

# KWM Advisors, LLC

## **ADV Part 2A, Appendix 1 Wrap Fee Program Brochure Dated: May 25, 2017**

Chief Compliance Officer: Thomas New  
217 International Circle, Suite 200  
Hunt Valley, Maryland 21030

This brochure provides information about the qualifications and business practices of KWM Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (410) 473-5380. 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 KWM Advisors, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to KWM Advisors, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

## **Item 2            Material Changes**

This is KWM Advisors' initial Form ADV.

## **Item 3            Table of Contents**

|        |   |    |
|--------|---|----|
| Item 1 | Cover Page.....   | 1  |
| Item 2 | Material Changes.....                                   | 2  |
| Item 3 | Table of Contents.....                                  | 2  |
| Item 4 | Services, Fees and Compensation.....                    | 3  |
| Item 5 | Account Requirements and Types of Clients .....         | 6  |
| Item 6 | Portfolio Manager Selection and Evaluation .....        | 6  |
| Item 7 | Client Information Provided to Portfolio Managers ..... | 11 |
| Item 8 | Client Contact with Portfolio Managers .....            | 12 |
| Item 9 | Additional Information .....                            | 12 |

## **Item 4            Services, Fees and Compensation**

A.

### **INVESTMENT ADVISORY SERVICES**

The client can determine to engage the Registrant to provide discretionary investment advisory services on a wrap or non-wrap *fee* basis. (*See* discussion below). If a client determines to engage the Registrant on a wrap fee basis the client will pay a single fee for bundled services (*i.e.* investment advisory, brokerage, custody). The services included in a wrap fee agreement will depend upon each client's particular need. If the client determines to engage the Registrant on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (*i.e.* investment advisory, brokerage, custody).

### **KWM WRAP PROGRAM**

The Registrant may provide discretionary investment management services on a wrap fee basis in accordance with the Registrant's investment management wrap fee program (the "Program"). Under the Program, the Registrant is able to offer participants discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, account maintenance, investment management fees, and in some instances, fees charged by independent managers and/or separately managed accounts. However, clients may be responsible for amounts including, but not limited to, trustee fees, mutual fund expenses, ETF expenses, mark-ups, mark-downs, transfer taxes, fees charged by certain independent managers and/or separately managed accounts (when such managers require the client to enter into a dual contract relationship) odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. (Such fees are in addition to any fees paid by the client to the Registrant and are between the client and the account custodian.)

The current annual Program fee ranges from negotiable up to 1.50%, based upon various objective and subjective factors. As a result, Registrant's clients could pay diverse fees based upon the market value of their assets, the complexity of the engagement, and the level and scope of the overall investment advisory services to be rendered. As a result of these factors, the services to be provided by the Registrant to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

The terms and conditions for client participation in the Program are set forth in detail in this Wrap Fee Program Brochure, which is presented to all prospective Program participants in accordance with disclosure requirements. All prospective Program participants should read both the Brochure and the Wrap Fee Program Brochure, and ask any corresponding questions that they may have, prior to participation in the Program.

Please Note: Participation in the Program may cost more or less than purchasing such services separately. When managing a client's account on a wrap fee basis, the Registrant shall receive as payment for its asset management services, the balance of the wrap fee

after all other costs (including account Transaction Based Fees or Asset Based Fees) incorporated into the wrap fee have been deducted. The Program fee charged by the Registrant for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

Conflict of Interest: Because Program transaction fees and/or commissions are being paid by the Registrant to the account custodian/broker-dealer, to the extent that a client has elected to pay Transaction Based Fees (see discussion below) the Registrant has an economic incentive to maximize its compensation by seeking to minimize the number of trades in the client's account. The Registrant's Compliance Officer remains available to address any questions that a client or prospective client may have regarding the corresponding conflict of interest a wrap fee arrangement may create.

Under the Program, the Registrant shall be provided with written authority to determine which securities and the amounts of securities that are bought or sold. Any limitations on this authority shall be included in the written agreement between each client and the Registrant. Clients may change/amend these limitations, in writing, at any time. The client shall have reasonable access to one of the Registrant's investment professionals to discuss their account.

Charles Schwab & Co. Inc. ("Schwab") and/or Fidelity Investments ("Fidelity") shall serve as the custodian for Program accounts.

**Wrap Program Trading Costs: Asset-Based Fees versus Transaction-Based Fees:**

Custodians such as Schwab and/or Fidelity are compensated for their services which include, but are not limited to, execution, custody and reporting. Schwab and Fidelity can charge a fixed percentage fee for their services based upon the dollar amount of the assets placed in their custody and/or on their platform. This is referred to as an "Asset-Based Fee." In the alternative, rather than a fixed percentage fee based upon the market value of the assets in its custody, Schwab and Fidelity could charge a separate fee for the execution of each transaction. This is referred to as a "Transaction-Based Fee." Under a Transaction Based fee, the amount of total fees charged to the client account for trade execution will vary depending upon the number of transactions that are placed for the account.

Because Registrant cannot predict the markets and the amount of trading that will occur in a client account, Registrant generally favors Asset-Based pricing because it will fix the amount of the fee paid from the account for trade execution, regardless of the number of transactions that are placed for the account. However, Registrant, on an annual basis, will conduct a sampling to confirm its belief (given the inability to predict the markets and the corresponding amount of trading that will occur) that Asset-Based pricing continues to be beneficial for its clients. Prior to engaging Schwab and/or Fidelity regardless of pricing (Asset-Based versus Transaction-Based), the client will be required to execute a separate agreement with Schwab and/or Fidelity agreeing to such pricing/fees.

**Registrant's Chief Compliance Officer, Thomas New, remains available to address any questions that a client or prospective client may have regarding Asset-Based versus Transaction- Based pricing**

**Fee Calculation:** The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client, pursuant to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (hereinafter the “Act”).

**Fee Payment:** Clients will be charged in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter. Clients authorize the Registrant to directly debit its advisory fee by executing an *Investment Management Agreement*. The Registrant shall send to the client's Custodian written notice of the amount of the Registrant's advisory fee to be deducted, on a quarterly basis, from the client's account.

**Termination of Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of prior written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

**Please Note: Investment Performance:** As a condition to participating in the Program, the participant must accept that past performance may not be indicative of future results, and understand that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies purchased and/or undertaken by the Registrant) may not: (1) achieve their intended objective; (2) be profitable; or, (3) equal historical performance level(s) or any other performance level(s).

**Client Responsibilities:** In performing any of its services, the Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Furthermore, unless the client indicates to the contrary, the Registrant shall assume that there are no restrictions on its services, other than to manage the account in accordance with the client's designated investment objective. Moreover, it remains each client's responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising the Registrant's previous recommendations and/or services.

- B. Participation in the Program may cost more or less than purchasing such services separately. Also the Program fee charged by the Registrant for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

Depending upon the percentage wrap-fee charged by the Registrant, the amount of portfolio activity in the client's account, and the value of custodial and other services provided, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

- C. The Program's wrap fee does not include certain charges and administrative fees, including, but not limited to, fees charged by certain independent managers and/or separately managed accounts (when such managers require the client to enter into a dual contract relationship), transaction charges (including mark-ups and mark-downs) resulting from trades effected through or with a broker-dealer other than Schwab or Fidelity, transfer taxes, odd lot differentials, exchange fees, interest charges, American

Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. Such fees and expenses are in addition to the Program's wrap fee.

- D. The Registrant's related persons who recommend the Program to clients do not receive compensation as a result of a client's participation in the wrap fee program.

## **Item 5            Account Requirements and Types of Clients**

The Registrant's clients shall generally include individuals, business entities, pension and profit sharing plans, trusts, estates and charitable organizations. The Registrant does not generally require an account minimum for investment advisory services. The Registrant, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (*i.e.* anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

## **Item 6            Portfolio Manager Selection and Evaluation**

- A. The Registrant generally recommends that clients authorize the active discretionary management of all or a portion of their assets by and/or among certain independent investment manager(s) and/or separately managed accounts ("Independent Manager(s)"). To the extent applicable, the Registrant shall recommend/select Independent Managers consistent with the client's investment objectives. Factors which the Registrant shall consider in recommending/selecting Independent Managers include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

The specific terms and conditions under which the client engages an Independent Manager may be set forth in a separate contract between the client and the Independent Manager (dual contract relationship). Also, when required, the client shall receive a copy of the Independent Manager's disclosure Brochure. As noted above, when an Independent Manager requires the client to enter into a dual contract relationship, the Independent Manager's fee shall be separate from and in addition to the Program fee charged by the Registrant.

However, the Registrant shall continue to render advisory services to the client relative to the ongoing monitoring and reviewing of account performance, for which the Registrant shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated Independent Manager.

- B. The Registrant acts as the portfolio manager for the Program. Inasmuch as the execution costs for transactions effected in the client account will be paid by the Registrant, a potential conflict of interest arises in that the Registrant would have a disincentive to trade securities in the client account. In addition, the amount of compensation received by the Registrant as a result of the client's participation in the Program may be more than what the Registrant would receive if the client paid separately for investment advice, brokerage and other services.

### **OTHER ADVISORY SERVICES**

As discussed below, the Registrant also offers to its clients discretionary investment advisory services on a non-wrap fee basis, and, to the extent specifically requested by a client, financial planning and related consulting services.

### **NON-WRAP FEE BASIS**

If the client determines to engage the Registrant on a non-wrap *fee* basis the client will select individual services on an unbundled basis, paying for each service separately (*i.e.* investment advisory, brokerage, custody). The Registrant's non-wrap investment advisory services are provided on a discretionary basis. The Registrant's annual fee for advisory services on a non-wrap fee basis is based upon a percentage (%) of the market value of the assets placed under the Registrant's management, generally from negotiable up to 1.30%.

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

The Registrant provides financial planning and consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Registrant's planning and consulting fees are negotiable, but generally range from \$15,000 up to \$25,000 on a fixed fee basis, and from \$250-\$500 on an hourly rate basis, depending upon the level, complexity, and scope of the service(s) required and the professional(s) rendering the service(s).

### **MISCELLANEOUS DISCLOSURES**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** As indicated above, to the extent requested by the client, Registrant may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Registrant does not serve as a law firm or accounting firm, and no portion of its services should be construed as legal or accounting services. Accordingly, Registrant does not prepare estate planning documents or tax returns. To the extent requested by a client, Registrant may recommend the services of other professionals for certain non-investment implementation purposes (*i.e.* attorneys, accountants, insurance agents, etc.), including representatives of Registrant in their separate individual capacities as representatives of PKS. Clients are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such decisions and is free to accept or reject any recommendation from Registrant and/or its representatives. **Please Note:** If the client engages any recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

**Please Also Note-Conflict of Interest:** The recommendation by Registrant's representative that a client purchase a securities commission product through Registrant's representative in their separate and individual capacity as a registered representative of PKS, presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather

than on a particular client's need. No client is under any obligation to purchase any securities commission products through such a representative. Clients are reminded that they may purchase securities products recommended by Registrant through other, non-affiliated broker-dealers. **Registrant's Chief Compliance Officer, Thomas New remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Please Note: Cash Positions.** At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the Registrant maintains cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating the Registrant's advisory fee. When the account is holding cash positions, those cash positions will be subject to the same advisory fee as set forth in Item 5 below.

**Retirement Plan Rollovers – No Obligation / Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant will earn an advisory fee on the rolled over assets. **No client is under any obligation to roll over retirement plan assets to an account managed by Registrant. The Registrant's Chief Compliance Officer, Thomas New, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Use of Mutual Funds.** While the Registrant may recommend allocating investment assets to mutual funds that are not available directly to the public, the Registrant may also recommend that clients allocate investment assets to publically-available mutual funds that the client could obtain without engaging Registrant as an investment advisor. However, if a client or prospective client determines to allocate investment assets to publically-available mutual funds without engaging Registrant as an investment adviser, the client or prospective client would not receive the benefit of Registrant's initial and ongoing investment advisory services.

**Separately Managed Account Programs and Independent Managers.** The Registrant may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated Separately Managed Account Programs "SMAs" and/or independent investment managers in accordance with the client's designated investment objective(s). In such situations, the SMAs or Independent Manager(s) shall have day-to-day responsibility for the active discretionary management of the allocated assets. The Registrant shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which the Registrant shall consider in recommending an SMA or Independent Manager(s) include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. **The investment management fee charged by the**



Independent Manager(s) is separate from, and in addition to, Registrant's advisory fee as set forth in Item 5.

**Unaffiliated Private Investment Funds.** Registrant may provide investment advice regarding unaffiliated private investment funds. Registrant may also recommend that certain qualified clients consider an investment in unaffiliated private investment funds. Registrant's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of Registrant calculating its investment advisory fee. Registrant's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

**Please Note:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

**Please Also Note:** Valuation. In the event that Registrant references private investment funds owned by the client on any supplemental account reports prepared by Registrant, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If no subsequent valuation post-purchase is provided by the Fund Sponsor, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date), or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). The valuation could reflect the initial purchase price (and/or a value as of a previous date) but the actual current value(s) (to the extent ascertainable) could be significantly more or less than the valuation reflected. The client's advisory fee shall be based upon reflected fund value(s).

**Client Obligations.** In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

**Disclosure Statement.** A copy of the Registrant's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement* or *Financial Planning and Consulting Agreement*.

The Registrant shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). The Registrant shall allocate each client's investment assets consistent with their designated investment

objective(s). Clients may, at any time, impose restrictions, in writing, on the Registrant's services.

There is no material difference between how the Registrant manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a client determines to engage the Registrant on a wrap fee basis the client will pay a single fee for bundled services (*i.e.* investment advisory, brokerage, custody) (*See* Item 4.A). The services included in a wrap fee agreement will depend upon each client's particular need. If the client determines to engage the Registrant on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (*i.e.* investment advisory, brokerage, custody). **Please Note:** When managing a client's account on a wrap fee basis, the Registrant shall receive as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted.

### **Performance Based Fees and Side-By-Side Management**

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

### **Methods of Analysis, Investment Strategies and Risk of Loss**

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s). Investing in securities involves risk of loss that clients should be prepared to bear.

- B. The Registrant's method of analysis and investment strategy does not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values.

There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

Currently, the Registrant primarily allocates client investment assets among various mutual funds, individual equities (stocks) and debt instruments (bonds) on a discretionary basis in accordance with the client's designated investment objective(s).

### **Voting Client Securities**

Unless the client directs otherwise in writing, the Registrant is responsible for voting client proxies (however, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits). The Registrant shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. The Registrant shall monitor corporate actions of individual issuers and investment companies consistent with the Registrant's fiduciary duty to vote proxies in the best interests of its clients. Although the factors that Registrant will consider when determining how it will vote differ on a case by case basis, they may include, but are not limited to, the following: a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation. With respect to individual issuers, the Registrant may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (*e.g.*, mutual funds), the Registrant may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. The Registrant shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how the Registrant voted on any specific proxy issue is also available upon written request. Requests should be made by contacting the Registrant's Chief Compliance Officer.

## **Item 7                      Client Information Provided to Portfolio Managers**

The Registrant shall be the Program's portfolio manager. The Registrant shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). The Registrant shall allocate each client's investment assets consistent with their designated investment objective(s). Clients may, at any time, impose restrictions, in writing, on Registrant's services.

As indicated above, each client is advised that it remains their responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

To the extent the Program utilizes *Independent Manager(s)*, Registrant shall provide the *Independent Manager(s)* with each client's particular investment objective(s). Any changes in the client's financial situation or investment objectives reported by the client to the Registrant shall be communicated to the *Independent Manager(s)* within a reasonable period of time.

## **Item 8            Client Contact with Portfolio Managers**

The client shall have, without restriction, reasonable access to the Program's portfolio manager.

## **Item 9            Additional Information**

- A. The Registrant has not been the subject of any disciplinary actions.

### **Other Financial Industry Activities and Affiliations**

- B. **Registered Representative of PKS.** Certain of Registrant's representatives are also registered representatives of PKS, a FINRA member broker-dealer.

**Conflict of Interest:** The recommendation by Registrant's representatives, that a client purchase a securities commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any investment products from Registrant's representatives. Clients are reminded that they may purchase securities products recommended by Registrant through other, non-affiliated registered representatives. **The Registrant's Chief Compliance Officer, Thomas New, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

- C. **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant

Neither the Registrant nor any related person of Registrant recommends, buys, or sells for

client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.

The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (*i.e.*, a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (*i.e.*, personal trades executed prior to those of the Registrant’s clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant’s “Access Persons.” The Registrant’s securities transaction policy requires that Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of the their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant’s Access Persons.

### **Review of Accounts**

For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on a periodic basis by the Registrant's investment adviser representatives, at least annually. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.

The Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian

and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

## **Client Referrals and Other Compensation**

### **Research and Additional Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from Schwab and/or Fidelity (or another broker-dealer/custodian, investment platform and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at Schwab and/or Fidelity as a result of this arrangement. There is no corresponding commitment made by the Registrant to Schwab and/or Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement

**The Registrant's Chief Compliance Officer, Thomas New, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, Registrant *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Registrant's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of the Registrant's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between the Registrant and the solicitor, including the compensation to be received by the solicitor from the Registrant.

**Financial Information**

The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.

The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

The Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: The Registrant's Chief Compliance Officer, Thomas New, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**