

**Item 1: Cover Page for Part 2A of Form ADV: Firm Brochure**

**March 2018**



**200 Kentucky St., 2<sup>nd</sup> Floor, Suite C  
Petaluma, CA 94952**

**Firm Contact:  
Brian Breen  
Chief Compliance Officer**

**Firm Website Address:  
[www.breenwealth.com](http://www.breenwealth.com)**

This brochure provides information about the qualifications and business practices of Breen Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us by telephone at (707) 595-6556 or email [brian@breenwealth.com](mailto:brian@breenwealth.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 Breen Wealth Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD# 169401.

Please note that the use of the term "registered investment adviser" and description of Breen Wealth Management, LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

## **Item 2: Material Changes to Our Part 2A of Form ADV: Firm Brochure**

Breen Wealth Management, LLC is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our Brochure.

Since our last annual amendment filing, the following changes have been made:

- The maximum annual fee to be charged for our Private Client Group is 1.40%. There will be no fee assessed for the use of our "B-Online Portfolios" Services. Please see Items 4 and 5 for more information.
- Our firm has added Financial Planning & Consulting services. Please see Items 4 and 5 for more information.
- As an SEC-registered firm, our firm is no longer required to send invoices or account statements in addition to those sent by an account's custodian. These invoice and/or account statements, however, may be provided upon request.
- The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodian. Please see Item 15 for more information.

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## **Item 4:       Advisory Business**

Breen Wealth Management, LLC is a fee-only wealth management firm dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is solely owned by Brian J. Breen CFP® and is a limited liability company formed in the State of California. Mr. Breen has owned and operated an independent advisory firm since 2009.

### **Types of Advisory Services We Offer**

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#### **Private Client Group:**

Our Private Client Group service encompasses asset management as well as providing financial planning, financial consulting and pension consulting. It is designed to assist clients in meeting their financial goals through the use of financial investments and/or assist employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. The planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning. We conduct at least one, but sometimes more than one meeting (in person if possible, otherwise via telephone conference) with clients in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, we propose an investment approach to the client. We may propose an investment portfolio, consisting of exchange traded funds ("ETFs"), mutual funds, individual stocks or bonds, or other securities. Pension consulting may include: investment options, plan structure and participant education. Upon the client's agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client's portfolio. Once the relevant accounts are under our management, we review such accounts on a regular basis and at least quarterly. We may periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client's investments.

All pension consulting services shall be in compliance with the applicable state law(s) regulating pension consulting services. This applies to client accounts that are pension or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in section 1(a) of the advisory agreement).

#### **Financial Planning & Consulting Services**

Our firm provides a variety of standalone financial planning and consulting services to clients for the management of financial resources based upon an analysis of current situation, goals, and objectives. Financial planning services will typically involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, or Business and Personal Financial Planning.

Written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. Implementation of the recommendations will be at the discretion of the client. Our firm provides clients with a summary of their financial situation, and observations for financial planning engagements. Financial consultations are not typically accompanied by a written summary of observations and recommendations, as the process is less formal than the planning service. Assuming that all the information and documents requested from the client are provided promptly, plans or consultations are typically completed within 6 months of the client signing a contract with our firm.

### **“B-Online Portfolios” Services**

Breen Wealth offers a digital investment option, “B-Online Portfolios”, through Institutional Intelligent Portfolios™ (the “Program”), an automated online investment management service for independent investment advisors sponsored by Schwab Wealth Investment Advisory, Inc. (“SWIA”) and available exclusively through independent investment advisory firms like Breen Wealth. Breen Wealth, not Schwab, is responsible for advising you on the Program, including recommending and selecting a portfolio appropriate for you and managing your portfolio on a discretionary basis. Your portfolio will be held in a brokerage account at Charles Schwab & Co., Inc. “Institutional Intelligence Portfolios” is a trademark of Charles Schwab & Co., Inc.

We have contracted with SWIA to provide us with the technology platform and related trading and account management services for our “B-Online Portfolios” clients. This platform enables us to make the “B-Online Portfolios” available to clients online and includes a system that automates key parts of our investment process. The system includes an online questionnaire that helps us to determine the investment objective and risk tolerance of a “B-Online Portfolios” client and to select an appropriate investment strategy and portfolio. To build and manage portfolios, “B-Online Portfolios” uses an advanced algorithm in order for clients to receive a diversified portfolio composed of low-cost ETFs—all handpicked by the Breen Wealth. Portfolios include up to 20 asset classes across stocks, fixed income, real estate and commodities, as well as an FDIC-insured cash component for diversification. After the ETFs are chosen, “B-Online Portfolios” monitors the performance on an ongoing basis to make sure the ETFs continue to provide consistency and diversity. If clients maintain a balance of at least \$5,000, portfolios are automatically rebalanced across up to 20 asset classes, to keep investments consistent with the selected risk profile. With a portfolio account of \$50,000 or more, tax-loss harvesting can be handled automatically once clients enroll in this service.

While the technology platform and related trading and account management services for the “B-Online Portfolios” provide many advantages to clients, the service is not as extensive as provided through the Private Client Group Services. The portfolio models that we have developed for the “B-Online Portfolios” are necessarily less customized to client objectives and needs than the investment management services that we provide in connection with our Private Client Group Services. Because the “B-Online Portfolios” is an automated online platform, clients should expect less personal interaction with Breen Wealth’s advisors and support staff in the management of their accounts.

### **Individual Tailoring of Advice to Clients**

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We offer individualized investment management to clients utilizing our Private Client Group and Financial Planning & Consulting services. Additionally, general information is provided to clients utilizing our automated online investment management platform, “B-Online Portfolios”.

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be

possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our Private Client Group.

### **Participation in Wrap Fee Programs**

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We do not offer wrap fee programs.

### **Regulatory Assets Under Management**

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As of December 31, 2017, our firm manages \$116,000,000 on a discretionary basis.

## **Item 5: Fees & Compensation**

### **Private Client Group Services:**

The maximum annual fee to be charged for our Private Client Group services will not exceed 1.40%, and will be based on the market value of the investments held in each client's account. The agreed upon fee to be assessed will be outlined in the advisory agreement to be signed by the client. We have a minimum account size of \$1,000,000. The minimum account size may be negotiable on a client by client basis, which may be waived at our firm's discretion.

The Firm receives no sales commissions on investment products purchased or sold for client accounts. We do not provide clients advice as to the tax deductibility of our advisory fees. Clients are directed to consult a tax professional to determine the potential tax deductibility of the payment of advisory fees.

Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. Fees will be deducted from your managed account. Adjustments will be made for deposits and withdrawals during the quarter. In rare cases, we will agree to direct bill clients. As part of this process, you understand and acknowledge the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- b) Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
- c) If our firm sends a copy of our invoice to the client, legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

### **Financial Planning & Consulting Services**

Our firm charges on a flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. Flat fees range from \$2,500 to \$10,000. Our firm requires a retainer of 50% of the ultimate financial planning or consulting fee at the time of signing. The remainder of the fee will be directly billed to the client and due within 30 days of a financial plan being delivered or consultation rendered. Our firm will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 months.

## **“B-Online Portfolios” Services**

Our firm does not assess a fee for the use of B-Online Portfolio.

## **Other Fees & Expenses**

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Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund’s prospectus (i.e., fund management fees and other fund expenses).

B-Online Portfolios through Institutional Intelligent Portfolios™ (the “Program”) use only non-transaction fee (NTF) securities.

## **Termination & Refunds**

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In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

Financial Planning & Consulting clients may terminate their agreement at any time before the delivery of a financial plan by providing written notice. Clients will incur charges for bona fide advisory services rendered up to the point of termination (determined as 30 days from receipt of said written notice) and such fees will be due and payable. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

## **Commissionable Securities Sales**

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We do not sell securities for a commission in our advisory accounts.

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

Our firm does not charge performance-based fees.

### **Item 7: Types of Clients & Account Requirements**

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Pension & Profit Sharing Plans

We require a minimum account balance of \$1,000,000 for our Private Client Group service. The minimum account size may be negotiable under certain circumstances. We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

We require a minimum account balance of \$5,000 for “B-Online Portfolios”.

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

### **Methods of Analysis**

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**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

### **Investment Strategies**

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Our strategy is a proactive, tactical, risk management discipline that follows a 4-step process in order to seek gains during advancing markets and preserve capital in sideways to negative markets:

1. Build portfolio allocation around client's risk tolerance and financial planning goals.
2. Determine the best way to invest within the client's portfolio allocation using low cost, non-proprietary, diversified funds.
3. Conduct quarterly rebalance and re-allocation adjustments based on fundamental and technical research.
4. Ongoing portfolio monitoring to maintain cost efficiency, tax efficiency and mitigate risk to reduce portfolio drawdown.

**Please Note:** Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

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

Our firm is not registered, nor does it have an application pending to register, as a broker-dealer, registered representative of a broker dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.



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

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary.

As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics.

Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request. Neither our firm nor a related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest.

Related persons of our firm buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities within 24 hours prior to buying or selling for our clients. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

## Item 12: Brokerage Practices

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- Ability to maintain the confidentiality of trading intentions
- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Liquidity of the securities traded
- Willingness to commit capital
- Ability to place trades in difficult market environments
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation

With this in consideration, our firm has an arrangement with Charles Schwab & Co., Inc. ("Schwab"). Schwab offers to independent investment advisers non-soft dollar services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some non-soft dollar benefits from Schwab through our participation in the program. (Please see the disclosure under Item 14 of this Brochure.)

Schwab may make certain research and brokerage services available at no additional cost to our firm. These services may be directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by Schwab may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by Schwab to our firm in the performance of our investment decision-making responsibilities.

The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense. We may have an incentive to continue to use or expand the use of Schwab services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with Schwab and we have determined that the relationship is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

Schwab charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Schwab enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction

charges. Schwab commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by Schwab may be higher or lower than those charged by other custodians and broker-dealers.

Investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

Our firm does not receive brokerage for client referrals. Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. We routinely recommend that a client directs us to execute through a specified broker-dealer. Our firm recommends the use of Schwab.

We allow clients to direct brokerage outside our recommendation. However, we may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts.

When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

### **Special Considerations for ERISA Clients**

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

### **Item 13: Review of Accounts or Financial Plans**

We review accounts on at least a quarterly basis for our clients subscribing to our Private Client Group services. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Chief Compliance Officer, Brian Breen, will conduct reviews. Verbal reports to clients take place on at least an annual basis when we contact clients who subscribe to our Private Client Group services. We do not provide written reports to clients, unless asked to do so. We

may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. Our firm does not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately engage our firm for a post-financial plan meeting or update to their initial written financial plan.

For clients subscribing to our "B-Online Portfolios" services, we review accounts when a client updates his or her response to the online questionnaire. The nature of these reviews is to learn whether client accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Financial Advisors or Portfolio Managers will conduct reviews. We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc. We do not provide written reports to clients, unless asked to do so. Due to the "online" nature of the platform, clients have 24hr online access to their account(s), statements, and reports via the internet or smartphone app.

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

Adviser places trades for its clients' accounts subject to its duty to seek best execution and its other fiduciary duties. Adviser may use broker-dealers other than Schwab to execute trades for client accounts maintained at Schwab, but this practice may result in additional costs to clients so that Adviser is more likely to place trades through Schwab rather than other broker-dealers. Schwab's execution quality may be different than other broker-dealers.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisers that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with relevant state statutes and rules.

#### **Item 15: Custody**

Our firm does not have custody of client funds or securities. All of our clients receive account statements directly from their qualified custodians at least quarterly upon opening of an account. If our firm decides to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

#### **Third Party Money Movement**

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party

under a standing letter of instruction (“SLOA”) is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodian, Schwab:

- The client provides an instruction to the qualified custodian, in writing, that includes the client’s signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client’s qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client’s authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client’s qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client’s instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client’s qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

#### **Item 16: Investment Discretion**

Our clients are required to sign a discretionary investment advisory agreement with our firm for the management of their account authorizing us to determine which securities and the amount of securities to be purchased and sold in client accounts without prior authorization.

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

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

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

We are not required to provide financial information in this Brochure because we do not require the prepayment of more than \$1,200 in fees and six or more months in advance, we do not take custody of client funds or securities or we do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients. We have never been the subject of a bankruptcy proceeding.