



**MOKOSAK ADVISORY GROUP<sup>®</sup>**

Trusted advice, abundant life.

## Firm Brochure - Form ADV Part 2A

May 24, 2017

*This brochure provides information about the qualifications and business practices of Mokosak Advisory Group, LLC. If you have any questions about the contents of this brochure, please contact us at (515) 223-5404 or by email at: [frank@mokosakag.com](mailto:frank@mokosakag.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.*

*Mokosak Advisory Group, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.*

*Additional information about Mokosak Advisory Group, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Mokosak Advisory Group, LLC's CRD number is: 287538.*

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## **Item 2: Material Changes**

Mokosak Advisory Group, LLC has the following material changes to report. Material changes relate to Mokosak Advisory Group, LLC's policies, practices, or conflicts of interests.

- Mokosak Advisory Group, LLC has updated Item 12 to disclose Great-West Life & Annuity Insurance Company as an additional custodian.
- Mokosak Advisory Group, LLC has updated Item 14 to disclose account closing fee reimbursements and free trading for 90 days.
- Mokosak Advisory Group, LLC has updated Item 12 to disclose Teachers Insurance and Annuity Association of America as an additional custodian.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Mokosak Advisory Group, LLC (hereinafter “Mokosak Advisory Group”) is a Limited Liability Company organized in the State of Iowa. The firm was formed in November 2008 and the principal owner is Richard Frank Mokosak. The firm has registered as an investment adviser with the SEC effective April 7, 2017.

Using a proprietary process, Roadmap to an Abundant Life™, Mokosak Advisory Group, LLC provides the following advisory services to help guide clients through life's journey.

### **B. Types of Advisory Services**

#### ***Financial Planning Services***

The Roadmap for an Abundant Life™ process begins with a Discovery Meeting to uncover the gaps between where a client currently is and where they want to be. Following this meeting, clients receive a personalized Roadmap to an Abundant Life™ Mindmap that clarifies goals, values, relationships, and personal preferences.

The second step of our process is the Investment Planning Meeting. Here we analyze the current portfolio. If we find that the portfolio is well positioned, we'll share this with the client; otherwise, we'll provide recommendations for moving forward.

The next step is our Mutual Commitment Meeting. This is a period of time for the client to review our recommendations and decide if they would like to engage in our services.

During the fourth step, we will review the financial plan, organize account paperwork, and establish the client's personal, secure financial website.

The fifth step is ongoing Review Meetings. During the Review Meetings, we review the client's progress, address any gaps in the plan, and when necessary, bring in our team of professional accountants and attorneys to implement client-specific strategies.

#### ***Portfolio Management Services***

Mokosak Advisory Group offers ongoing portfolio management services based on the goals, objectives, time horizon, and risk tolerance of each client. Mokosak Advisory Group creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax bracket, time horizon, and risk tolerance) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation.

Mokosak Advisory Group evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Mokosak Advisory Group will request discretionary authority from clients in order to select securities and execute transactions without permission

from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

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

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

Mokosak Advisory Group primarily recommends a diversified portfolio of Exchange-Traded Funds (ETFs) or Mutual Funds. Mokosak Advisory Group may use other securities as well to help diversify a portfolio when applicable. These other securities may include 529 College Savings Plans, REITs, fixed income securities, insurance products including annuities, life insurance and private placement insurance, equities, treasury inflation protected/inflation linked bonds, non-U.S. securities and venture capital funds. Note: This may not be an all-inclusive list.

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

Mokosak Advisory Group will tailor a program for each individual client. This may include a Discovery Meeting to get to know the client's goals, values, relationships, and personal preferences as well as a financial plan that will be executed by Mokosak Advisory Group on behalf of the client. Mokosak Advisory Group may use model allocations together with a specific set of recommendations for each client based on their personal goals, investment objectives, and risk tolerance. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent Mokosak Advisory Group from properly servicing the client account, or if the restrictions would require Mokosak Advisory Group to deviate from its standard suite of services, Mokosak Advisory Group reserves the right to end the relationship.

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

Mokosak Advisory Group does not participate in any wrap fee programs.

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

Mokosak Advisory Group has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$0	May 2017

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Advisory Fee for Portfolio Management*

##### **Tiered Advisory Fee Schedule**

<u>Total Assets Under Management</u>	<u>Annual Fee</u>
\$0 - \$500,000	1.40%
\$500,001 - \$1,000,000	1.00%
\$1,000,001 - \$4,000,000	0.75%
\$4,000,001 - \$10,000,000	0.50%
\$10,000,001 – And Above	0.25%

The advisory fee is payable quarterly in advance in increments of one-fourth the annual rate based on a tiered advisory fee schedule. This fee schedule allows the client to pay a reduced advisory fee on additional assets once a client reaches the next tier. For example, if a client has already invested \$500,000 at an advisory fee of 1.4%, the next \$1 over the \$500,000 tier will be a 1% advisory fee. The quarterly advisory fee will be withdrawn directly from the client account unless the client instructs Advisor otherwise. The advisory fee is generally based upon the value of the account as of the last business day of the previous quarter. However, when a client adds assets to, or withdraws assets from, an account during the quarter, we refund a portion of the advisory fee for withdrawals (on a prorated basis) and we charge an additional advisory fee for additions to the client account (also on a prorated basis). The refund or charge is applied to the next quarterly advisory fee. We use an independent third-party service provider to calculate the advisory fee.

The initial advisory fee will be pro-rated based on the value of the new assets transferred into the account for the first partial quarter. The initial calculation period will begin the day assets are deposited and will end on the last day of that same quarter. Should assets be received at different times, the pro-rated calculation will apply to each deposit received.

The advisory fee may be reduced based on the size of the portfolio and nature of the services provided. The final advisory fee schedule is attached as Exhibit B of the Investment Advisory Agreement. Clients may terminate the agreement without penalty for a full refund of Mokosak Advisory Group's advisory fee within five business days of signing the Investment Advisory Agreement. Clients that have been with the firm for greater than five business days may terminate the Investment Advisory Agreement by giving notice of termination. The effective termination date will be immediately after receipt of the termination notice. We will make any applicable refunds within 30 days of our receipt of notice of termination.



## ***Financial Planning Fee***

### **Fixed Fee**

The total financial planning fee is based on the scope and complexity of the client's situation. The flat fee charged is from \$0 up to \$15,000.

Clients may terminate the agreement without penalty, for full refund of Mokosak Advisory Group's fee, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon notice.

### **B. Payment of Fee**

#### ***Payment of Portfolio Management Fee***

The client has provided written authorization to withdraw the advisory fee for portfolio management from the clients' accounts on a quarterly basis. The fee is paid in advance.

For variable annuities, client may elect to have the advisory fee paid from a separate brokerage account, deducted directly from the annuity, or paid via a check to Advisor.

#### ***Payment of Financial Planning Fee***

The financial planning fee is paid via check upon delivery of the Plan.

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

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Mokosak Advisory Group. Please see Item 12 of this brochure regarding custodian.

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

Mokosak Advisory Group collects certain fees in advance and certain fees in arrears, as indicated. Refunds for fees paid in advance will be returned within 30 days to the client via check, or return deposit back into the client's account.

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

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

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

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

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

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

Mokosak Advisory Group generally provides advisory services to the following types of clients:

- Individuals & Families
- Medical Professionals
- Widows/Widowers
- High-Net-Worth Individuals
- Charitable Organizations

Our firm generally requires a minimum portfolio balance of \$50,000 for our Portfolio Management Services. However, this minimum portfolio balance requirement is negotiable.

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

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

##### *Methods of Analysis*

Personalized investment recommendations may be based upon the following considerations:

- Goals and objectives
- Time horizon
- Risk Tolerance
- Household allocation
- Asset class correlation & standard deviation
- Tax considerations
- Current and future income needs
- Liquidity requirements
- Inflation Protection

## *Investment Philosophy*

When it comes to investing our clients' wealth, Mokosak Advisory Group's investment philosophy focuses on building an asset allocation across a broad array of asset classes to create portfolios appropriate for each clients' risk tolerance. Keeping investment fees low and investing tax efficiently are also top priorities of our investment philosophy.

Our investment due diligence process is grounded in academic research. We use multiple methods of investment analysis, including but not limited to, Morningstar research and analyses of risk and return. Other factors include company size, profitability, and intrinsic value when analyzing a client's current and prospective portfolio.

Fixed income asset classes within our portfolios are designed to potentially reduce volatility. Our focus is on identifying ETFs or mutual funds whose asset classes historically have a low correlation to equities with the goal of reducing overall portfolio risk. Portfolios are proactively monitored and typically rebalanced annually when an asset class falls outside its rebalancing tolerance.

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

Investing in securities directly or through ETFs, mutual funds, or other vehicles, involves a risk of loss that clients should be prepared to bear. All investments carry the risk of loss, including possible complete loss. There is no guarantee that any investment strategy will meet its objective. Any past success of a particular investment strategy does not imply or guarantee future success. Depending on the investment strategy and type of investment vehicles used, clients may face the following material investment risks.

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

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

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

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

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income

securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

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

**Venture capital funds** invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

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

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

## **D. Other Risks**

**Asset Class Risk** – The asset classes included in your portfolio may underperform in comparison to the market in general.

**Fund Manager Risk** – Mutual fund managers may underperform within their respective asset classes.

**Market Risk** – Investment in equity securities may be more volatile than other types of investments. Although the portfolios hold thousands of equity securities, a number of them (especially smaller companies) may become worthless.

**Liquidity Risk** – There are numerous market trading risks, including the potential lack of an active market for investments held in your portfolio.

**Management Risk** – The performance of client portfolios is subject to the risk that our investment strategy may not produce the intended results.

**Passive Investment Risk** – We use passively managed portfolios which do not attempt to take defensive positions in declining markets.

**Leverage and Derivatives Risk** – Within the funds, fund managers may enter into certain transactions that might include leverage or borrowing. They may also use derivatives which can create leverage. The use of leverage may cause a portfolio to liquidate account positions when it may not be advantageous to do so. Derivatives such as futures, options, and swap agreements can also lead to losses, particularly when derivatives are used to enhance return rather than offset risk.

**Regulatory Risk** – The legal, tax, and regulatory environment worldwide in the financial industry is evolving. Changes in regulations affecting the financial industry, including Mokosak Advisory Group, may have an adverse effect on our ability to pursue the investment strategies described above or the value of client portfolios. New laws and regulations or actions taken by regulators that restrict our ability to pursue our investment strategies or conduct business could adversely affect client portfolios.

**Legacy Holdings Risk** - Securities that are brought to Mokosak Advisory Group which are not subsequently sold and diversified fully into our models carry the potential for greater concentration and issuer risk that may result in greater volatility and a higher risk of loss than a fully diversified portfolio.

**Extraordinary Events** – Global terrorist activity, including chemical, nuclear, and biological attacks, may negatively affect economic conditions, including sales, profits and productions of goods or services, and may materially affect prices or impair our trading facilities and infrastructure or the trading facilities and infrastructure of our custodians, or the exchanges on which securities are traded.

**Cybersecurity Risk** – Being in the financial services industry, we acknowledge that cybersecurity risks exist for our firm. We are certainly mindful of them, focusing our efforts on maintaining and improving our policies and procedures in this area, striving to mitigate our risks. We also review our service providers' policies and procedures regarding prevention and mitigation of their cybersecurity risks. Even with all best efforts of prevention and mitigation, a cyberattack or other

unauthorized access could be directed at Mokosak Advisory Group or one of our service providers, and thus there is a potential risk of loss.

**This is not intended to be an all inclusive list of risks. Each client should review the fund prospectus for the specific risks related to each fund that is held in the client's account.**

## **Item 9: Disciplinary Information**

Registered Investment Advisers are required to disclose any material facts regarding criminal or civil actions, administrative proceedings, or self-regulatory organization (SRO) proceedings that would be material in the evaluation of Mokosak Advisory Group or the integrity of its management. Mokosak Advisory Group has no information applicable to this as it has never faced legal or disciplinary matters since its inception.

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

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

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

Mokosak Advisory Group's Investment Adviser Representatives are independent licensed insurance agents, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. To mitigate this, Mokosak Advisory Group always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of Mokosak Advisory Group in connection with such individual's activities outside of Mokosak Advisory Group.

Mokosak Advisory Group does not utilize nor select third-party investment advisers.

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

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

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

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

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

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

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

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

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

# **Item 12: Brokerage Practices**

## **A. Factors Used to Select Custodians**

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

Mokosak Advisory Group primarily recommends that clients use Charles Schwab & Co., Inc. (Schwab) as their custodian. Mokosak Advisory Group offers Great-West Life & Annuity Insurance Company and Teachers Insurance and Annuity Association of America for clients that

request portfolio management of their variable annuity. Mokosak Advisory Group may also recommend other custodians for certain types of securities.

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

Mokosak Advisory Group receives no referrals from a third party in exchange for using that third party.

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

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

Advisor will place all trades in the account electronically or by phone. Advisor assumes responsibility for any account losses for trading errors directly resulting from Advisor's failure to follow its trading procedures or from a lapse in Advisor's internal communications and will compensate Client for any corresponding losses.

Client acknowledges, however, that Advisor will not be responsible for account errors or losses that occur when Advisor has used its best efforts to execute trades in a timely and efficient manner. If a trade or some portion of a trade is not effected or an electronic error occurs through no fault of Advisor, resulting in an account not being traded at the time or price initially intended or at the same time or at the same price as other clients, the resulting loss will not be considered a trading error for which Advisor is responsible. Advisor will not be responsible for trades that are not properly executed by any clearing firm, custodian, mutual fund, or insurance company, when Advisor properly submitted the order.



If Advisor makes a trade error that results in a gain to Client, the Client will retain the gain. If Advisor makes a trade error that results in a gain and the gain cannot be attributable to a particular client, Schwab keeps the gain. In that case, if the gain is more than \$100, Schwab will donate the gain to charity. If the gain is less than \$100, Schwab will keep the gain to minimize and offset its administrative time and expense.

### **Item 13: Review of Accounts**

Mokosak Advisory Group's client accounts are reviewed on an ongoing basis by Frank Mokosak, CFP® or Ryan Page, CFP®. Typically, accounts are rebalanced annually, if necessary, to realign the account to each client's agreed upon target allocation which is based on the client's risk tolerance and investment objectives. Client's accounts are monitored on an ongoing basis and reviewed at least quarterly. In the event of a change in the client's risk tolerance or investment objectives, we would hold a formal client review to determine if an allocation change is necessary. Each client will receive a quarterly statement from the custodian and periodically receive an investment performance report from Mokosak Advisory Group.

Financial plans are reviewed upon financial plan creation and plan delivery with the client by Frank Mokosak, CFP® or Ryan Page, CFP®. Periodically, Mokosak Advisory Group may review a client's financial plan to measure progress.

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

Mokosak Advisory Group does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Mokosak Advisory Group's clients.

With respect to Schwab, Mokosak Advisory Group receives access to Schwab's institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For Mokosak Advisory Group client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to Mokosak Advisory Group other products and services that benefit Mokosak Advisory Group but may not benefit its clients' accounts. These benefits may include national, regional or Mokosak Advisory Group specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of Mokosak Advisory Group by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these

products and services assist Mokosak Advisory Group in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of Mokosak Advisory Group's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of Mokosak Advisory Group's accounts. Schwab Advisor Services also makes available to Mokosak Advisory Group other services intended to help Mokosak Advisory Group manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to Mokosak Advisory Group by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Mokosak Advisory Group.

Beginning June 5, 2017 and for a period of 90 days, the custodian will not charge for trades in client accounts. After 90 days, the negotiated pricing will apply. Beginning May 22, 2017 and for a period of 12 months, Schwab will reimburse the client for account closing fees incurred as a result of closing an existing account and transferring the proceeds to Schwab, up to an aggregate amount of \$17,000.

Mokosak Advisory Group is independently owned and operated and not affiliated with Schwab. Mokosak Advisory Group does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at the client's custodian, Mokosak Advisory Group will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements from the custodian and are encouraged to carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

Mokosak Advisory Group provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, Mokosak Advisory Group generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, Mokosak Advisory Group's discretionary authority in making these determinations

may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to Mokosak Advisory Group.

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

Mokosak Advisory Group does not vote proxies for our clients. Clients will receive proxies directly from the issuer of the security or the custodian. Clients are encouraged to call Mokosak Advisory Group with any questions related to the proxies.

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

We do not require or solicit prepayment of fees six months or more in advance. We are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to clients. We have never been the subject of any bankruptcy petition.

## Privacy Policy Notice:

We are committed to building relationships with our clients based on trust and confidence. An important part of that relationship includes maintaining the confidentiality of our clients' non-public personal information. Mokosak Advisory Group follows the policy below regarding the collection and protection of your personal information.

Mokosak Advisory Group will collect information about you for business purposes, such as evaluating your financial needs, processing your requests and transactions, and providing you quality service. The personal information we collect includes:

- Information you provide to us on applications, questionnaires and other forms (such as your name, address, social security number, occupation, assets, banking information, and income)
- Brokerage statements, mutual fund statements, or other information you authorize us to receive
- Information that we generate to service your account (such as trade tickets and account statements). We will not disclose any non-public personal information to any non-affiliated third parties, except in the following circumstances:
  - As necessary to provide the service that you have requested or authorized, or to maintain and service your account.
  - As required by regulatory authorities or law enforcement officials who have jurisdiction over us.
  - To the extent reasonably necessary to prevent fraud and unauthorized transactions.

We restrict access to non-public personal information about you to only those employees and service providers who need to know that information to provide products or services to you. Firm employees are subject to a strict employment policy as well as our Code of Ethics regarding confidentiality. All other persons are restricted from accessing that information. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your non-public personal information. We respect and value that you have entrusted us with your private financial information. Mokosak Advisory Group is committed to preserving that trust by protecting and respecting the privacy of all our clients to the best of our ability. We will not disclose your non-public personal information unless it is required by law, with your direct consent, or as necessary to provide you with our services. We have not and will not sell your personal information to anyone, even if our formal client relationship ends.

## **Business Continuity Notice:**

Mokosak Advisory Group is aware of the issues that any type of interruption or disaster may create for our clients, our staff, and our company. We have adopted a Business Continuity Plan that is designed to address:

- Safeguarding the health and lives of our personnel in the event of a disaster.
- Minimizing the impact of any significant business disruption on our clients' ability to conduct business with us, including accessing their records and assets.
- Restoring the firm's ability to operate normally in the shortest time possible.

We have a Business Continuity Plan and procedures in place regarding various scenarios of business disruptions that involve notifying our employees and our clients of the situation at hand. We will use multiple forms of communications, including email, notices on our website, web conferences, telephone, and recorded messages on a second voicemail (if our telephone system is not available). We have a back-up system where our data is stored locally as well as outside of our geographic location.

Additionally, Mokosak Advisory Group, LLC has a Succession Plan. You may contact Frank at [frank@mokosakag.com](mailto:frank@mokosakag.com) with any questions. If Frank is unavailable, the Succession Plan is on file with Michael Dayton at Nyemaster Goode law firm. Michael may be reached at (515) 283-3111.