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Online Capital Management LLC; onlineCM Disclosure Brochure

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Online Capital Management LLC

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This brochure provides information about the qualifications and business practices of Online Capital Management, LLC. ("onlineCM"). If you have any questions about the contents of this brochure, please contact us at the phone number above. 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. Schwab's description of itself in this brochure as a registered investment advisor does not imply a certain level of skill or training on the part of onlineCM or its representatives.

Services, Fees and Compensation

We offer both Non-Discretionary and Discretionary Advisory Services.

Non-Discretionary Services

onlineCM offers a fee-based advisory program that combines ongoing non-discretionary financial planning, corporate benefits planning and investment advice. We do not offer asset custody and other brokerage services. Our services will be delivered by an individual with the support of research and technology or a team of consultants and under the policy and guidelines of onlineCM. Our fees are negotiated up front at a flat rate and are based on what all parties agree is reasonable for the services provided, the fees may or may not be paid for by the client's employer.

As a client of onlineCM, we will periodically meet with you in person, by phone, or online to review your financial situation, your company benefits and your Portfolio of investments. Your first review will typically include a printed summary and action plan listing our specific buy and sell or financial planning recommendations for your accounts. Subsequent reviews may refer to a previous summary rather than a newly created summary, depending on your individual circumstances.

Your onlineCM representative includes a lead Financial Advisor who is generally responsible for establishing and maintaining client relationships and is responsible for making buy and sell recommendations and financial planning or benefits recommendations. Financial Consultants are supported by research and technology and an investment philosophy of asset allocation directed by onlineCM.

The provision of non-discretionary investment advice within onlineCM, including but not limited to recommendations about how to allocate assets and whether to buy, sell or hold particular securities in accounts we advise on, is delivered exclusively by Online Capital Management LLC (onlineCM). OnlineCM Financial Advisors provide investment advice, financial planning, and benefits planning. OnlineCM is not a custodian for your accounts but can recommend custodians based on clients' personal stated needs – there are no fees paid to onlineCM from any custodian. All fees charged by onlineCM are charged quarterly or annually, and include all investment advice, financial planning and benefits recommendations. No fees are charged, or payments received by onlineCM for any other investment products or services.

With our Non-Discretionary Services, neither onlineCM or any onlineCM Representative exercises investment discretion or control of any kind over your accounts, and onlineCM does not include investment supervisory services or investment management of the enrolled accounts. This means that all trading decisions are made by you, and that you may decline to take onlineCM's recommendations. You may place trades on your own without consulting your onlineCM Representatives. You are responsible for monitoring your own accounts and determining when and if to buy, hold or sell securities based on changes in your circumstances, in your Portfolio, and in the market. We will not monitor any trade orders that you place on your own, nor will we actively monitor your trading in between Portfolio reviews, or your use of margin, cash management, banking, or other account features offered by firms and custodians you do business with. OnlineCM does not act as investment managers within the meaning of the

Employee Retirement Income Security Act ("ERISA") with respect to any IRA or other retirement account that you we help you manage with onlineCM. Although onlineCM will make investment recommendations, you are free to disregard those recommendations. You may place trade orders and invest on your own, choosing to follow onlineCM's advice, your own views, or any other advice or information you receive from others. You are under no obligation to execute any buy or sell recommendations.

OnlineCM non-discretionary, is a fee-based relationship in which onlineCM provides periodic investment advice and portfolio planning in addition to financial planning and benefits planning. OnlineCM non-discretionary is not intended for clients who want or need someone else to manage their investments on a discretionary basis. OnlineCM Discretionary is a service may be better for investors who want or need an advisor to manage their investments on a discretionary basis.

Discretionary Services

onlineCM is a fee-based advisory program that combines ongoing discretionary investment management with financial planning, corporate benefits planning and investment analysis. We do not offer asset custody and other brokerage services. Our services will be delivered by an individual with the support of research and technology or a team of consultants. Our fees are negotiated up front at a flat rate and are based on what all parties agree is reasonable for the services provided, the fees may or may not be paid for by the client's employer. As a client of onlineCM, we will periodically meet with you in person, by phone, or online to review your financial situation, your company benefits and your Portfolio of investments. Your first review will typically include a printed summary and action plan listing our specific buy and sell or financial planning recommendations for your accounts. Subsequent reviews may refer to a previous summary rather than a newly created summary, depending on your individual circumstances. Your onlineCM representative includes a lead Financial Advisor who is generally responsible for establishing and maintaining client relationships and is responsible for making buy and sell recommendations and financial planning or benefits recommendations. Financial Advisors are supported by research and technology and an investment philosophy of asset allocation as directed by onlineCM.

The provision of discretionary investment advice within onlineCM, are limited to the assets custodied with a preferred custodian (Charles Schwab Institutional). We manage your portfolio based on your own personal goals and objectives and we may use Exchange Traded Funds, Mutual Funds and/or individual stocks and bonds. Our portfolios are managed using asset allocation with overlays of multi factor investing. Recommendations about how to allocate assets and whether to buy, sell or hold particular securities in accounts we advise on, is delivered exclusively by Online Capital Management LLC (onlineCM). OnlineCM Financial Advisors provide investment advice, financial planning, and benefits planning. OnlineCM is not a custodian for your accounts but can recommend custodians based on clients' personal stated needs – there are no fees paid to onlineCM from any custodian. All fees charged by onlineCM are charged quarterly or annually, and include all investment advice, financial planning and benefits recommendations. No fees are charged, or payments received by onlineCM for any other investment products or services.

Your onlineCM Financial Advisor will exercise investment discretion on buy and sells recommendations on your portfolio. This means that all trading decisions are made by onlineCM, and that we ask you not to place trades on your own in an account managed by onlineCM without consulting your onlineCM Representatives. OnlineCM will monitor your accounts and determining when and if to buy, hold or sell securities based on changes in your circumstances, in your Portfolio, and in the market. We will monitor our trade orders and actively monitor your accounts in between Portfolio reviews.

Fees

The onlineCM fee is negotiated in advance between the advisor and the client. The fee is billed quarterly or annually and is based on the services provided. The fee will not exceed .75% (annual percentage rate) when calculated as a percentage of the billable assets in your advised accounts and is subject to a minimum charge of \$500 per year.

Custom Fee Schedule

Our fees are negotiated in advance with our clients. OnlineCM has a maximum fee of 0.750% APR and a minimum fee of \$500 per year on advised assets.

Compensation

The compensation of onlineCM Representatives does not vary based on the securities that are recommended to you. Financial Advisors are compensated for enrolling and servicing customers with onlineCM's services. They are compensated only as portion of the negotiated fee that is billed for client services. No other compensation is paid, and no other fees are received by the representative of onlineCM.

Account Requirements and Types of Clients

OnlineCM is available to individuals, trusts or estates, and corporations or other businesses with any custodian. Eligible accounts include but are not limited to IRAs and retirement accounts for retirement plans that include only self-employed individuals and their spouses. We combine accounts in our financial planning software, and make non-discretionary or discretionary recommendations based on our client's personal needs.

Portfolio Manager Selection and Evaluation

OnlineCM representatives serve as the sole portfolio managers in onlineCM non-discretionary and discretionary service. Because it is a non-discretionary service, and because clients may place unsolicited trade orders and decline trade recommendations made by onlineCM Representatives, onlineCM does not evaluate representatives based on the performance of particular accounts or groups of accounts. OnlineCM monitors representatives for compliance with applicable advice policies and guidelines as defined by onlineCM.

Client Information Provided to Portfolio Managers

OnlineCM representatives will only have access to the information that clients have disclosed to us or given us access to.

Client Contact With Portfolio Managers

You are free to contact your Financial Advisor at any time during normal business hours. In addition, your Financial Advisor will reach out to schedule and hold pre-scheduled meetings periodically throughout the year.

Additional Information

Advisory Business

OnlineCM provides an advisory business for workplace benefits, financial planning and investment analysis and advice for our clients. All fees are pre-negotiated at a set rate. This rate will not exceed .75% APR (subject to a minimum of \$500 per year), of the assets we advise on. All advice is provided by your Financial Advisor and is subject to onlineCM's internal advice policy and guidelines.

Performance-Based Fees and Side-by-Side Management

The onlineCM negotiated fee is not performance-based. In other words, it is not based on a share of capital gains or capital appreciation of the assets we help you manage. OnlineCM representatives do not receive performance-based compensation for providing any services.

Methods of Analysis, Investment Strategies and Risk of Loss

The onlineCM Representative(s) assigned to you will provide you with advice based on your individual circumstances and needs. They follow specific advice policies and guidelines which securities are best for a client's portfolio. We follow an internal process for research, analysis and recommendations of a mix of stocks, bonds and cash and security selection. Investment strategies recommended to our clients may be a combination of long-term strategies (securities held for at least a year) and short-term strategies (securities held for less than a year) based on principles of asset allocation, risk tolerance, client preference, and diversification. These strategies generally do not include active trading, short sales in accounts, or certain complex option strategies. The investment strategies recommended within onlineCM, like all securities investments, involve a risk of loss that onlineCM clients must be prepared to bear. Investment risks may include but are not limited to strategy risks, asset allocation risks, market and systemic risks, credit risks, liquidity risks, risks related to the underlying security (e.g., ETFs, mutual funds, equity, fixed income, government securities, high yield securities), risks related to foreign investments (e.g., emerging markets, frontier markets, currency risks), and risks related to asset classes (e.g., commodities risks, real estate risks).

Disciplinary Information

The SEC and other regulatory agencies and organizations have not taken disciplinary actions against onlineCM.

Other Financial Industry Activities and Affiliations

OnlineCM is a wholly owned subsidiary of Online Capital Management LLC. No other industry activities or affiliations exist.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

OnlineCM has a code of ethics adopted pursuant to SEC Rule 204A-1 under the Investment Advisers Act of 1940 (the "Code"). The Code reflects the fiduciary principles that govern the conduct of onlineCM, its employees, and consultants. The Code requires that onlineCM comply with applicable federal securities laws, report violations of the Code. The Code prohibits onlineCM from disclosing portfolio transactions or any other non-public information to anyone outside of onlineCM, except as required to effect securities transactions for clients. OnlineCM is also prohibited from using the information for personal profit or to cause others to profit. Representatives from onlineCM are also prohibited from engaging in deceptive conduct in connection with the purchase or sale of securities for client accounts. The Code is subject to change as necessary to remain current with regulatory requirements and internal business policies and procedures.

Participation or Interest in Client Transactions

OnlineCM does not earn money or receive benefits in ways other than the pre-negotiated client consulting fee.

Transaction Fees

The custodians of our client's accounts may charge transaction fees for the purchase or sale of certain funds or securities. However, onlineCM does not receive any compensation for these fees.

Mutual Fund Recommendations

OnlineCM may recommend the purchase of Mutual Funds for our clients' accounts. Recommendations by onlineCM Representatives to purchase or sell mutual fund shares are subject to onlineCM's advice policies and guidelines. When applicable we consider lower ETF fees and expenses as a priority for our recommendations. No additional compensation is received by onlineCM for the purchase or sell of Mutual Funds. There may be trading costs associated with the custodian of your accounts.

Exchange-Traded Funds ("ETFs")

OnlineCM may recommend purchasing ETFs for our clients' accounts. Recommendations by onlineCM Representatives to purchase or sell ETFs are subject to onlineCM's advice policies and guidelines. When applicable we consider lower cost ETF (fees and expenses) as a priority for our recommendations. No additional compensation is received by onlineCM for the purchase or sell of ETFs. There may be trading costs associated with the custodian of your accounts.

Individual Stocks and Bonds

OnlineCM may recommend the purchase of individual stocks or bonds for clients' accounts. Individual stocks and bonds may be selected for strategic reasons. Individual stocks and bonds will meet a minimum criteria for diversification within onlineCM's advice policy and guidelines, and may be selected to lower portfolio costs and to provide direct ownership.

Personal Trading

OnlineCM Representatives are prohibited from engaging in activities that violate federal or state securities laws, or rules and regulations of the exchanges or regulatory agencies. These prohibitions include: rules against frontrunning customer orders (i.e., when a Schwab representative buys or sells a security to possibly capitalize on advance knowledge of an imminent customer transaction that is expected to influence the market price, or passing such information to others for that purpose); so-called "shadowing" (i.e., to misuse confidential customer trade information for possible personal benefit); and purchasing shares in initial public offerings.

OnlineCM Representatives are subject to personal trading policies substantially similar to those described above.

Review of Accounts

Clients meet with their onlineCM advisor periodically throughout the year to review their accounts and Portfolios. These reviews are opportunities to review performance and progress toward financial goals and make adjustments if needed in light of a client's personal goals and needs.

Client Referrals and Other Compensation

We may occasionally offer to waive a quarterly fee for successful client referrals. However, there is no additional compensation.

Financial Information

OnlineCM does not require or solicit prepayment of our Fee and is therefore not required to include a balance sheet for its most recent fiscal year. OnlineCM is not the subject of any financial condition that is reasonably likely to impair its ability to meet its contractual obligations to its clients. OnlineCM has not the subject of any bankruptcy petition, nor has it been the subject of any bankruptcy petition at any time during the past 10 years.