

**Item 1 – Cover Page**

ADV Part II  
Brochure

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This brochure provides information about the qualifications and business practices of GPS Consulting Services. If you have any questions about the contents of this brochure, please contact us at 734-929-2448 or [info@gpsconsultingservices.com](mailto:info@gpsconsultingservices.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 GPS Consulting Services also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

GPS Consulting Services identifies and refers to itself as a 'Registered Investment Adviser'; however, this should not be construed as members of the firm having a certain level of skill or training.

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**Item 2 - Material Changes**

None

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**Item 4 - Advisory Business**

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

Government Public Sector Consulting Services, LLC. ("GPS") was founded in 2015 to serve as an independent investment advisory service to the public sector. On August 13, 2015 the firm acquired the investment division of Stauder Barch & Associates, a Michigan Municipal Advisor. From 2001 – 2015, the investment division of Stauder Barch & Associates did business as 'SBA Investment Advisors'.

Two of the founding members of SBA Investment Advisers – Ben J. Courson and Michael C. Kloack - formed GPS. The firm is organized as a Partnership and 100% of its ownership is held by Mr. Courson and Mr. Kloack, and has been established and registered with the State of Michigan.

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

GPS provides non-discretionary investment advice to government and other institutional investors. These investments consist primarily of fixed income securities, bank deposit products, and money market pooled and mutual fund instruments. As of the date of this brochure, our advice is limited to the investments listed above.

Our non-discretionary services include the selection and recommendation of securities and/or deposit products to be utilized in creating portfolios of investments. Investment recommendations will, whenever possible, utilize investments with the following features or criteria:

- a. Direct US Government backing,
- b. Backing provided through an agency of the US Government;
- c. Backing through the use of insurance or in the form of the deposit of collateral consisting of the debt instruments of the federal government or one of its agencies.

GPS' primary business is to provide advice to municipal bond issuers on the investment of the proceeds from their bond sale ('bond proceeds' or 'bond proceeds investments'). Our advice on these portfolios is strongly influenced by the IRS 'Safe Harbor' guidelines (26 CFR

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1.148.5). Significant effort is made to structure all of our recommendations to comply as closely as possible with these guidelines.

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

When appropriate, the portfolios recommended will be created to meet our clients' cash flow needs, such as for a construction project where regular and reasonable cash flow projections are both available. These portfolios may provide a benefit over alternative strategies in the form of increased income, greater liquidity, or decreased risk.

Clients impose restrictions on investment selection and activity in that each client maintains sole authority over their accounts. Clients approve both the selection of investment type, individual securities, and security prices before execution.

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

GPS does not engage in this practice.

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

As of December 31, 2015, GPS managed approximately:

Non – discretionary assets: \$395,420,000

Discretionary assets: \$0

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**Item 5 - Fees and Compensation**

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

**Bond Proceeds Investment Fees**

Bond Proceeds Investment fees fall into 2 separate categories, both of which are negotiable:

**Bidding Fees**

Under certain circumstances, Bidding Fees may be deductible from IRS arbitrage related rebate. This fee structure has been established to follow the recommendations set forth by the IRS for potential qualification to be deductible from arbitrage rebate under the related "SAFE HARBOR" recommendations (should our clients earnings exceed the arbitrage established limitations and calculations).

The IRS has established limitations for deductibility, both per bid and in total. As of 1/1/2016, these fees are not to exceed **\$39,000** per bid, and **\$110,000** in total (full language can be found at [https://www.irs.gov/irb/2015-44\\_IRB/ar10.html#d0e907](https://www.irs.gov/irb/2015-44_IRB/ar10.html#d0e907)). Based on a number of factors - including market conditions, existing or historical client relationships, or other factors – GPS reserves the right to lower a Bidding Fee should GPS feel it is in the best interest of both parties.

**Administrative Fees**

Administrative fees are not qualified to be deducted from any potential arbitrage rebate to be paid to the IRS. GPS assesses a fee for GPS administrative services which is not to exceed five (5) Basis Points. The fee is projected over the life of the relationship and then averaged to provide our clients with a set monthly expense. (See example on page 6)

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Example: A client has a \$10 million portfolio with an 18 month draw schedule, such as the following:

Balance	Draw	Fee
\$ 10,000,000.00	\$ 750,000.00	\$ 416.67
\$ 9,250,000.00	\$ 500,000.00	\$ 385.42
\$ 8,750,000.00	\$ 250,000.00	\$ 364.58
\$ 8,500,000.00	\$ 750,000.00	\$ 354.17
\$ 7,750,000.00	\$ 500,000.00	\$ 322.92
\$ 7,250,000.00	\$ 500,000.00	\$ 302.08
\$ 6,750,000.00	\$ 1,000,000.00	\$ 281.25
\$ 5,750,000.00	\$ 750,000.00	\$ 239.58
\$ 5,000,000.00	\$ 250,000.00	\$ 208.33
\$ 4,750,000.00	\$ 250,000.00	\$ 197.92
\$ 4,500,000.00	\$ 1,000,000.00	\$ 187.50
\$ 3,500,000.00	\$ 1,250,000.00	\$ 145.83
\$ 2,250,000.00	\$ 750,000.00	\$ 93.75
\$ 1,500,000.00	\$ 500,000.00	\$ 62.50
\$ 1,000,000.00	\$ 250,000.00	\$ 41.67
\$ 750,000.00	\$ 250,000.00	\$ 31.25
\$ 500,000.00	\$ 250,000.00	\$ 20.83
\$ 250,000.00	\$ 250,000.00	\$ 10.42
	\$ 10,000,000.00	\$ 3,666.67
	Average (\$3,666.67/18)	\$ 203.70

Rather than charging the monthly fee computed in the table above, GPS will charge the average of the fees based on the initial draw schedule. In this example, the fee would be rounded down to \$200 per month.

Clients may opt out of this type of fee computation at their discretion at the beginning of the engagement, choosing to have administrative fees charged against their actual balance.

Other Potential Administrative Fees

Administrative fees are structured and priced based on a standard model of the work entailed versus the revenue received. In certain cases where an unusual amount of work is requested or required, GPS reserves the right to negotiate with a client to charge above the standard maximum of five (5) basis points.

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**Other Services**

GPS will occasionally provide other non-discretionary investment advice, such as investment for general fund monies. GPS evaluates the client's needs and individually designs our services based on those individual needs. These fees are traditionally negotiated and will vary depending on the particular service GPS provides. As of August 2015, GPS was not providing other services to any client.

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*Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.*

Clients may either be invoiced for services or have GPS' fees deducted from their custody account by their custodian. All fees deducted from client accounts are pre-authorized by the client in writing. Clients are billed or charged either monthly or quarterly.

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*Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.*

GPS clients are responsible for paying custody fees independently. In an effort to minimize these costs, GPS makes arrangements for no less than three (3) custodians at any time allowable under applicable statute that the client may choose from. The fees for these services have been pre-negotiated with GPS for its clients. GPS is not a signatory to these agreements and receives no financial benefit from them; negotiating with banks for custody services is simply part of the service we provide our clients.

Clients of GPS may negotiate separately with banks for custody services and/or request GPS to make these negotiations on its behalf with other banks, but GPS cannot guarantee that these fees will be the same as those that are pre-negotiated.

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Fees for mutual funds are outlined within those respective funds' prospectuses. GPS does not benefit in any way from mutual funds fees.

As with all securities transactions, clients will incur a cost for executing trades; however, every effort is made to keep these costs to a minimum by competitively bidding all trades. Further information on competitive bidding can be found in 'Brokerage Practices'.

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

GPS does not engage in this practice. All fees are paid either at the time of, or after, GPS conducts the work.

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

GPS does not engage in this practice.

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

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

GPS does not engage in this practice.

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### Item 7 - Types of Clients

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

GPS provides investment consulting services to state, local governments and public educational entities.



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

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

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

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

GPS takes a fundamentalist perspective towards investing bond proceeds. We approach the investment of our clients' bond proceeds based to a very large extent on what we actually know about our clients and their needs. We do not position our clients to be exposed to market movements in an effort to potentially increase earnings on their investments. Our investment philosophy is based on the following criteria:

**Safety**

Risk in most forms should be minimized, as bond proceeds portfolios have a short duration and offers very little time to make corrections if a strategy does not go as anticipated. Additionally, cash flows must continue to be met, and there is a diminishing balance in their portfolios related to the need to meet cash flow requirements - making any recovery from a loss of principal an increasingly difficult task.

**Duration**

To benefit from a total return approach, where increases in earnings may be gained from some form of active management, available investment time needs to be taken into consideration by the portfolio manager. Statistically, the shorter the life of a portfolio lowers the potential of a portfolio successfully earning more than a portfolio structured to meet cash flow needs.

**Asset/security selection**

The limited time provided by the needs of a Bond Proceeds portfolio may not accommodate the need to liquidate an investment whose credit worthiness may no longer be suitable. With an average life of only one to two years - also referred to as 'average duration' - losses can be very difficult to correct. Unless specifically directed by clients, investment recommendations are limited to those which have the highest level of safety, including directly backed by the United States Government or an agency of the federal Government. This also

includes FDIC insurance to maximum available coverage, and the use of government/agency bonds as collateral held by a third party.

### **Portfolio Construction**

Portfolios are constructed so that anticipated cash flows can be met without market or reinvestment risk. Portfolios can then be adjusted when cash flows requirements are revised. NOTE: A large percentage of bond proceeds cash flow schedules will extend out due to delays or changes, providing a very good opportunity to potentially increase return without increasing market or reinvestment risk. Furthermore, reasonably accurate projections can be provided as to the increase in earnings potential PRIOR to implementing the changes to the portfolio, allowing clients to make more informed decisions about changes in their portfolios.

### **Competitive bidding**

Competitive bidding of investments helps to lower security transaction costs, as well as following IRS 'Safe Harbor Recommendations', which have been provided to help guide issuers in investing their bond proceeds prudently.

### **Risk**

As with any investment, there is a degree of risk even using the investments and strategies discussed above. There are four primary types of risk: credit, market, liquidity, and reinvestment:

#### Credit

The risk that the issuer of a security will default on an interest or principal payment. By using only the investments described herein, this risk is kept relatively low compared to the rest of the investment marketplace.

#### Market

The interim movements in the securities marketplace can potentially affect the performance of a fixed income security if it is not held to maturity. By using the strategies outlined above, this risk is eliminated assuming that the security is indeed held to maturity. However, if a fixed-income security is liquidated before it matures, there is a risk that the security will earn less than was originally projected or even incur a loss. This could occur due to changes in the market value of the investment, or, in the case of a negotiated investment, due to an early withdrawal penalty.

#### Liquidity

In the event that a security needs to be liquidated earlier than planned, there is a risk that there may not be enough of a market in that investment to ensure a 'fair' market value is received. US Treasury and Agency securities are among the most heavily traded in the world. Under normal circumstances, finding a marketplace for these securities

should not ever be an issue. Other investments, such as deposit products, do not typically have a 'marketplace' per say, but liquidity risk for these investments is fully disclosed, discussed, and agreed to with a client before entering into this type of investment.

Reinvestment

While the reinvestment of maturing assets should result in additional earnings, there is no assurance that reinvesting after the initial maturity will not receive the same rate of return as the initial investment due to changes in both market conditions and investment timeframe. To minimize this, investments are structured to mature as closely as is reasonable to the projected cash flow requirement.

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**Item 9 - Disciplinary Information**

<p><i>If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.</i></p>
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<p>A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person</p> <p>1. was convicted of, or pled guilty or nolo contendere ("no contest") to</p> <p>(a) any felony;</p> <p>(b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or</p> <p>(c) a conspiracy to commit any of these offenses;</p> <p>2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;</p> <p>3. was found to have been involved in a violation of an investment-related statute or regulation; or</p> <p>4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.</p>
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None

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

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

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

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

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

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

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

None

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

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

*2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.*

None

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

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

N/A

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

N/A

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

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

None

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

GPS does not engage in this practice.

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

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

As defined under Rule 204 A-1 of the Investment Advisors Act of 1940, all of our personnel are subject to our code of ethics and is a condition of employment with all of GPS employees. Under the Code of Ethics it is a requirement that all GPS personnel act in a fiduciary capacity, and endeavor to hold our client's interest ahead of both their own and that of GPS. GPS will disclose all actual and potential meaningful conflicts of interest, and will manage actual conflicts of interest in accordance appropriate regulatory and legal standings. Whenever a potential conflict interest is deemed to be present, GPS will strive to avoid the conflict.

GPS holds that we are acting in a fiduciary capacity when we are providing consulting services and therefore will not engage in fraudulent deceptive or manipulative conduct with respect to the services we provide our clients.

Additionally all GPS staff are required to report all personal securities transactions to our Chief Compliance Officer monthly. All GPS employees must also read and agree to our code of ethics policy and be provided copies of all revision to the policy which also must be signed and dated.

Our clients may request a copy of GPS's Code of ethics by emailing the company at [info@gpsconsultingservices.com](mailto:info@gpsconsultingservices.com) or by contacting GPS by telephone at 734-929-2448.

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

GPS does not engage in this practice.

*If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.*

GPS does not engage in this practice.

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

GPS does not engage in this practice.

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## **Item 12 - Brokerage Practices**

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

When making broker-dealer recommendations for client transactions, GPS follows the IRS 'Safe Harbor' recommendations as defined within 26 CFR 1.148-5. All securities are purchased through a 'live' competitive process, as recommended by the IRS "Safe Harbor recommendations. These guidelines mandate a minimum of 3 participating brokerage firms that are deemed to have a standing as financial experts in the governmental and agency market place (commonly referred to as "market makers"). Other stipulations that are required by the IRS Safe Harbor recommendations are as follows:

- Terms of the bidding agreement must be provided to all potential participants in writing;
  - There will be no bids offered as courtesies only;
  - There can be no sharing of bid information with other bidders;
  - Bids will be presented at a specific date and time directly to the clients' office and offered through an all or nothing basis unless an exception is provided directly to all bid respondents from the investor in writing;
  - Exact copies of the bids and all communication required or submitted shall also be sent to GPS Offices when sent to a client;
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*Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.*

Since each client directly authorizes the transactions for their account, there are not opportunities to aggregate securities transactions.

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**Item 13 - Review of Accounts**

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

Client accounts are reviewed quarterly for opportunities to potentially improve return without substantially increasing risk or compromising the portfolio's ability to meet its current cash flow requirements. These reviews are performed by a Partner.

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

Bond Proceeds investment portfolios are typically based upon making cash flow available to the requirements of a construction draw schedule. These construction draw schedules are updated by either the client or a service provider to the client that is involved with the project (i.e., architect, construction manager, owner's representative, etc.). Note: GPS does not create or revise client draw schedules.

When a new draw schedule is submitted to GPS, GPS will analyze the new draw schedule for potential changes that can be made to the portfolio that will bring the cash flow of the portfolio in line with the revised draw schedule. GPS will also report to the client the projected (based on the date of the analysis) amount of increase or decrease in the portfolio's return against the original that making these changes will incur.

As with all client transactions, no changes will be made to the portfolio without the client's direct oversight and authorization. If the client chooses to make the changes recommended by GPS, the client will make the final decisions on time and date of execution as well as the selection and pricing of the individual securities transactions (based on recommendations from GPS).

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

## Bond Proceeds

### Initial Reports

The client will be provided two initial reports after final settlement of securities transaction(s) for their initial portfolio:

#### Bid Summary

This summary is an overview of the competitive bidding process itself that was performed with the client. The summary is designed to be easily readable to both the client and any other interested party (as most of GPS' clients are public entities). The summary contains the following information:

- Client name;
- Analysis / Portfolio structuring methodology;
- Competitive bidding participants invited;
- Date and Time of competitive bid;
- Bid Results/winning bidder;
- Applicable market comparable data;
- High – low bid spread;
- Portfolio composition;
- Conclusion.

#### Security Cash Flow & Return Report

This report is in spreadsheet form and lists each security purchased, the amount of principal and accrued paid at settlement, and the interest and principal payments that are made to the client and the date paid. These numbers are totaled at the bottom of the column, which total makes up the total net return for the security in question. The cumulative totals of all these calculated returns makes the initial projected/calculated return for the securities in the portfolio. When a change is made to the securities in the portfolio, an updated report is submitted to the client reflected the change in the portfolio's return.

Periodic Reports

Clients will receive a copy of GPS' quarterly review of their account. This review may include (but not necessarily be limited to):

- Client Name;
- Custodial Account balance as of review date;
- Any recommended actions;
- Notes relevant to the client's account or other issues that may affect decisions that the client will make about their portfolio.

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

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

GPS does not engage in this practice.

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

GPS does not engage in this practice.

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**Item 15 - Custody**

*If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.*

GPS does not have custody of client assets.

**Item 16 - Investment Discretion**

*If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).*

GPS does not accept discretionary authority for its clients' accounts.

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**Item 17 - Voting Client Securities**

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

GPS does not engage in this practice.

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

GPS does not have authority to vote client securities. All voting and proxy information is sent directly to the client from the issuer and/or the client's custodian.

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**Item 18 - Financial Information**

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

GPS does not engage in this practice – fees are paid in arrears.

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

N/A

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*If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.*

N/A

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**Item 19 - Requirements for State-Registered Advisers**

*Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.*

Ben J. Courson, Director

Business Background:

Mr. Courson has over thirty two years of experience in the institutional investment and fixed income marketplace. He has served as institutional broker (Lehman Brothers), Government Sector Business Development Officer (First of America and National City Banks), Pooled Fund Trust Officer (National City Bank), and Division Head and Development Officer (SBA Investment Advisers).

Formal Education:

Mr. Courson attended Southern Illinois University and the University of Illinois at Parkland College, and has been certified as an Emergency Financial Manager by the State of Michigan.

Michael C. Kloack, Director

Business Background:

Mr. Kloack has over twenty years of experience serving Michigan municipal entities. He has served as Client Relationship Manager (First of American and National City Banks), and Client Relationship and Portfolio Manager (SBA Investment Advisers).

Formal Education

Mr. Kloack has a Bachelor's degree in Management from Baker College, and a Master's in Business Administration with a concentration in Finance from Spring Arbor University.

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*Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.*

None.

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*In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person are compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.*

None.

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*If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.*

*1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:*

- (a) an investment or an investment-related business or activity;*
- (b) fraud, false statement(s), or omissions;*
- (c) theft, embezzlement, or other wrongful taking of property;*
- (d) bribery, forgery, counterfeiting, or extortion; or*
- (e) dishonest, unfair, or unethical practices.*

N/A

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*2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:*

- (a) an investment or an investment-related business or activity;*
- (b) fraud, false statement(s), or omissions;*
- (c) theft, embezzlement, or other wrongful taking of property;*
- (d) bribery, forgery, counterfeiting, or extortion; or*
- (e) dishonest, unfair, or unethical practices.*

N/A

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<p><i>In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.</i></p>
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None

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**Brochure Supplement**

**Item 1 – Cover Page**

Michael C. Kloack  
GPS Consulting Services  
1281 Bicentennial Parkway  
Ann Arbor, MI 48108

January 2016

This brochure supplement provides information about Michael C. Kloack that supplements the GPS Consulting Services brochure. You should have received a copy of that brochure. Please contact Ben J. Courson, Chief Compliance Officer of GPS Consulting Services if you did not receive GPS Consulting Services' brochure or if you have any questions about the contents of this supplement. Additional information about Michael C. Kloack is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**Item 2 - Educational Background and Business Experience**

*Disclose the supervised person's name, age (or year of birth), formal education after high school, and business background (including an identification of the specific positions held) for the preceding five years. If the supervised person has no high school education, no formal education after high school, or no business background, disclose this fact. You may list any professional designations held by the supervised person, but if you do so, you must provide a sufficient explanation of the minimum qualifications required for each designation to allow clients to understand the value of the designation.*

Michael C. Kloack, 47

Mr. Kloack has a Bachelor's degree in Management and a Master's in Business Administration with a concentration in Finance.

From 2001 – 2015, Mr. Kloack served as Portfolio Manager and Client Relationship Manager at SBA Investment Advisers, a division of Stauder, Barch & Associates.

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**Item 3 - Disciplinary Information**

*If there are legal or disciplinary events material to a client's or prospective client's evaluation of the supervised person, disclose all material facts regarding those events.*

*A) A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the supervised person*

*1) was convicted of, or pled guilty or nolo contendere ("no contest") to*

*(a) any felony;*

*(b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or*

*(c) a conspiracy to commit any of these offenses;*

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

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

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

None

*B) An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which the supervised person:*

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

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

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

*(b) barring or suspending the supervised person's association with an investment-related business;*



(c) *otherwise significantly limiting the supervised person's investment-related activities; or*

(d) *imposing a civil money penalty of more than \$2,500 on the supervised person.*

None

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C) *A self-regulatory organization (SRO) proceeding in which the supervised person:*

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

2) *was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.*

None

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D) *Any other hearing or formal adjudication in which a professional attainment, designation, or license of the supervised person was revoked or suspended because of a violation of rules relating to professional conduct. If the supervised person resigned (or otherwise relinquished the attainment, designation, or license) in anticipation of such a hearing or formal adjudication (and the adviser knows, or should have known, of such resignation or relinquishment), disclose the event.*

None

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#### Item 4 - Other Business Activities

*If the supervised person is actively engaged in any investment-related business or occupation, including if the supervised person is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA, disclose this fact and describe the business relationship, if any, between the advisory business and the other business.*

N/A

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*If the supervised person is actively engaged in any business or occupation for compensation not discussed in response to Item 4.A, above, and the other business activity or activities provide a substantial source of the supervised person's income or involve a substantial amount of the supervised person's time, disclose this fact and describe the nature of that business. If the other business activities represent less than 10 percent of the supervised person's time and income, you may presume that they are not substantial.*

N/A

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**Item 5 - Item 5 Additional Compensation**

*If someone who is not a client provides an economic benefit to the supervised person for providing advisory services, generally describe the arrangement. For purposes of this Item, economic benefits include sales awards and other prizes, but do not include the supervised person's regular salary. Any bonus that is based, at least in part, on the number or amount of sales, client referrals, or new accounts should be considered an economic benefit, but other regular bonuses should not.*

N/A

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**Item 6 - Supervision**

Explain how you *supervise* the *supervised person*, including how you monitor the advice the *supervised person* provides to *clients*. Provide the name, title and telephone number of the *person* responsible for supervising the *supervised person's* advisory activities on behalf of your firm.

Ben J. Courson, Director, serves as GPS' Chief Compliance Officer. Mr. Kloack and Mr. Courson confer and coordinate on all strategies and recommendations given to clients. Whenever possible, Mr. Courson attends investment bids held with clients, where the majority of investment advice is provided to clients. In addition, in his role as Chief Compliance Officer, Mr. Courson periodically reviews client files to ensure compliance with all regulatory requirements as well as GPS Policies and Procedures.

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If you are registered or are registering with one or more *state securities authorities*, you must respond to the following additional Item.

Requirements for State-Registered Advisers

*In addition to the events listed in Item 3 of Part 2B, if the supervised person has been involved in one of the events listed below, disclose all material facts regarding the event.*

1. An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following:
  - (a) an investment or an *investment-related* business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.

None

2. An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:
  - (a) an investment or an *investment-related* business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.

None

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If the *supervised person* has been the subject of a bankruptcy petition, disclose that fact, the date the petition was first brought, and the current status.

N/A