds.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **B. Material Risks Involved**

#### ***Methods of Analysis***

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in

stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### ***Investment Strategies***

FRA LLC's use of margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

FRA LLC's use of margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

**Real Estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither FRA LLC nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither FRA LLC nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither FRA LLC nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

Michael Reid Vogel is an independent licensed insurance agent, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. FRA LLC always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of FRA LLC in connection with such individual's activities outside of FRA LLC.

Michael Reid Vogel acts as a real estate broker or dealer and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. FRA LLC always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of FRA LLC in connection with such individual's activities outside of FRA LLC.

Lyle Eils Bonn Jr. is a wholesale consultant for RPG Consultants. RPG provides administration and record keeping for Retirement Plans and they do not provide any investment advice.

Jennifer Mary Schmitz is an owner of a Real Estate Design and Development company in Wilmington, Delaware. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. RIA Front Row Advisors LLC always acts in the best interest of the client and clients always have the right to decide whether or not to utilize the services of any representative of RIA Front Row Advisors LLC in such individual's outside capacities.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

FRA LLC may direct clients to third-party investment advisers. FRA LLC will be compensated via a fee share from the advisers to which it directs those clients. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that FRA LLC has an incentive to direct clients to the third-party investment advisers that provide FRA LLC with a larger fee split. FRA LLC will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. FRA LLC will verify that all recommended advisers are properly licensed, notice filed, or exempt in the states where FRA LLC is recommending the adviser to clients.

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

#### **A. Code of Ethics**

FRA LLC has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. FRA LLC's Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

FRA LLC does not recommend that clients buy or sell any security in which a related person to FRA LLC or FRA LLC has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of FRA LLC may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of FRA LLC to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. FRA LLC will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of FRA LLC may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of FRA LLC to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, FRA LLC will never engage in trading that operates to the client's disadvantage if representatives of FRA LLC buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on FRA LLC's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and FRA LLC may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in FRA LLC's research efforts. FRA LLC will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

FRA LLC has a custodial relationship with Schwab Institutional, a division of Charles Schwab & Co., Inc., Morgan Stanley and TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC.

#### ***1. Research and Other Soft-Dollar Benefits***

While FRA LLC has no formal soft dollars program in which soft dollars are used to pay for third party services, FRA LLC may receive research, products, or other

services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). FRA LLC may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and FRA LLC does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. FRA LLC benefits by not having to produce or pay for the research, products or services, and FRA LLC will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that FRA LLC's acceptance of soft dollar benefits may result in higher commissions charged to the client.

FRA LLC participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. FRA LLC receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, FRA LLC participates in TD Ameritrade's institutional advisor program and FRA LLC may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between FRA LLC's participation in the Program and the investment advice it gives to its clients, although FRA LLC receives economic benefits through its participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving FRA LLC participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have FRA LLC's fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to FRA LLC by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by FRA LLC's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit FRA LLC but may not benefit its client accounts. These products or services may assist FRA LLC in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help FRA LLC manage and further develop its business enterprise. The benefits received by FRA LLC or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, FRA LLC endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by FRA LLC or its related persons in and of itself creates a conflict of interest and may indirectly influence the FRA LLC's choice of TD Ameritrade for custody and brokerage services.



Schwab provides FRA LLC with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. These services are contingent upon FRA LLC committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For FRA LLC client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Advisor Services also makes available to FRA LLC other products and services that benefit FRA LLC 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 FRA LLC's accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist FRA LLC in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of FRA LLC's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help FRA LLC manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to FRA LLC. Schwab Advisor Services 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 FRA LLC. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of FRA LLC personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, FRA LLC may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers 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.

## ***2. Brokerage for Client Referrals***

FRA LLC receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

FRA LLC may permit clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to FRA LLC to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; the client may be unable to participate in block trades (unless FRA LLC is able to engage in "step outs"); and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

If FRA LLC buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, FRA LLC would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. FRA LLC would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for FRA LLC's advisory services provided on an ongoing basis are reviewed at least quarterly by Michael R Vogel, CEO, with regard to clients' respective

investment policies and risk tolerance levels. All accounts at FRA LLC are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Michael R Vogel, CEO. There is only one level of review for financial planning, and that is the total review conducted to create the financial plan.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, FRA LLC's services will generally conclude upon delivery of the financial plan.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of FRA LLC's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. FRA LLC will also provide at least quarterly a separate written statement to the client.

Each financial planning client will receive the financial plan upon completion.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

FRA LLC receives compensation from third-party advisers to which it directs clients.

### **B. Compensation to Non – Advisory Personnel for Client Referrals**

FRA LLC may enter into written arrangements with third parties to act as solicitors for FRA LLC's investment management services. Solicitor relationships will be fully disclosed to each Client to the extent required by applicable law. FRA LLC will ensure each solicitor is exempt, notice filed, or properly registered in all appropriate jurisdictions. All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, FRA LLC will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Custody is also disclosed in Form ADV because FRA LLC has authority to transfer money from client account(s), which constitutes a standing letter or authorization (SLOA). Accordingly, FRA LLC will follow the safeguards specified by the SEC rather than undergo an annual audit. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

FRA LLC provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, FRA LLC generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, FRA LLC's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to FRA LLC).

## **Item 17: Voting Client Securities (Proxy Voting)**

FRA LLC acknowledges its fiduciary obligation to vote proxies on behalf of those clients that have delegated to it, or for which it is deemed to have, proxy voting authority. FRA LLC will vote proxies on behalf of a client solely in the best interest of the relevant client. FRA LLC has established general guidelines for voting proxies. FRA LLC may also abstain from voting if, based on factors such as expense or difficulty of exercise, it determines that a client's interests are better served by abstaining. Further, because proxy proposals and individual company facts and circumstances may vary, FRA LLC may vote in a manner that is contrary to the general guidelines if it believes that it would be in a client's best interest to do so. If a proxy proposal presents a conflict of interest between FRA LLC and a client, then FRA LLC will disclose the conflict of interest to the client prior to the proxy vote and, if participating in the vote, will vote in accordance with the client's wishes.

Clients may obtain a complete copy of the proxy voting policies and procedures by contacting FRA LLC in writing and requesting such information. Each client may also request, by contacting FRA LLC in writing, information concerning the manner in which proxy votes have been cast with respect to portfolio securities held by the relevant client during the prior annual period. Client can send written requests to the Chief Compliance Officer at [mvogel@gencappm.com](mailto:mvogel@gencappm.com)

## **Item 18: Financial Information**

### **A. Balance Sheet**

FRA LLC neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither FRA LLC nor its management has any financial condition that is likely to reasonably impair FRA LLC's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

FRA LLC has not been the subject of a bankruptcy petition in the last ten years.