

DISCLOSURE BROCHURE

THE INVESTMENT ADVISERS ACT OF 1940 RULE 203-1
Part 2A of Form ADV: Firm Brochure



LDM Advisory Services

SEC File #: 801-00000
Firm IARD/CRD #: 281782

LDM Advisory Services, LLC

REGISTERED INVESTMENT ADVISOR

HOME OFFICE

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CONTACT INFORMATION

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This Disclosure Brochure provides information about the qualifications and business practices of LDM Advisory Services, LLC, which should be considered before becoming a client. You are welcome to contact us if you have any questions about the contents of this brochure - our contact information is listed to the right. Additional information about LDM Advisory Services, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator. Furthermore, the term "registered investment advisor" is not intended to imply that LDM Advisory Services, LLC has attained a certain level of skill or training.

BROCHURE
DATED

**15
OCTOBER
2015**



MATERIAL CHANGES

ITEM 2

There are no material changes to report. This Disclosure Brochure has been reviewed and is current as of the date indicated on the cover.



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ADVISORY BUSINESS

Who We Are

LDM Advisory Services, LLC (hereinafter referred to as “LDM”, “the Company”, “we”, “us” and “our”) is a Georgia Limited Liability Company organized in October 2015 as a *fee-only* registered investment advisor¹ offering wealth management services to individuals, families, foundations or endowments, charitable organizations, corporate entities, trusts and estates, and retirement plans.

Owners

The following person controls the Company:

Name	Title	CRD#
Lance D. MacKenzie	Managing Member & Chief Compliance Officer	3150323

Assets Under Management

As of October 15, 2015, our assets under management totaled:

Discretionary Accounts.....	\$0
Non-Discretionary Accounts	\$0

What We Do

Our wealth management services can be divided into two (2) programs: **Investment Management** and **Financial Planning**.

Investment Management

How We Get to Know You

With the complexity of today’s marketplace, it is critical for us to understand who you are and what you want to accomplish financially. Our initial meetings with you, and the profile questionnaires² we have you complete, provide us with a clearer picture of your personal finances, investment return expectations, time horizon, and risk tolerance so that we can develop a successful investment strategy and tailored asset allocation guideline unique to your investment objectives.

¹ The term “registered investment advisor” is not intended to imply that LDM Advisory Services, LLC has attained a certain level of skill or training. It is used strictly to reference the fact that we are “registered” as a licensed “investment advisor” with the United States Securities & Exchange Commission (the “SEC”) - and “Notice Filed” with State Regulatory Agencies that have limited regulatory jurisdiction over our business practices.

² The profile questionnaires we use are important tools in gathering information about your investment methodology, risk tolerance, income/tax bracket, liquidity, time horizons, etc. If you elect not to answer these questionnaires or choose to respond with limited input, it is possible that we could operate in a handicapped capacity contrary to your investment needs. Therefore, if you desire the most effective and accurate recommendations regarding your managed account(s), you should make every effort to provide us with your detailed personal needs and objectives, along with detailed financial and tax information.



Our meetings with you to discuss your finances will help to eliminate much of the guesswork in achieving the security and independence you desire and simplify your financial alternatives. In return, we will have:

- ❖ Defined and narrowed objectives and investment options;
- ❖ Stimulated creative thinking;
- ❖ Identified areas of distress;
- ❖ Cultivated peace of mind; and,
- ❖ Created a unique picture of your overall economic personality.

Once your investment parameters have been identified, we will prepare an Investment Policy Statement (“IPS”) that outlines what asset mix is most suitable for your unique investment expectations and risk tolerance. The IPS will guide us in the management of your account(s), and act as a standard against which to measure future results and to make modifications where necessary.

Discretionary and Non-Discretionary Services

Our portfolio management strategies focus on designing and managing a diversified allocation of equity (“stock”) positions, Exchange-Traded Funds (“ETFs”), Investment Company (“mutual funds”) products, along with a mix of fixed-income/debt (“bond”) instruments to achieve the best return on your investment capital³.

Information regarding our management fee structure is disclosed under “Investment Management Fee” in Item 5, “Fees & Compensation” and further description of our investment strategies under Item 8, “Methods of Analysis, Investment Strategies & Risk of Loss”.

Separate Account Management

As part of our discretionary and non-discretionary investment management services, LDM may recommend the portfolio management resources of another independent Portfolio Manager to manage your assets under a SMA (Separately Managed Account) relationship we have arranged for you with our custodian. The Portfolio Manager we recommend will implement those investment disciplines and strategies that resembles your investment parameters outlined in your Investment Policy Statement (“IPS”).

You will find more information about SMA fees under “Portfolio Manager’s Fee” in Item 5, “Fees & Compensation” and how we evaluate Portfolio Managers is also discussed under Item 8, “Methods of Analysis, Investment Strategies & Risk of Loss.”

Financial Planning

Financial planning is an essential tool to help navigate unexpected events with the ultimate goal of providing the confidence and security necessary during both the working years (wealth accumulation) and retirement years (wealth distribution) of an individual’s life. However, such planning requires a lifetime commitment, not only from you but from us as well, your Financial Planner.

Fiscally Responsible

Planning for your future, whether estate, financial, and/or tax planning, requires being fiscally responsible and making disciplined economic choices. A well-designed plan is a

³ You may, at any time, impose restrictions in writing on the securities we may recommend (i.e., limit the types/amounts of particular securities purchased for your account, etc.).



step-by-step process intended to identify and clarify purpose, personal and family core values, needs, and priorities to align your financial decisions with your goals in all areas of your life and business. Planning includes:

1. Arriving at a series of decisions and action items based on current and future financial circumstances and defined goals and objectives;
2. Projecting the consequences of these decisions for you in the form of an economic plan - a **working blueprint**; and,
3. Implementing the protocols outlined in the plan to achieve the plan objectives.

Once complete, the plan, or working blueprint, becomes the benchmark that is used to help us evaluate where you are in achieving your financial goals, needs, and objectives.

Financial Planning Composition

All forms of financial planning are a mutually defined review, analysis and evaluation of your personal financial needs and goals. In general, our financial planning may encompass one or more of the following areas of financial need as communicated by you:

- ❖ Identify and clarify personal and family core values, mission, vision, and goals.
- ❖ Preparation of the financial plan, which encompasses your:
 - Current financial situation.
 - Liquidity and asset preservation needs.
 - Wealth accumulation and growth.
 - Wealth distribution and transfer.More specifically planning may include, but is not limited to, the following modules:
 - Financial Statements - Cash Flow and Balance Sheet.
 - Savings and Emergency Reserves.
 - Asset Allocation and Investment Portfolio Analysis.
 - Potential Income Tax consequences in collaboration with your tax advisor.
 - Risk Management and Insurance Analysis.
 - Retirement Income Analysis.
 - Long-Term Healthcare.
 - Estate and Family Legacy Planning.
 - Business Succession Planning.
- ❖ Outline of recommendations, strategies, solutions and resources.
- ❖ Prioritizing and implementing the written action plan.
- ❖ Investment consultations that allow us to create and implement a customized investment strategy tailored to your long-term investment goals.
 - Prepare a professional investment proposal that can include a written IPS, if requested.
 - Access to our open-architecture platform with a variety of investment management solutions.
- ❖ Facilitate meetings with you and/or advisors or specialists within our professional network.
- ❖ Coordinate and facilitate meetings with family members, business associates, partners or other key individuals to assist with implementing your action plan.

Preparing the Financial Plan

In the development of your unique plan we will follow the **six (6) step Financial Planning Practice Standards** process established by the Certified Financial Planner Board of Standards, Inc. These steps are defined as follows:

**Step 1: Establish and define the client-planner relationship.**

The first step is to learn about you and what you want to achieve. We seek to thoroughly understand your needs, concerns, and priorities. We will explain how we will help you meet your stated personal and financial objectives, and the responsibilities we have as a fiduciary on this journey. In addition, we explain fully the cost of completing the work and the method and timeframe of payment that will be needed.

Step 2: Gathering client data and determine goals and objectives.

In the second step of the planning process, we learn about you and what you want to achieve. This is accomplished through personal interviews and questionnaires, which are designed to address your unique financial planning needs. You will have the opportunity to prioritize objectives and to remove from the process any areas that are not applicable to your circumstances. **The time we invest listening and catering to your wants and needs is critical for developing a strong financial planning foundation.**

Step 3: Analyze and evaluate the client's financial status.

In this third step, we analyze the information you provided to determine your current financial situation and what you should do to meet your goals. Depending on the services you requested, this might include analyzing: (i) your assets, liabilities and cash flow; (ii) your current insurance coverage and investments; and, (iii) your tax strategies and estate planning documents.

Step 4: Develop and present financial planning recommendations and/or alternatives.

Once the analysis has been completed, we begin formally documenting your goals and objectives. We define the plan as a road map (a series of blueprints) designed to take you from where you currently are financially, to where you want to be at some point in the future. This is the creative portion of the process. There are usually several ways to accomplish a given goal. The objective, however, is to integrate financial instruments and strategies into a plan that you will be comfortable executing. In some cases, the drafting of the plan reveals the need for us to help you reconcile the gap between your expectations and your financial realities. Once a viable plan has been drafted, it is presented to you and reviewed. The draft and review process may be repeated until you are satisfied with the financial plan or the scope of work has been completed. There may be additional costs for you to implement your plan under steps 5 and 6. You have the choice to allow us to implement your financial plan or you can use another outside professional.

Step 5: Implement the planning recommendations.

A financial plan is of limited value if it is not put into action. Accordingly, we assist you with implementing⁴ the plan. The action plan schedule provides you with a list of tasks and deadlines designed to ensure that **you put your plan into action**. The following are some examples of implementation:

- ❖ Drafting of appropriate estate documents (performed in conjunction with an estate attorney).
- ❖ Purchase of various insurance policies (provided by an independent insurance agent).

⁴ Implementing the recommendations made in a financial plan often requires consultation or coordination with one or more outside professionals (e.g. attorneys, CPAs, insurance agents, and securities representatives). All personal and private information received from you will be kept entirely confidential, not only by us, but by the outside professionals as well. Your confidential information will be disclosed to third parties only with your consent or as may be permitted or required by law.



- ❖ Investment advisory services that includes preparation of an IPS and implementation of your asset allocation strategy (performed by us, or another investment adviser/broker-dealer of your choice).
- ❖ Ongoing income tax planning (performed in conjunction with independent Certified Public Accountant or tax accountant).

Step 6: Monitor the planning recommendations.

Once the plan has been built and the recommendations have been implemented it is critical that these recommendations be monitored on a continuing basis to ensure that they remain consistent with your financial parameters. **Material changes in your personal circumstances, the general economy, changes in the way you want your investments allocated, or tax law changes are some of the reasons why the recommendations should be reviewed periodically and possibly adjusted.**

The fee for preparing a financial plan is disclosed under “Financial Planning Fee” under Item 5, “Fees & Compensation”.

Retirement Plan Consulting

We assist employer-sponsored retirement savings plan administrators and/or named fiduciaries in designing a fiduciary process and in developing and executing an investment management program. Depending on the needs and/or desires of the employer-sponsored plan, we can provide the following services as defined under ERISA. If the plan is not subject to ERISA, ERISA standards are considered “best practice” and will be followed, when possible.

- ❖ **Limited-Scope 3(21) Fiduciary** - As a Limited-Scope 3(21) Fiduciary, we acknowledge we have a fiduciary role but **do not** take independent discretion in the management of the retirement plan’s investment options. We provide investment advice to plan administrators and/or named fiduciaries, who are ultimately responsible for making all investment decisions.
- ❖ **3(38) Advisor** - As a 3(38) Advisor, we have **full discretion** to construct an investment menu, select and monitor money managers, mutual funds, or ETFs or to replace the investment options within the plan. Under this arrangement, plan administrators and/or named fiduciaries are outsourcing all investment management decisions to us.

Retirement Plan Design

In working with plan sponsors, administrators, fiduciaries, and investment committees, we hold fast to professional practice standards of care as required by ERISA in advising on existing retirement plans or in the creation of new retirement plans. Our services generally follow these five steps:

Step 1: Review Current Investment Architecture.

If the employer has an existing retirement plan, we conduct a fiduciary review of the retirement plan’s current investment activities. This includes reviewing existing trust documents and the plan’s current Investment Policy Statement. Portfolio manager and/or mutual fund structures and fees (including transaction costs) are examined closely. We also examine recordkeeping and administrative expenses and confirm bonding requirements are being satisfied. In addition, we review and evaluate investment strategies and policies, and all existing service provider contracts.

As a Limited-Scope 3(21) Fiduciary, this step helps plan administrators and/or named fiduciaries identify, confirm, and measure the objectives, concerns, and performance in



managing the plan. We take steps to educate fiduciaries about their responsibilities and duties. Moreover, we use this education process as a convenient environment for obtaining feedback and input from existing fiduciaries so that findings in this first step also reflect the knowledge, experience and insights of the existing fiduciary team.

Step 2: Design the Optimum Portfolio/Menu.

We identify ways to diversify and optimize the plan and effectively control individual asset allocation decisions. Asset classes, and various asset class combinations, made available to the plan need to be identified. Identification of appropriate asset classes requires a consideration of anticipated returns, risk measurements, and historical correlation coefficients between asset classes. This work results in setting the foundation to appropriately diversify and optimize investment options available to participants.

Step 3: Formalize the Investment Policy.

We will draft a written Investment Policy Statement (“IPS”). This IPS addresses specific plan and investment objectives, various asset classes to be included, as well as investment guidelines and procedures for selecting and monitoring investment options. This IPS should be understood and accepted as the method of managing the plan and should be signed by the advisor and the plan sponsor.

Step 4: Implement Investment Policy.

As a Limited-Scope 3(21) Fiduciary, we propose a number of alternative investment options for plan administrators’ or named fiduciaries’ consideration. The proposal includes a review of active and passive investment alternatives to fulfill IPS requirements. We consider the individual management styles and disciplines that each investment option or investment manager is expected to bring to the total portfolio.

If we have been appointed as a 3(38) Fiduciary, we are willing to take on the role of an “investment manager” as defined in ERISA 3(38). In this capacity, we have discretion over constructing the investment menu, selecting, monitoring, and replacing portfolio managers and/or mutual funds. With us serving in this role, the plan’s administrators and/or named fiduciaries are able to actively participate in reviewing our management of investment products while avoiding what too often turns out to be a dysfunctional division of authority and expertise.

Step 5: Monitor the Investment Program.

We provide ongoing supervision of the investment program. We submit and present performance reports, no less than annually, comparing returns of each investment in the portfolio/menu against stated objectives, and relevant industry and peer-group reference points.

On a regular basis, we assess the quality measures and organizational structures affecting each of the plan’s investments. We keep plan administrators/named fiduciaries informed of overall costs of the plan and material changes in any investments that are used. Evolving economic, financial and competitive developments are included as part of our ongoing monitoring services. We also monitor revenues paid to any service provider to the plan.

For information on our fees for retirement planning services, see “Retirement Planning Fee” under Item 5, “Fees & Compensation.”



General Consulting Services

We also offer **general consulting services**, which are independent of all other services. Under this arrangement, we do not provide any on-going investment management or financial planning services. Such consulting may include, but is not limited to:

- ❖ General and/or specific advice on non-managed investments
- ❖ General and/or specific financial planning advice
- ❖ Independent retirement plan benchmarking and cost analysis
- ❖ General and/or specific life insurance or annuity contract review and recommendations
- ❖ General and/or specific divorce planning advice

For information on our fees for consulting services, see “General Consulting Fee” under Item 5, “Fees & Compensation.”

FEES & COMPENSATION

ITEM 5

Investment Management Fees

Our investment management fees are provided on an **asset-based fee** arrangement. The management fee will be calculated based on the **aggregate market value** of your portfolio on the last business day of the previous calendar quarter multiplied by one-fourth the corresponding annual percentage rate **for each portion of your portfolio assets that fall within each tier**. See “Billing” below under “Protocols for Investment Management” for more information on how the fee is calculated.

We retain **discretion to negotiate the management fee within each tier** on a client-by-client basis depending on the size, complexity, and nature of the assets managed. The tier breaks are as follows:

Portfolio Value	Annual Fee Rate Not to Exceed
First \$1,000,000	1.00%
Next \$1,000,000	0.90%
Next \$1,000,000	0.80%
Next \$1,000,000	0.70%
Next \$1,000,000	0.60%
Over \$5,000,000	0.50%

We have a **\$2,500 minimum annual fee** requirement (\$625 billed quarterly), which may be **waived or reduced** if we feel circumstances are warranted. Accounts with **portfolio values that fall below \$250,000** will be subject to this minimum annual fee, which can cause our fee to exceed our highest published 1.00% Annual Fee Rate (e.g., a managed account of \$200,000 with a minimum annual fee charge of \$2,500, will translate into an annual fee rate of 1.25%). **Keep in mind, the further your portfolio value drops below \$250,000 the higher the annual fee rate.**



Protocols for Investment Management

The following protocols establish how we handle our investment management accounts and what you should expect when it comes to: (i) managing your account; (ii) your bill for investment services; and, (iii) other fees charged to your account(s).

Discretion

Unless you request otherwise, we will establish discretionary trading authority on all management accounts to execute securities transactions without your prior consent or advice. You may, at any time however, impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, etc.).

Fee Exclusions

The above fees for all of our investment management services are exclusive of any charges imposed by the custodial firm who has custody of your account; including, but not limited to: (i) any Exchange/SEC fees; (ii) certain transfer taxes; (iii) service or account charges, such as, postage/handling fees, electronic fund and wire transfer fees, auction fees, debit balances, margin interest, certain odd-lot differentials and mutual fund short-term redemption fees; and (iv) brokerage and execution costs associated with securities held in your managed account. There can also be other fees charged to your account that are unaffiliated with our management services.

In addition, all fees paid to us for portfolio management services are separate from any fees and expenses charged on mutual fund shares by the Investment Company or by the investment advisor managing the mutual fund portfolios. These expenses generally include management fees and various fund expense, such as 12b-1 fees. Redemption fees, account fees, purchase fees, contingent deferred sales charges, and other sales load charges may occur but are the exception within managed accounts at institutional custodians. A complete explanation of these expenses charged by the mutual funds/ETFs is contained in each mutual fund's or ETF's prospectus. You are encouraged to carefully read the fund prospectus. For more information on the custodial firm that we will recommend to custody your portfolio accounts, see Item 12, "Brokerage Practices".

Billing

Your account will be **billed quarterly in advance** based on the fair market value for the portion of your portfolio that falls **within each tier** of our fee schedule. As your portfolio value grows into the next tier level, either through additional deposits or asset growth, the amount of assets above the fee-break will be billed the corresponding annual fee rate. This results in a blended fee and **effectively lowers the annual fee costs** to manage your portfolio. For example:

Account Value: \$4,500,000		
Tier Fee-Breaks	Annual Fee % (Per Tier)	Tier Assets (Assets within each tier.)
First \$1,000,000	1.00%	\$1,000,000
Next \$1,000,000	0.90%	\$1,000,000
Next \$1,000,000	0.80%	\$1,000,000
Next \$1,000,000	0.70%	\$1,000,000
Next \$1,000,000	0.60%	\$500,000
Over \$5,000,000	0.50%	\$0
Blended Annual Fee %	0.88889%	



For **new managed** accounts opened in mid-quarter, our fee will be based upon a **pro-rated calculation of your assets to be managed** for the current quarterly period. For **existing management accounts**, pro-rated adjustments may be made for partial deposits between billing cycles. We **do not make partial refunds** of our quarterly fee for withdrawals you make during a calendar quarter.

Advisory fees will be deducted first from any money market funds or cash balances. If such assets are insufficient to satisfy payment of such fees, a portion of the account assets will be liquidated to cover the fees.

Termination of Investment Management Services

Our portfolio management services **may be terminated by either party (you or us) with written notification via United States mail**. At our option, we may accept notification via electronic means - email or fax. If you wish to terminate our agreement, your written request to terminate services should be received in our office **at least 30 days prior** to the date of termination (i.e.; To terminate services on October 1st, a request for termination should be received in our office by September 1st.) Such written notifications should include the date the termination will go into effect along with any final instructions on the account (i.e. liquidate the account, finalize all transactions and/or cease all investment activity).

In the event termination does not fall on the first/last day of a calendar quarter, **you shall be entitled to a pro-rated refund** of the prepaid quarterly management fee based upon the number of days remaining in the quarter after the termination notice goes into effect. **Once the termination of portfolio management services has been implemented, neither party has any obligation to the other** - we no longer earn management fees or give investment advice and you become responsible for making your own investment decisions.

Separately Managed Accounts

Under the arrangements with the Portfolio Managers, we are not involved in the day-to-day management of your portfolio assets. **Our responsibility to the Portfolio Manager(s)** will be to ensure you meet their minimum qualifications. Once your account has been established, we will provide all the administrative and clerical duties as may be required to service your account. The Portfolio Manager(s) may have little or no direct contact with you.

Our responsibility to you will be to: (i) continuously evaluate the performance of your portfolio to ensure the Portfolio Manager selected adheres to your asset allocation guidelines as outlined in your IPS; and, (ii) make recommendations regarding the Portfolio Manager as market factors and your personal goals dictate.

Portfolio Manager's Fee

Under an SMA arrangement, **the Portfolio Manager's management fee is separate from our monitoring fee** (See "Investment Management Fees" disclosed above for our fee schedule, and "Billing" under "Protocols for Investment Management" for how your account will be billed.). The Portfolio Manager will disclose their fees for management services in their Disclosure Brochures (the Portfolio Manager's ADV Part 2A: Firm Brochure or Part 2A Appendix 1: Wrap Fee Program Brochure), **which we will provide you prior to, or at the same time as, opening an account**.

Using a Portfolio Manager to manage your account could cause you to pay a higher combined management fee. The total fees to be charged to your account for services under an SMA arrangement, will be our fee **plus** the Portfolio Manager's fee, a breakdown of this fee is as follows:



1. The Portfolio Manager's management fee (ranging from between 0.30% to 1.50%) billed separately;
2. Our investment management fee (based on the above fee schedule) billed separately; and,
3. Trading commissions and/or account charges, depending on if the Portfolio Manager is "wrapping" all the fees, which may be imposed by the custodian or broker/dealer used to custody your account(s).

You will want to consult that Portfolio Manager's Disclosure Brochure for their policies on how they will handle your account; such as, billing, deposits and withdrawals, fee exclusions, termination, and any other unique advisory costs associated with their service since we **do not take discretion** over the management of your account and we **do not handle any of their billing**.

We will discuss these arrangements with you when we go to open your account with a Portfolio Manager; however, **you are encouraged to read their terms for management on your own**.

Financial Planning Fee

The cost to prepare a financial plan depends on the scope of engagement, complexity of service requested, the nature of your personal and financial situation, and any other factors that may affect the project to perform the services you desire.

Planning Engagements

Comprehensive Financial Plans

Comprehensive financial planning is offered for a **negotiated flat project fee not to exceed \$10,000** for the initial engagement. Fees may be significantly **reduced, or waived, if we manage over \$250,000 of your portfolio account**.

The comprehensive planning fee will be fully disclosed in a Financial Planning Agreement, which will include the cost⁵ to review your financial information and prepare the comprehensive financial plan. We have the option to:

1. Require full payment up-front⁶;
2. Require one-half the fee be paid at the time the Agreement is signed, with the remaining balance due upon completion of the financial plan; or,
3. Require one-half the fee be paid at the time the Agreement is signed, with the remaining balance billed monthly on a progress basis as the work is completed.

Modular Plans

If you desire only modular planning - review, analysis and evaluation of a core area of financial need - the fee will be billed at our **hourly rate not to exceed \$250⁷**. All fees will be completely itemized in a billing statement to you, or as otherwise predetermined in a proposal, engagement letter and/or by retainer.

⁵ Rarely will a fee exceed those costs outlined in the Agreement. However, there can be instances where we did not contract with you to perform a particular task and therefore merit notifying you of the additional cost prior to beginning such services.

⁶ The recommendations made in a financial plan are generally completed within 30 to 45 days from you signing the Agreement. However, implementing the plan using outside professionals (i.e., attorneys, CPAs, etc...) may require additional time that is out of our control. Therefore when we refer to the completion of the financial plan, we are referring to us (you and us) finalizing your financial benchmarks/objectives before approaching any outside professional.

⁷ For a modular plan, we require a minimum of two hours consultation to address any personal and financial needs you may have.



Annual Review

It is important to note that any **planning is dynamic - never static**. It therefore must be periodically re-evaluated. A financial plan is a roadmap that is only as good as how well it reflects your current financial position to then guide you on a clear path to a future financial situation. Continuously changing circumstances in your life often necessitate annual reviews designed to systematically address these unexpected diversions and continually keep you on the right road towards your future financial destination.

Annual Review

Once the initial comprehensive financial planning service has been completed, we will establish future “Annual Review” dates if you choose to continue as a financial planning client or you are an “Investment Management” client with on-going financial planning services. The Annual Reviews generally occur after the first anniversary and will be used to review and make adjustments, if necessary, to the financial plan. Together we will set the calendar dates for your future reviews; inasmuch, an Annual Review may consist of two or three visits during the calendar year.

Annual Review Fee

We reserve the option to waive our annual review fee if we are currently managing your investments. If we are **not managing** your investment portfolio and you want us to review your comprehensive financial plan, we will notify you of the cost to perform the desired work before commencing. Such retainer fee **will generally range from 25% to 50% of the first year planning fee depending on the length of time since our last review and on the services you request** (i.e., If the first year planning fee was \$4,000, the annual review fee would be from \$1,000 to \$2,000.). However, if you have experienced significant change in your life circumstances since the date of your previously prepared plan, the fee could be higher.

Termination of Financial Planning Services

Comprehensive or Modular Planning Termination

You can terminate the Financial Planning Agreement at any time prior to the presentation of any final planning documents. We will be compensated through the date of termination for time spent in design of such financial documents at the hourly rate agreed to in the Agreement. If you have prepaid any fees, such un-earned fees will be returned on a pro-rata basis. **Once the financial plan has been completed and presented to you, termination of the Financial Planning Agreement is no longer an option.**

Annual Review Termination

Annual Review services can be terminated at any time. We will bill you for any services rendered from the date of the last bill up to the date of termination at the fee rate that was agreed to in the proposal, engagement letter and/or retainer agreement.

Retirement Plan Consulting Fee

Retirement planning is provided on an **asset-based fee** arrangement. Our retirement plan consulting fee is calculated based on the **aggregate market value** of your account on the first/last business day of a calendar quarter **multiplied by one-fourth** of the corresponding annual percentage rate (i.e., $1.00\% \div 4 = 0.25\%$).

We retain discretion to negotiate the retirement plan consulting fee within each tier on a client-by-client basis depending on the size and type of retirement consulting service provided.



In addition, as the value of the retirement plan assets exceeds each tier level, either through additional deposits or asset growth, a fee break will occur.

Retirement Plan Account Balance	Annual Fee Rates for...	
	ERISA 3(21) Limited-Scope Advisor	ERISA 3(38) Advisor
Up to \$2,500,000	1.00%	1.10%
\$2,500,001 to \$5,000,000	0.70%	0.80%
\$5,000,001 to \$7,500,000	0.50%	0.60%
\$7,500,001 to \$12,500,000	0.40%	0.50%
\$12,500,001 to \$20,000,000	0.30%	0.40%
Over \$20,000,000*	0.20%	0.30%

* For employer-sponsored retirement plans with assets greater than \$20 million, we also offer retirement planning services for a flat annual fee with an annual cost of living increase in place of our tiered asset-based management fee structure.

We have a **\$2,500 minimum annual fee** requirement (\$625 billed quarterly), which may be waived or reduced if we feel circumstances are warranted. Retirement plans with asset values that fall below \$250,000 will be subject to this minimum annual fee, which can cause our fee to exceed our highest published 1.10% Annual Fee Rate (e.g., a retirement plan of \$200,000 with a minimum annual fee charge of \$2,500, will translate into an annual fee rate of 1.25%). Keep in mind, the further the retirement plan value drops below \$250,000 the higher the annual fee rate.

Protocols for Retirement Plan Consulting

The following protocols establish how we handle our retirement planning accounts and what the plan fiduciaries and trustees should expect when it comes to: (i) managing the retirement plan; (ii) our bill for retirement planning services; and, (iii) other fees charged to the retirement plan.

Managing the Retirement Program

The investment allocation models we put together for the retirement plan are based on the investment disciplines that most closely resemble the retirement plan's investment objectives and risk tolerance as outlined in the Investment Policy Statement ("IPS"). We will offer:

- ❖ A line-up of mutual funds.
- ❖ Customized mutual fund allocation models with each model consisting of varying target asset allocations.
- ❖ Customized open architecture platform of leading third-party portfolio managers ("Portfolio Manager").
- ❖ Construction tools to implement effective investment portfolios.
- ❖ Online reporting and account access.

Once the retirement plan account has been established, depending on the level of engagement we will perform one of the following (These are summary descriptions of service - full description will be made in the Retirement Plan Service Agreement.):

Limited-Scope 3(21) Fiduciary: Non-Discretionary Monitoring Services.

As a Limited-Scope 3(21) Fiduciary, we are a fiduciary but do not have discretion of the retirement plan. We continuously monitor the performance of each asset allocation



model, mutual fund and/or Portfolio Manager to be sure investment objectives are met. We notify plan administrators and/or named fiduciaries of whether mutual funds or Portfolios Managers are meeting investment objectives as outlined in the IPS. We also provide recommendations regarding asset allocation model rebalancing, increased monitoring or replacement of mutual funds or portfolio managers.

3(38) Advisor: Discretion.

As a 3(38) Advisor, the plan sponsor has outsourced all investment management decisions to us. We establish discretionary trading authority over the retirement plan to select, monitor, and rebalance each mutual fund allocation model when necessary, including adding or removing various mutual funds or mutual fund families. In addition, where applicable, we review the performance of the portfolio manager(s), and hire/fire portfolio manager(s) based on the investment objectives as outlined in the IPS.

Billing

The retirement plan will be **billed quarterly in advance** based on the above fee arrangements. For **new retirement plans** opened in mid-quarter, our fee will be based on a pro-rated calculation of the plan assets to be managed for the current calendar quarter. **We do not make partial refunds** of our quarterly fee for asset withdrawals made to the retirement plan during a calendar quarter.

If the Record Keeper Handles the Billing

Under a Limited-Scope 3(21) or 3(38) plan management arrangement, if the plan record keeper is responsible for handling the billing, they will use the above planning fee schedule but the planning fees may be billed in advance or arrears on a monthly or quarterly basis. Such billing structure will be disclosed under a separate billing agreement.

Fee Exclusions

The above fees for our retirement planning services are exclusive of any fees paid by the plan fiduciaries and trustees for the services of the retirement planning platform. In addition the fees we bill are exclusive of any charges plan participants may pay that are imposed by a custodial firm, if any, including, but not limited to: (i) any Exchange/SEC fees; (ii) certain transfer taxes; (iii) service or account charges, including, postage/handling fees, electronic fund and wire transfer fees, certain odd-lot differentials, and mutual fund short-term redemption fees; and, (iv) brokerage and execution costs associated with securities held in the retirement account. There can also be other fees charged to the retirement plan that are not related to our management services.

Furthermore, all fees paid to us for retirement planning services are separate from any fees and expenses charged on mutual fund shares by the investment company or by the investment advisor managing the mutual fund portfolios. These expenses generally include management fees and various fund expenses, such as 12b-1 fees. Redemption fees, account fees, purchase fees, contingent deferred sales charges, and other sales load charges may occur but are the exception within managed accounts at institutional custodians. A complete explanation of these expenses charged by the mutual funds is contained in each mutual fund's prospectus. You are encouraged to carefully read the fund prospectus.

Termination of Retirement Planning Services

Either party (the plan administrators/named fiduciaries or us) may terminate at any time the retirement planning services by **written notification via United States mail**. At our option, we may accept notification via electronic means - email or fax. A written request to



terminate services should be received in our office **at least 30 days prior to the date of termination** (i.e.; To terminate services on October 1st, a request for termination should be received in our office by September 1st.) Such written notifications should include the date of termination along with any final instructions on plan services.

In the event termination does not fall on the first/last day of a calendar quarter, **the employee-sponsored retirement plan shall be entitled to a pro-rated refund** of the prepaid quarterly management fee based upon the number of days remaining in the quarter after the termination notice goes into effect. **Once termination of retirement planning services has been implemented, neither party has any obligation to the other.** We no longer earn management fees or give investment advice and the plan administrators and/or named fiduciaries become responsible for making investment decisions.

General Consulting Fee

General consulting is independent of our investment management and financial/retirement planning services. **Under this arrangement, we do not provide any on-going management of your account or give continuous investment advice.** We will perform the desired task but you are responsible for implementing any of the advice.

Our general consulting fee is a **negotiable hourly rate not to exceed \$250 per hour** for our advice. All consulting fees will be completely itemized in a billing statement or consulting agreement. For the initial consultation, the fee will be due at the end of the session. Thereafter we will bill you at the agreed upon hourly rate, should we be contacted by you for future reviews and advice.

General consulting services can be terminated at any time.

PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

ITEM 6

We do not charge fees based on a share of capital gains or the capital appreciation of the assets held in your accounts.

TYPES OF CLIENTS

ITEM 7

The types of clients to whom we offer advisory services are described above under “Who We Are” in Item 4, “**Advisory Business**”. We do not require a minimum account size for investment management or a retirement plan size for retirement plan consulting services; however, our services do have a minimum fee as disclosed above under “Investment Management Fee” and “Retirement Plan Consulting Fee” in the Item 5, “**Fees & Compensation**” section of this Brochure.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

ITEM 8

Investment Management - Methods of Analysis, Investment Strategies & Managing Risk

Our investment management services are designed to complement your financial plan and investment strategy as outlined in your Investment Policy Statement (“IPS”). We provide



advice on securities such as Investment Company (“mutual funds”) products, Exchange-Traded Funds (“ETFs”), Exchange-Traded Notes (“ETNs”), Separately Managed Accounts (“SMAs”), fixed-income/debt (“bond”) instruments, Real Estate Investment Trusts (“REITs”), limited partnerships, and equity (“stock”) positions.

Methods of Analysis

Mutual Funds, ETFs/ETNs, and SMAs Analysis

When evaluating mutual funds, ETFs, ETNs and SMAs, we review the fund’s prospectus and other SEC required filings along with third-party research in order to understand the fund’s objective, portfolio, risks, manager tenure, premium/discount, credit risk, duration, tracking error, fees and expenses, and performance.

Individual Bonds

When evaluating individual bonds, we review the bond’s yield, duration, maturity, and credit quality. We review the terms of the bond’s indenture and financial strength of the issuer along with analysis provided by third-party credit rating agencies such as Standard & Poor’s and Moody’s. In addition, we review bond spreads versus similarly rated bonds and the overall shape of the yield curve.

Individual Stocks

When evaluating individual stocks, we review the company’s valuation, financial strength, business model, management team, and growth projections. We review the company’s SEC filings, earnings call transcripts, and analysis provided by third-party research services such as Standard & Poor’s, Value Line and Morningstar. In addition, we review articles in major financial news publications and industry trade journals.

Investment Strategies

Our investment strategies generally incorporate these methodologies:

Core-Satellite Portfolios

Our general approach to structuring a portfolio follows the core-satellite investment strategy. This method of portfolio construction strives to minimize trading costs and tax liability through low turnover while providing an opportunity to outperform the portfolio’s benchmark.

We begin with building a core strategy that consists of passively managed mutual funds/ETFs that track market cap, factor, sector, and/or strategic indexes. The core portfolio focuses on being exposed to a broad basket of investments and asset classes. We adjust our exposure to these investments and asset classes based on our short-term and long-term performance expectations and risk assessment.

Once the core portfolio is built, we surround the core portfolio with actively managed mutual funds/ETFs and/or individual stocks and bonds. We allocate capital to managers, strategies, and individual investment ideas that we believe will offer above average performance over the next 3 to 5 years.

Custom Portfolios

We build and monitor individual bond and stock portfolios for certain clients. Generally, these portfolios are built for institutional and high net worth clients. Individual bond portfolios are highly customized given the fragmented nature of the bond market and the goals of the client. We follow a more structured process when building individual stock



portfolios that are focused on momentum, value, and event-driven opportunities (short-term) and high-quality growth and dividend opportunities (long-term).

Managing Risk

All investing involves some form of risk. Our investment approach seeks to minimize the risk of permanent loss of capital; however, we understand that investors face other forms of risk such as:

- ❖ **Interest Rate Risk** - Interest rate risk affects the value of bonds more than stocks. Essentially, when the interest rate on a bond begins to rise, the value (bond price) begins to drop; and vice versa, when interest rates on a bond fall, the bond value rises.
- ❖ **Market Risk** - Market risk is the risk that the value of your stocks will depreciate due to stock market dynamics causing one to lose money.
- ❖ **Currency Risk** - Currency risk is the risk that arises from the change in price of one currency against that of another. Investment values in international securities can be affected by changes in exchange rates.
- ❖ **Inflation Risk** - Inflation risk is the risk of the reduction of purchasing power of investments over time.
- ❖ **Commodity Risk** - Commodity risk refers to the uncertainties of future market values and the size of future income caused by the fluctuation in the prices of commodities (i.e., grains, metals, food, electricity, etc...).

The risk factors we have cited here are not intended to be an exhaustive list, but are the most common risks your portfolio will encounter. Other risks that we have not defined could be political, over-concentration, and liquidity to name a few. However, notwithstanding these risk factors, the most important thing for you to understand is that regardless of how we analyze securities or the investment strategy and methodology we use to guide us in the management of your investment portfolio, **investing in a security involves a risk of loss that you should be willing and prepared to bear.** Furthermore, **past market performance is no guarantee that you will see equal or better future returns on your investment.**

Retirement Planning - Methods of Analysis, Investment Strategies & Managing Risk

Our methods of analysis, investment strategies and managing risk will, for the most part, follow what we have disclosed above for investment management; except that, we are bound to the investment objectives as outlined in the retirement plan's Investment Policy Statement ("IPS") and to the type of investments allowed by the custodian and recordkeeping platform. Investments are limited to: independent third-party Money Managers, mutual funds, ETFs, and in some cases, advisor managed models and self-directed brokerage accounts.

Focus of our selecting, monitoring, and replacing investments on the plan platform is to **balance investment return and risk, with the emphasis on spreading risk among asset classes.** We will perform a due-diligence evaluation and review of current/prospective investments to determine which investments to include and/or to leave on the plan platform as well as when to replace existing investments. The due-diligence reviews include, but are not limited to, the following criteria:

- ❖ **Regulatory Oversight:** Show proper licensure as: (a) a bank/trust company, (b) an insurance company, (c) a registered investment company, or (d) a registered investment advisor. In addition, a clear track record of compliance and understanding of their fiduciary duties.
- ❖ **Track Record:** The Money Manager should have at least three years of history so that performance statistics can be properly calculated.



- ❖ **Performance:** The Money Manager's investment performance should show a competitive advantage relative to their peer group in both up and down markets. This reflects an investment knowledge and understanding of the inner-workings of the securities markets.
- ❖ **Stability:** The same management team should be in place for at least two years. This reflects team unity and balance.
- ❖ **Assets Under Management:** Preference will be given to Money Managers and investment products that have at least \$100 million under management (across all share classes).
- ❖ **Composition:** At least 80% of the Money Manager's underlying securities investments should be consistent with the broad asset class.
- ❖ **Style Consistency:** The investment product must be highly correlated to the asset class of the investment option.
- ❖ **Expense Ratios/Fees:** The investment product's fees should **not** be above the median of the peer group.
- ❖ **Risk-Adjusted Performance:** Preference is given to investment products whose risk-adjusted performance is above the peer group median manager's risk-adjusted performance.

DISCIPLINARY INFORMATION

ITEM 9

We have no legal or disciplinary events to report.

OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

ITEM 10

We are a fee-only registered investment advisor; none of our supervised persons are licensed, or are related to, another financial industry participant and therefore no disclosure is necessary for this item.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

ITEM 11

Code of Ethics

As a fiduciary, the Company has an affirmative duty to render continuous, unbiased investment advice, and at all times act in your best interest. To maintain this ethical responsibility, we have adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all personnel in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim. Our Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- ❖ Honest and ethical conduct.
- ❖ Full, fair and accurate disclosure.
- ❖ Compliance with applicable rules and regulations.
- ❖ Reporting of any violation of the Code.
- ❖ Accountability.



To help you understand our ethical culture and standards, how we control sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of our Code of Ethics is available for review upon request.

Client Transactions

We have a fiduciary duty to ensure that your welfare is not subordinated to any interests of ours or of our personnel. The following disclosures are internal guidelines we have adopted to assist us in protecting all of our clientele.

Participation or Interest

It is against our policies for any owners, officers, directors and employees to invest with you or with a group of clients, or to advise you or a group of clients to invest in a private business interest or other non-marketable investment unless prior approval has been granted by our Chief Compliance Officer, and such investment is not in violation of any SEC and/or State rules and regulations.

Insider Trading Policy

We comply with the Insider Trading and Securities Fraud Enforcement Act of 1988. We do not share any non-public information with anyone who does not need to know and have established internal controls to guard your personal information.

Class Action Policy

The Company does not elect to participate in class action lawsuits on your behalf. Such decisions shall remain with you or with an entity you designate. Final determination of whether to participate, and the completion and tracking of any such related documentation, shall rest with you.

Personal Trading

Employees of ours are permitted to personally invest their own monies in securities, which may also be, from time to time, recommended to you. Sometimes, such investment purchases are independent of, and not connected in any way to, the investment decisions made on your behalf. However, there may be instances where investment purchases for you may also be made in an employee's account. In these situations, we have implemented the following guidelines in order to ensure our fiduciary integrity:

1. No employee acting as an Investment Advisor Representative ("RA"), or who has discretion over your account, shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment, unless the information is also available to the investing public on reasonable inquiry. No employee of ours shall prefer his or her own interest to that of yours or any other advisory client.
2. We maintain a list of all securities holdings for all our access employees. Our Chief Compliance Officer reviews these holdings on a regular basis.
3. We require that all employees act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Bunched orders (See "Aggregating Trade Orders" below under Item 12, "**Brokerage Practices**") may include employee accounts. In such cases, priority and advantage will be given to satisfy your order first regardless of the situation.
5. Any individual not in observance of the above may be subject to termination.



Personal trading activities are monitored by our Chief Compliance Officer to ensure that such activities do not impact upon your security or create conflicts of interest.

BROKERAGE PRACTICES

ITEM 12

Custodial Services

The Company has established custodial relationships with the following financial institutions:

- ❖ **TD AMERITRADE, Inc. (“TDA”)** - TDA is a licensed broker-dealer (member FINRA/SIPC/NFA). Custodial arrangements are provided through TD AMERITRADE Institutional for investment advisors.
- ❖ **Fidelity Investments, Inc.** - Fidelity is an NYSE licensed broker-dealer (member NYSE/SIPC). Custodial arrangements are provided through Fidelity Institutional Wealth Services to investment advisors.

Both TDA and Fidelity offer us services, which include custody of securities, trade execution, clearance and settlement of transactions.

Our recommendation for you to custody your assets with one, or both, of these financial institutions has no direct correlation to the services we receive and the investment advice we offer you, although **we do receive economic benefits for which we do not have to pay** through our relationship with these institutions that are typically not available to retail clients. This creates an incentive for us to recommend TDA and/or Fidelity based on the economic benefits we receive rather than on your interest in receiving most favorable execution. These economic 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 and consulting services;
- ❖ Access to a dedicated trading desk;
- ❖ Access to batch trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to accounts);
- ❖ The ability to have advisory fees deducted directly from accounts;
- ❖ Access to an electronic communications network for order entry and account information; and,
- ❖ Access to mutual funds and ETFs with no transaction fees and to certain institutional money managers.

We are not a subsidiary of, or an affiliated entity of, TDA or Fidelity. We have sole responsibility for investment advice rendered, and our advisory services are provided separately and independently from these financial institutions.

Direction of Transactions and Commission Rates (Best Execution)

We have a fiduciary duty to put your interests before our own. The advisory support services we receive from TDA and Fidelity creates an economic benefit to us and a potential conflict of interest to you; in that, our recommendation to custody your account(s) with one, or both, of these financial institutions may have been influenced by these arrangements/services. **This is not the case;** we have selected these institutions as our custodian of choice based on:



1. Their competitive transaction charges, trading platform, and on-line services for account administration and operational support.
2. Their general reputation, trading capabilities, investment inventory, their financial strength, and our personal experience in working with the staff for each financial institution.

Since we do not recommend, suggest, or make available a selection of custodians other than TDA or Fidelity, **best execution may not always be achieved**. Therefore, **you do not have to accept our recommendation to use either of these financial institutions as your custodian**. However, if you direct us to use another custodian, **we may not be able to provide you complete institutional services and such service may cost you more in transaction costs**.

Aggregating Trade Orders

Our objective in order execution is to act fairly, impartially, and to take all reasonable steps to obtain the best possible results (known as “best execution”) for our clients. Therefore, we will not bunch (aggregate) orders for a block trade unless: (i) the bunching of orders is done for the purpose of achieving best execution; and, (ii) no client is systematically advantaged or disadvantaged by bunching the orders.

In consideration of these objectives, we will take into account the unique execution factors of the buy/sell order before bunching accounts for a block trade. A few of those factors are:

- ❖ **Security Trading Volume** - Bunching orders in a block trade can secure price parity and continuity for our clients during heavy trading activity.
- ❖ **Number of Clients** - The fewer the number of client accounts involved in the bunched order may not yield better pricing or order execution; it may be more advantageous to perform an individual market order for each client. In addition, preparing individual market orders, for the small number accounts involved, may be quicker to complete than preparing a bunch order.
- ❖ **Financial Instruments** - The type of security involved as well as the complexity of order can affect our ability to achieve best execution.

If you would like additional information on our trading allocation policies, a copy is available for review upon request.

REVIEW OF ACCOUNTS

ITEM 13

Investment Management Reviews

Each account is reviewed on an ongoing basis by the advisor over your account to ensure that your needs and objectives are being met. All accounts are reviewed in the context of your stated investment objectives and guidelines. Cash needs will be adjusted as necessary.

You will receive at least quarterly statements from TDA and/or Fidelity where your account(s) are custodied. You are encouraged to review each statement which summarizes the specific investments held, the value of your portfolio and account transactions.

You are also encouraged to review with us your investment strategies and account performance on an annual basis. Material changes in your personal circumstances, the general economy, or tax law changes can trigger more frequent reviews. However, **it is your responsibility to**



communicate changes in your personal circumstances so that the appropriate adjustments can be made.

Financial Planning Reviews

The financial planner who has designed your financial plan will work closely with you to be sure the action points identified in a financial plan have been or are being properly executed. Once the action points have been completed, the financial plan should be reviewed at least annually. Material changes in your lifestyle choices, personal circumstances, the general economy, or tax law changes can trigger more frequent reviews. **However, it is your responsibility to communicate these changes to us so that the appropriate adjustments can be made.**

Retirement Planning Reviews

Performance Reports

On a periodic basis, we will provide the plan sponsor and named fiduciary with a written performance evaluation of the investment(s) (herein called the Performance Report). The Performance Report reviews the performance of the retirement plan expressed by various modern portfolio statistics that compare the performance of the investment funds to the guidelines called for by the Investment Policy Statement. The Performance Report provides historical and comparative information, and may not be relied upon as predictive of future performance.

Portfolio Manager Reports

We will review fund data for all the Portfolio Managers on at least an annual basis, with respect to their overall performance in achieving the desired objectives of the plan sponsor's Investment Policy Statement.

The written review is directed to whether the Portfolio Managers' performance and discipline is consistent with the intent and objectives of the Investment Policy Statement. We will provide information to facilitate comparisons of the Portfolio Managers' overall performance benchmarks described in the Plan's Investment Policy Statement.

CLIENT REFERRALS & OTHER COMPENSATION

ITEM 14

Referral Compensation

We may directly compensate persons for client referrals provided such persons are qualified and have entered a solicitation agreement with us as required by Rule 206(4)-3 of the Investment Adviser Act of 1940, as amended. Under such arrangements, if a solicitor referred you, the solicitor will provide you complete information on our relationship - the relationship between the solicitor and us - and the compensation the solicitor will receive should you choose to open an account. This compensation will be paid solely from our fee and will not result in any additional charge to you.

The solicitor is not licensed to give you any investment advice and therefore cannot advise you on the management of your account. A solicitor simply makes an introduction and is compensated only if you were to open a management account with us under these arrangements.



Other Compensation (Indirect Benefit)

The Company receives an indirect economic benefit from TDA and Fidelity (See “Custodial Services” above under Item 12, “**Brokerage Practices**” for more detailed information on these services and products could be.).

Financial Planning Compensation

There are also potential conflicts of interest when an Investment Advisor Representative (“RA”) suggests the need for outside consultations and professional services (i.e., attorneys, accountants, insurance agents, etc.) to implement certain aspects of a financial plan. Even though we do not share in any fees earned by the outside professionals when implementing the financial plan, or receive any commission in recommending insurance products or brokerage services, it does create an incentive on our part to refer your business to only those professionals that in turn refer potential clients to us. This can eliminate the possibility for you to be referred to someone who may provide equivalent professional services, and possibly at a lower cost.

Therefore, to ensure you understand the full relationship of our RAs to any related persons and outside parties that they may refer business, as well as the choices and risks you have in receiving financial planning along with all other investment recommendations, the following disclosures are provided:

- ❖ You are under no obligation to have any related parties that we recommend prepare planning documents (i.e.; financial, estate, tax, etc...). **You are free to choose those outside professionals to implement the recommendations made in the financial or estate plan.**
- ❖ Certain aspects of a financial plan require the assistance of a Registered Representative of a broker-dealer to execute securities transaction and licensed agents to purchase insurance products. In this situation regardless of who performs the transaction(s), **such person will be entitled to earn a commission.**
- ❖ The Company does not receive any economic benefit from referring you to another professional without first notifying you of such possibilities.

Notwithstanding such potential conflicts of interest, our RAs strive to serve your best interest; as well as, ensuring such disclosure is being properly made to you in compliance with the Investment Adviser Act of 1940, Rule 275.206.

CUSTODY

ITEM 15

Management Fee Deduction

We do not take possession of or maintain custody of your funds or securities, but will simply monitor the holdings within your portfolio and trade your account based on your stated investment objectives and guidelines. Physical possession and custody of your funds and/or securities shall be maintained with one of the custodians listed above in Item 12, “**Brokerage Practices.**”

We are however defined as having custody since you have authorized us to deduct our advisory fees directly from your account. Therefore, to comply with the United States Securities and Exchange Commission’s Custody Rule (1940 Act Rule 206(4)-2) requirements, and to protect you



as well as to protect our advisory practice, we have implemented the following regulatory safeguards:

- ❖ Your funds and securities will be maintained with one of the qualified custodian indicated above in Item 12, “**Brokerage Practices**” in a separate account in your name.
- ❖ Authorization to withdraw our management fees directly from your account will be approved by you prior to engaging in any portfolio management services.

The custodian who will have custody of your account is required by law to send you, at least quarterly, brokerage statements summarizing the specific investments currently held in your account, the value of your portfolio, and account transactions. **You are encouraged to compare the financial data contained in our report and/or itemized fee notice with the financial information disclosed in your account statement from the custodian to verify the accuracy and correctness of our reporting.**

INVESTMENT DISCRETION

ITEM 16

Unless you request otherwise, we have you complete our Investment Advisory Agreement which sets forth our discretionary trading authority to buy and sell securities in whatever amounts are determined to be appropriate for your account and whether such transactions are with, or without, your prior approval.

You may, at any time, impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, etc.).

VOTING CLIENT SECURITIES

ITEM 17

We do not vote client proxies. You understand and agree that you retain the right to vote all proxies solicited for securities held in your managed accounts. The custodian of your managed accounts will mail you all proxy solicitations. Any proxy solicitations inadvertently received by us will be immediately forwarded to you for your evaluation and decision.

However, if you have specific questions regarding an action being solicited by the proxy that you do not understand or you want clarification, you may contact us and we will explain the particulars. Keep in mind we will not advise you in a direction to vote, that ultimate decision will be left to you.

FINANCIAL INFORMATION

ITEM 18

We are not required to include financial information in our Disclosure Brochure since we will not take physical custody of client funds or securities or bill client accounts six (6) months or more in advance for more than \$1,200.

We are not aware of any current financial conditions that are likely to impair our ability to meet our contractual commitments to you.

END OF DISCLOSURE BROCHURE