

L.M. Kohn & Company WRAP Fee Program Brochure

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This wrap fee program brochure provides information about the qualifications and business practices of L.M. Kohn & Company. If you have any questions about the contents of this brochure, please contact us at (513) 792-0301 or compliance@lmkohn.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 L. M. Kohn & Company is also available on the SEC's website at www.adviserinfo.sec.gov.

SUMMARY OF MATERIAL CHANGES

The Material Changes section of this brochure will be updated at least annually or when material changes occur since the previous release of the Firm Brochure.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

The entire brochure is available on our website, www.lmkohn.com, under Form ADV/Privacy Notice. If you do not have access to the internet and would like to receive a complete copy of the brochure, please contact Sandy Smith, Compliance Manager, at 513-792-0301 or compliance@lmkohn.com. If you would like to receive future updates by email instead of by mail, please send your request and email address to compliance@lmkohn.com.

Material Changes Since August 1, 2012

No Material Changes

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SERVICES, FEES AND COMPENSATION

OUR SERVICES

Overview

L. M. Kohn & Company (LMK) offers a discretionary program, also known as the Program, whereby our investment adviser representative will manage your assets within a brokerage account for a single fee that includes portfolio management services, reporting and transaction costs. In a discretionary account, the customer gives the Portfolio Manager the authorization to make purchases and sales in the account without first obtaining the customer's permission. Under this program, we offer investment advice designed to assist you with professional management of your investments for a convenient single "wrap fee." If you participate in the Program, we charge you a specified fee which covers our advisory services and the fees for executing transactions within your account. We cover all transaction costs on these accounts.

Joining the Program

Prior to joining the Program, you will execute a Discretionary Investment Management Agreement with us setting forth the terms and conditions of our management of your investments within the Program. Also, together we will complete an Investor Profile that is signed by both you and your advisory representative describing your financial needs, investment objectives, time horizon, and risk tolerance, as well as any other factors that are relevant to your specific financial situation and any other supporting documentation required for the Program. The Investor Profile (and other information obtained during the initial phase of our engagement, when applicable) enables us to design a tailored portfolio for you that encompasses your investment objectives, risk tolerance, and investment time horizon.

We do not act as the custodian for your account. LMK recommends to some of its advisory clients, clearing through RBC Correspondent Services (RBC), a division of RBC Capital Markets, LLC, member NYSE/FINRA/SIPC. All LMK investment advisory representatives (IARs) are Registered Representatives of L.M. Kohn & Company. We utilize our clearing firm, RBC Correspondent Services, a division of RBC Capital Markets LLC (RBC), as the custodian for accounts in the Program. Once you sign our required paperwork, as discussed above, we will open an account for you with RBC, under which RBC will take and maintain custody of your assets, effect security transactions for the Program, and provide confirmations of transactions executed for your account and periodic account statements. Once you have opened a securities brokerage account with RBC and deposited assets designated for participation in the Program into your account we can begin investing your assets pursuant to your Investor Profile, our written agreement, and any other limitations you established in writing.

Beginning 8/01/ 2012, LMK also participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. LMK receives some benefits from TD Ameritrade through our participation in the program. We may recommend TD Ameritrade to our clients for custody and clearing services. There is no direct link between our firm's participation in the program and the investment advice we give to our clients, although we receive economic benefits through our 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): duplicate client confirmations; research related products and tools; consulting services; access to a trading desk serving adviser 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 advisory 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 transactions fees and to certain Institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to LMK by third party vendors.

Some of the products and services made available by TD Ameritrade through the program may benefit LMK, but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by LMK or our advisors through the participation in the program do not depend on the amount of brokerage transaction directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by LMK or our advisors in and of itself creates a potential conflict of interest and may indirectly influence our recommendations of TD Ameritrade for custody and clearing services.

Investment Management

We are the sponsor and portfolio manager of the Program. Your Investment Advisory Representative (our IAR) directly manages your account in the Program on a discretionary basis, as specified in your written Investment Management Agreement and Investor Profile. Your IAR will use the information in your Investor Profile to design a suitable portfolio of assets. Your IAR manages your account in the Program with the intent to diversify your investments, and therefore may include various types of securities such as equities, exchange traded funds ("ETFs"), mutual funds, and various fixed income securities. Your IAR may also recommend other types of investments when the IAR deems such investments appropriate based on your investment profile and any restrictions that you may impose.

As part of the services within the Program, your IAR will, on an ongoing basis, track the performance of your account(s), review your financial circumstances and investment objectives, meet with you periodically, and make appropriate adjustments to your portfolio to facilitate the desired results. Other services within the Program typically include the following:

- Assessment of your investment needs and objectives.
- Investment planning.
- Development of a suitable asset allocation strategy designed to meet your objectives.
- Identification and evaluation of appropriate investment vehicles.
- Deployment of selected investment vehicles on your behalf.
- Ongoing review of your accounts to ensure adherence to Investor Profile guidelines and asset allocation.
- Recommendations for account rebalancing, if necessary.
- Fully integrated back office support systems for our IARs, including custody, trade execution and confirmation statements generated through our custodians, RBC Correspondent Services (“RBC”) or TD Ameritrade (“TDA”).

OUR FEES

We may negotiate fees based on the aggregate value of related accounts, the complexity of the account, or similar factors. We will specify the amount and the manner in which we charge fees in our written agreement with you. Generally, our standard fees are as follows:

Asset Based Fee – Range 0.25% -2.5% annually based on assets/services rendered. Advisory fees are charged on a quarterly basis.

We will request for you to provide authorization under the Investment Management Agreement for us to directly deduct our fees from your account. Your periodic statements from either RBC or TD Ameritrade will show each fee deduction from your account.

RBC Accounts - Our Program fee is based on a percentage of the account value as reported by RBC. We bill fees quarterly, in advance, during the first month of each calendar quarter (January, April, July, and October). The first billing cycle begins on the account inception date and is based on the account value on the inception date as determined by RBC. We prorate the fee for new accounts based on the number of days remaining in the calendar quarter. The quarterly billing value is equal to the closing market value of the account on the last business day of the quarter. Fees are based on actual number of days in the quarter.

TD Ameritrade Accounts - Our Program fee is based on a percentage of the Average Daily Balance for the portfolio. We bill fees quarterly, in arrears, during the first month of each calendar quarter (January, April, July, and October). The first billing cycle begins on the account inception date and is prorated based on the number of days in the calendar quarter.

Accumulated values are calculated each day of the period. The accumulation is then divided by the total number of days the assets units balance was non-zero in the period. The average asset balances are summed to obtain an Average Daily Balance for the portfolio.

We generally design our portfolios as long-term investments and asset withdrawals may impair your achievement of your investment objectives. You may make additions to or withdrawals from your account at any time, subject to our right to terminate an account and, if applicable, any securities settlement procedures. Additions to your account may be in cash or securities. However, we reserve the right to liquidate any transferred securities, or decline to accept particular securities into your account. When transferred securities are liquidated, such securities are subject to transaction fees, fees assessed at the mutual fund (i.e. contingent deferred sales charges) and, possibly, tax ramifications.

Terminating the Program

You may terminate our investment management agreement without penalty at any time by written notice. Since we bill investment management fees quarterly in advance, if you terminate our agreement, we will return a prorated amount of the unearned fee to you.

Fee Comparison

Our fee includes such services as portfolio management (stock, bond, and mutual fund analysis, market analysis, asset allocation decisions, etc.), execution of various securities (mutual funds, ETFs, stocks, bonds, etc.), RBC's or TDA's periodic reports, account servicing, and continuous account management. Participation in the Program may cost you more or less than purchasing these services separately. The portfolio size and amount, number of transactions made in your account, as well as the commissions charged for each transaction, will determine the relative cost of the Program versus paying for executions on a per transaction basis and paying a separate fee for advisory services. Our fee may be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

Other Fees and Charges

In addition to the Program fee that you pay covering the commissions and transaction fees incurred on products in the Program, you may incur other fees and charges imposed by third-parties, including, fees on non-standard assets, real estate investment trusts, IRA administration fees, transfer taxes, wire transfer and electronic fund fees, check writing fees, SEC expenses on securities transactions, custodial termination fees, and other fees and taxes on brokerage accounts and securities transactions.

Mutual funds, index funds, and ETFs typically charge their shareholders various advisory fees and expenses associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses, and sometimes

a distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge. These separate fees and expenses are disclosed in each fund's current prospectus, which is available from the fund or we can provide it to you upon request.

Consequently, for any type of fund investment, it is important for you to understand that you are paying two levels of advisory fees and expenses: one layer of fees and expenses is paid at the fund level and one layer of advisory fees is paid to us. In addition, many mutual funds pay shareholder servicing fees (12b-1 fees) to brokerage firms and their registered representatives in consideration of their services to the fund's shareholders. As described below, most of our IARs are also registered representatives of , and, as such, may receive this type of compensation with respect to client assets invested in these funds. However, for qualified plan accounts, RBC or TDA, as the qualified custodian retains 12b-1 fees within those accounts instead of paying them to our IARs or us.

In the Program, we primarily recommend no-load or load-waived mutual funds, which do not have a commission or sales charge. Generally speaking, most mutual funds may be purchased directly, without using our services and without incurring our advisory fees.

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

ACCOUNT REQUIREMENTS

We impose certain conditions for starting or maintaining an account. Generally, we require that you have a minimum of \$10,000 of cash and/or securities to open and maintain an account. We may require you to add to the amount in order to maintain the minimum or request that the account be terminated. We may waive this requirement if, for example, you have additional or related accounts that together exceed the minimum requirements. The Program may not be available for all investors depending on the amount of activity in your account.

TYPES OF CLIENTS

We provide the Program to individuals, pension and profit-sharing plans, trusts, estates, corporations and other business entities.

PORTFOLIO MANAGER SELECTION AND EVALUATION

ADVISORY BUSINESS

We are the sponsor of the Program, and our IARs act as the portfolio managers for the Program accounts. As a firm, we maintain approval standards for IARs who wish to participate as a

Program account manager. Each IAR candidate provides our firm with background information that includes, but is not limited, to the following items:

- Investment philosophy and management style.
- Years of industry experience.
- Educational background, including graduate and undergraduate degrees.
- Professional designations.
- Disciplinary history for 10 years.
- Credit history for 10 years.

We verify and evaluate the above-referenced information as part of our due diligence for accepting an IAR as a portfolio manager in the Program.

In many instances, the IAR already has a successful advisory relationship with the client and the IAR utilizes the Program as an additional tool for managing client assets.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of your assets).

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

We utilize fundamental analysis to evaluate securities for potential investments. Fundamental analysis is a technique that attempts to determine a security's value by focusing on the economic well-being of a financial entity as opposed to only its price movements. When conducting fundamental analysis, we will review a company's financial statements and consider factors including, but not limited to, whether the company's revenue is growing, if the company is profitable, if the company is in a strong enough position to beat its competitors in the future, and if the company is able to repay its debts. Because it can take a long time for the market to reflect the company's value, the risk associated with this method of analysis is that a gain is not realized until the stock's market price rises to the company's true value.

The valuation method is a technique we also use to calculate a theoretical value for a security in order to estimate potential future market prices. When utilizing the valuation method, we will review such things as a security's earnings per share, price to earnings, and growth rate.

We also utilize technical analysis to evaluate potential investments. Unlike fundamental analysis, technical analysis does not analyze the company's value, but instead analyzes the stock's price movement in the market. Charting is a form of technical analysis in which the various technical factors are diagrammed in order to illustrate patterns. Technical analysis studies the supply and demand in the market in an attempt to determine what direction, or trend,

will continue in the future. Cyclical analysis is another form of technical analysis which focuses on the regularity of movements in the stock market and times trading to coincide with anticipated market cycles. However, there are risks involved with this method, including the risk that the trends will change unpredictably, which is why we use a combination of methods and obtain information from a variety of sources.

We obtain information from a number of sources, both public and by purchase, including financial newspapers and magazines, research materials prepared by third-parties, corporate rating services, annual reports, prospectuses, filings with the SEC, and company press releases. We believe these resources for information are reliable and regularly depend on these resources for making our investment decisions; however, we are not responsible for the accuracy or completeness of this information.

Investment Strategies

We use a variety of investment strategies depending on your circumstances, financial objectives, and needs. We may recommend implementing one or more of the following investment strategies: long-term purchases (held at least a year), short-term purchases (held less than a year), trading (held less than 30 days), margin transactions (purchase of a security on credit extended by a broker-dealer), as well as option purchases and option writing (selling an option).

Types of Investments and Risk of Loss

We may recommend implementing these strategies using stocks, bonds, mutual funds (held directly or held within variable annuities or life insurance products), exchange traded funds (ETFs), municipal securities, options contracts, and other types of investments.

Investing in securities involves risk of loss that you should be prepared to bear. Obtaining higher rates of return on investments typically entails accepting higher levels of risk. We will work with you to attempt to identify the balance of risks and rewards that is appropriate and comfortable for you, and we will explain and answer any questions you have about these kinds of investments. However, it is still your responsibility to ask questions if you do not fully understand the risks associated with any investment or investment strategy.

Also, while we strive to render our best judgment on your behalf, many economic and market variables beyond our control can affect the performance of your investments, we cannot assure you that your investments will be profitable, or assure you that no losses will occur in your investment portfolio. Past performance is one relatively important consideration with respect to any investment or investment advisor, but it is not a predictor of future performance.

Mutual Funds, Index Funds, and Exchange-Traded Funds

We often recommend mutual funds of different kinds to promote portfolio diversification within various asset classes, such as industry sectors, domestic/international, or equities/bonds. We

may recommend periodic purchases, sales, and exchanges of those mutual fund shares, within mutual fund families and between different mutual fund families, when there are changes in your needs, market conditions, or economic developments.

The different kinds of mutual funds we use each have inherently different risk characteristics and should not be necessarily be compared side by side. A bond fund with below-average risk, for example, should not be compared to a stock fund with below average risk. Even though both funds have low risk for their respective categories, stock funds overall have a higher risk/return potential than bond funds.

Of all the asset classes, cash investments (i.e. money markets) offer the greatest price stability, but have yielded the lowest long-term returns. Bonds generally experience more short-term price swings, and, in turn, have generated higher long-term returns. However, stocks historically have been subject to the greatest short-term price fluctuations—and have provided the highest long-term returns.

The risk in any given mutual fund depends on the investments it holds. For example, a bond fund has interest rate risk and income risk. Bond prices are inversely related to interest rates. If interest rates go up, bond prices will go down and vice versa. Bond income is also affected by a change in interest rates. Bond income (yields) are directly related to interest rate changes. If interest rates rise, bond yields rise and vice versa. Income risk is greater for a short-term bond fund than for a long-term bond fund. However, in a long term bond fund, your principal is subject to higher principal risk.

Similarly, a sector stock fund (which invests in a single industry, such as telecommunications) is at risk that its price will decline due to developments in its industry. A stock fund that invests across many industries is more sheltered from this industry related risk. However, while diversification across industries can help reduce your risk of loss from investing in a single sector, it may limit your opportunity for a significant gain if a single industry or sector increases dramatically in value.

With respect to all classes of mutual funds and ETFs, diversification does not protect you from an overall decline in the market. You should consider these risks in determining whether to use our services.

Individual Stocks and Bonds

The risks inherent with individual stocks and bonds are similar to those described about mutual funds. However, unlike mutual funds, individual securities carry more risk because of the possible lack of diversification in the event that your portfolio isn't spread across many industries and companies. An owner of an individual security is subject not only to market risk, but company risk, or "significant event" risk as in the case of bankruptcy, loss of major customers, loss of earnings, or similar factors. Typically, individual securities have more

volatility and potential for larger gains and losses. Unlike mutual funds, you face a greater risk of losing your entire investment in an individual stock or bond. We seek to mitigate these risks in the ownership of individual securities by sound research and diversification.

Options

Where suitable and appropriate for clients, we may engage in a variety of transactions involving options, although they do not represent a primary focus of our investment strategy. Options are derivative financial instruments, where the value depends upon, or is derived from the value of something else, such as a stock or a stock index. For certain clients, we may make use of “short” options positions when suitable, the values of which move in the opposite direction from the price of the underlying security. We also may use options, both for hedging and non-hedging purposes, including as a substitute for a direct investment in the securities of one or more issuers.

However, we may also choose not to use options, based on our evaluation of market conditions or the availability of suitable options contracts.

Options involve special risks and may result in losses. The successful use of options depends on our ability to manage these sophisticated instruments. Some options strategies are “leveraged,” which means that they expose the underlying portfolio to risk of loss greater than the value of the investment in the options. As a result, options may magnify or otherwise increase investment losses to the portfolio. The risk of loss from certain options trading strategies is theoretically unlimited. The prices of options may move in unexpected ways due to the use of leverage or other factors, especially in unusual market conditions, and may result in increased volatility.

Options are not suitable for all clients. Your advisory representative can answer any questions you may have about options and can provide you with the options disclosure booklet, *Characteristics & Risks of Standardized Options*, upon request.

VOTING CLIENT SECURITIES

As a matter of firm policy and practice, we will not be responsible for responding to proxies solicited with respect to annual or special meetings of shareholders of securities held in your account. Proxy solicitation materials will be forwarded to you for response and voting.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

As the portfolio manager, our IARs have access to all of the information you provide them, including your financial information, investment objectives, risk tolerance level, tax status, investment experience, financial status, and other information relating to your investment profile.

Our firm has adopted a Privacy Policy, in accordance with Regulation S-P under section 504 of the Gramm-Leach-Bliley Act, which restricts our firm and our investment adviser representatives’ use of and access to your nonpublic personal information. Our investment

adviser representatives have access to your information on an as needed basis in order to service your needs under the Program. In order for us and our investment adviser representatives to effectively manage your account and assist you in meeting your financial objectives, you must update us as soon as possible when any changes to your personal or financial information occur. You may obtain a complete copy of our Privacy Policy by contacting our main office at the number on the front of this brochure.

CLIENT CONTACT WITH PORTFOLIO MANAGERS

There are no restrictions on when you may contact or consult with us or your investment adviser representative regarding the Program or your account.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Besides being registered with the Securities and Exchange Commission (“SEC”) as an investment adviser, we are also registered as a broker-dealer with the SEC. We are a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation. Our principal executive officers and advisory representatives are broker-dealer registered representatives. We, and our broker-dealer registered representatives, are able to effect securities transactions for our clients and will receive separate, customary compensation for effecting securities transactions.

In addition, we are a licensed domestic insurance agency in the State of Ohio, under which we are authorized to engage in the sale of fixed and variable annuities and life insurance. We are also qualified in several states to engage in sales of life insurance and annuities. Most of our advisory representatives are also licensed as insurance agents or brokers of various insurance companies and receive insurance commissions on insurance purchases which we recommend. The additional compensation creates conflicts of interest, which you should consider in engaging our services or the services of our affiliated businesses.

Our principal business is to be a broker-dealer engaged in securities transactions on behalf of customers.

CODE OF ETHICS

We have adopted a Code of Ethics (the “Code”) describing the standards of business conduct we expect all officers, directors, employees, and advisory representatives to follow. It expresses our core fundamental values to be honest, fair, and forthright in our dealings with clients and others in the conduct of our business. Our Code also guides our practices in giving investment advice to our clients and personal trading of securities for our employees and their related accounts. The Code also describes certain reporting requirements with which particular individuals, associated with or employed by us, must comply. You may request a copy of our Code by contacting our Chief Compliance Officer, Carl R. Hollister at (513) 792-0301.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

In addition to being registered as an investment adviser, we are a broker-dealer and member of the Financial Industry Regulatory Authority (commonly known as FINRA) and the Securities Investor Protection Corporation (commonly known as SIPC). As such, our principal executive officers and most of our advisory representatives are also broker-dealer registered representatives. We, and our registered representatives, are able to execute buy and sell orders for securities on behalf of our clients. When we do so, we may receive compensation in the form of commissions as a result of placing such orders for clients. You are not under any obligation to use us as a broker-dealer or our registered representatives in that capacity when considering our advisory recommendations.

In addition, we, and our registered representatives may benefit from our, or their purchase or sale of investments that we recommend to you. Our principals and representatives may own or effect transactions in the same securities we recommend to you or our other clients. Generally, these securities will be shares of open-end mutual funds or stocks and bonds actively traded on a national securities exchange or market where the time and size of their purchases or sales will not affect transactions for you or our other clients. However, it is an express policy of our Code of Ethics, that no person employed by us may purchase or sell any security on the same day as a solicited or discretionary transaction in an advisory account, unless such transactions are executed on the NYSE, AMEX, or NASDAQ-MMS. Nevertheless, in all cases when your representative trades securities on the same day as you, you will get the best price or the trade will be executed as a block or batched trade (also called an aggregated order). In a batched trade, all orders for accounts are combined in one order. All participants receive identical prices, which prevents such employees (or associated persons) from benefiting from transactions placed on behalf of advisory accounts.

While we generally don't give advice about thinly traded securities, if we recommend the purchase or sale of a thinly traded security to you, we will ensure that our principals' and representatives' transactions do not adversely affect you, nor improperly benefit them, typically by imposing the same day black-out period.

We have these employee securities trading policies in our Code of Ethics to prevent our employees from benefiting from transactions placed on behalf of any client's account. Because these situations have the potential of raising conflicts of interest, we have established the following trading restrictions:

- Our representatives may not use information available to them because of their employment with us to buy or sell securities for their personal portfolios, unless the information is also available to the investing public upon reasonable inquiry. A representative shall not favor his or her interests above your interests.

- We inform you that our representatives may receive separate compensation when implementing our financial plans.
- We require our representatives to act in accordance with all applicable federal and state regulations that govern investment advisers and broker-dealers.

A representative who violates these restrictions may be subject to disciplinary action, up to and including termination.

REVIEW OF ACCOUNTS

We conduct reviews as requested by you or at the time of significant new deposits or withdrawals, during substantial changes in market conditions, at our discretion, or according to the interval agreed upon at the time of engagement. You must contact us when a real or potential change in your financial condition occurs so we can review the portfolio along with your new information to ensure the investment strategies continue to be appropriate.

Our principals are responsible for reviewing your account and trading activity in your account. For example, one or more members of our compliance department reviews all accounts upon opening. Additionally, we review activity in advisory accounts as part of our daily review of trading activity in client accounts.

Under this Program, you will receive transactional statements monthly or quarterly from RBC or TD Ameritrade. These statements include the evaluation of each security in your account. We also provide reports which include portfolio performance and position reports. We may also provide other reports that you may request from time-to-time. When available, reports may be delivered to you via e-mail upon request. None of these reports are meant to replace or supersede your monthly or quarterly statements from RBC or TD Ameritrade.

FINANCIAL INFORMATION

As a registered investment adviser, we are required to provide you with certain financial information or disclosures about our financial condition if we have financial commitments that impair our ability to meet contractual and fiduciary commitments to you. We have not been the subject of a bankruptcy proceeding and do not have any financial commitments that would impair our ability to meet any contractual or fiduciary commitments to you.