

# Masters Legacy Planning

**ADV Part 2A, Firm Brochure**  
**Dated: August 15, 2018,**

Chief Compliance Officer: Rachel Housel  
650 New Road, Suite B  
Linwood, NJ 08221  
[www.masterslegacy.com](http://www.masterslegacy.com)

**This brochure provides information about the qualifications and business practices of MLP3, LLC doing business as Masters Legacy Planning. If you have any questions about the contents of this brochure, please contact us at (337) 981-1376. 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 MLP3, LLC doing business as Masters Legacy Planning, also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to MLP3, LLC or Masters Legacy Planning 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 a new Form ADV Part 2A Firm Disclosure Brochure. Material changes and amendments will be included in this Disclosure Brochure in the future as necessary. This Disclosure Brochure has since been amended to disclose that certain representatives may also serve as Investment Adviser Representatives or Registered Representatives of Commonwealth Financial Network.

**ANY QUESTIONS: Masters Legacy Planning's Chief Compliance Officer, Rachel Housel, remains available to address any questions that an existing or prospective client may have regarding this Form ADV Part 2A, Firm Brochure.**

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#### **Item 4            Advisory Business**

- A. MLP3, LLC, which operates under the name Masters Legacy Planning (the “Registrant”) is a limited liability company formed in the State of New Jersey. The Registrant filed to become registered as an Investment Adviser Firm on June 25, 2018. The Registrant is owned by Jacob Mack and the TSCAPS Irrevocable Trust Dated June 16, 2017. Mr. Mack and Todd Chamberlain are also the Registrant’s Managing Members.
- B. As discussed below, the Registrant offers to its clients (individuals, business entities, trusts, estates and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

#### **INVESTMENT MANAGEMENT SERVICES**

The Registrant may be engaged to provide discretionary investment advisory services on a *fee* basis. The Registrant’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant’s management, generally negotiable to an annual maximum fee of 1.25%. Before engaging the Registrant to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client

Registrant provides investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client’s investment objectives and develop an asset allocation based on a defined investment policy statement that focuses on client’s investment objectives, time horizon, and risk tolerance. Once client investment assets are allocated, the Registrant provides ongoing monitoring and review of account performance and asset allocation as compared to client-designated investment objectives, and may execute or recommend execution of account transactions as a result of those reviews.

Registrant’s annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of the Registrant), the Registrant may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

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

To the extent specifically requested by a client, the Registrant may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Registrant’s planning and consulting fees are negotiable, but generally range from \$2,500 to \$10,000 on a fixed fee basis, and from \$125 to \$300 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging the Registrant to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be

provided, and the portion of the fee that is due from the client prior to Registrant commencing services.

If requested by the client, Registrant may recommend the services of other professionals for implementation purposes, including certain of the Registrant's representatives as licensed insurance agents or Registrant's affiliated accounting firm, RPA Solutions, LLC. ("RPA") (*See* disclosure below at Items 10.C below). The client is under no obligation to engage the services of any such recommended professionals. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. Please Note: If the client engages any such 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: It remains the 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 Registrant's previous recommendations and/or services.

### **BOOKKEEPING AND ACCOUNTING SERVICE**

In connection with Registrant's goal of providing substantial value to clients in specific areas, Registrant may provide certain bill payment services and other administrative support. The client is under no obligation to engage Registrant in this service.

### **MISCELLANEOUS**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** As indicated above, to the extent requested by a 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 an attorney or accountant, and no portion of its services should be construed as legal or accounting services. Accordingly, Registrant **does not** prepare estate planning documents or any other legal documents, or file tax returns. To the extent requested by a client, Registrant may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance agents, etc.), including representatives of Registrant as licensed insurance agents or Registrant's affiliate, RPA, for accounting services. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant and/or its representatives. **Please Note:** If the client engages any recommended unaffiliated 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 an insurance commission product through Registrant's representative in their separate and individual capacity as an insurance agent, presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase insurance commission products through such a representative. Clients are reminded that they may purchase insurance products recommended by Registrant through other non-affiliated insurance agencies. **Registrant's Chief Compliance Officer, Rachel Housel, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Retirement Rollovers-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 a new (or additional) advisory fee compensation 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, Rachel Housel, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such rollover recommendation.**

**ERISA / IRC Fiduciary Acknowledgment.** If the client is: (i) a retirement plan ("Plan") organized under ERISA; (ii) a participant or beneficiary of a Plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (iii) the beneficial owner of an IRA acting on behalf of the IRA; or (iv) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then the Registrant represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by the Registrant or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

**Use of Mutual and Exchange Traded Funds:** Most mutual funds and exchange-traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that may be utilized by Registrant independent of engaging Registrant as an investment advisor. However, if a prospective client determines to do so, he/she will not receive the Registrant's initial and ongoing investment advisory services. **Please Note:** In addition to Registrant's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

**Portfolio Activity.** Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by Registrant will be profitable or equal any specific performance level(s).

**Fee Differentials:** As discussed above and indicated below at Item 5, The Registrant shall generally price its advisory services to a maximum annual fee of 1.25 %, 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, and client negotiations. As a result of these factors, similarly situated clients could pay diverse fees, and the services to be provided by Registrant to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly. Before engaging Registrant to provide investment advisory services, clients are required to enter into a discretionary Investment Advisory Agreement, setting forth the terms and conditions of the engagement (including termination), which describes the fees and services to be provided.

**Custodian Charges-Additional Fees:** As discussed below at Item 12, when requested to recommend a broker-dealer/custodian for client accounts, Registrant generally recommends that Fidelity Brokerage Services, LLC and National Financial Services, LLC (collectively "*Fidelity*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Fidelity charge transaction fees for effecting securities transactions. In addition to Registrant's investment advisory fee referenced in Item 5 below, the client will also incur transaction fees to purchase securities for the client's account (i.e., mutual funds, exchange traded funds, and individual equity and fixed income securities purchased by Registrant).

**Service Agreement:** The Registrant has entered into a Service Agreement with Commonwealth Equity Services, LLC, d/b/a Commonwealth Financial Network ("Commonwealth"). Certain members of the Registrant may also serve as registered representatives or investment adviser representatives of Commonwealth. As part of this Service Agreement Commonwealth provides services which may include, but are not limited to:

- opening, maintenance and general administration of investment advisory client accounts
- access to a trading platform through which Registrant may purchase and sell securities for client accounts
- providing custodial reports for client accounts no less frequently than quarterly
- access to Commonwealth's reporting system, which among other items, allows the Registrant to aggregate and report on a client's non-managed assets

This service provided by Commonwealth may also include **Quovo** periodic comprehensive reporting services, which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets managed by Registrant (the "Excluded Assets"). **The client and/or his/her/its other advisors that maintain trading authority, and not Registrant, shall be exclusively responsible for the investment performance of the Excluded Assets.** Unless otherwise specifically agreed to, in writing, Registrant's service relative to the Excluded Assets is limited to reporting only. The sole exception to the above shall be if Registrant is specifically engaged to monitor and/or allocate the assets within the client's 401(k) account maintained away at the custodian directed by the client's employer. As such,

except with respect to the client's 401(k) account (if applicable), Registrant does not maintain any trading authority for the Excluded Assets. Rather, the client and/or the client's designated other investment professional(s) maintain supervision, monitoring and trading authority for the Excluded Assets. If Registrant is asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and Registrant shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that Registrant provide investment management services for the Excluded Assets, the client may engage Registrant to do so pursuant to the terms and conditions of the *Investment Advisory Agreement* between Registrant and the client.

**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 Registrant) will be profitable or equal any specific performance level(s).

**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 may maintain 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.

**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*.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.
- D. The Registrant does not participate in a wrap fee program.
- E. As of June 22, 2018, the Registrant had \$0 in assets under management on a discretionary basis.

## Item 5 Fees and Compensation

A.

### INVESTMENT MANAGEMENT SERVICES

If a client determines to engage the Registrant to provide discretionary investment advisory services on a *fee* basis, the Registrant's annual investment advisory fee shall be based upon a percentage (%) of the market value of the assets placed under the Registrant's management, generally negotiable to a maximum annual management fee of 1.25%.

**Fee Differentials.** Because we shall generally price our advisory services based upon various objective and subjective factors, our clients could pay diverse fees based upon a combination of factors, including but not limited to anticipated future earning capacity anticipated future additional assets, the market value of their assets, the complexity of the engagement, the level and scope of the overall investment advisory services to be rendered, and negotiations with the client. As a result of these factors, similarly situated clients could pay diverse fees, and the services to be provided by Registrant to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Rachel Housel, remains available to address any questions that a client or prospective client may have regarding advisory fees**

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

To the extent specifically requested by a client, the Registrant may provide financial planning and/or 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 \$2,500 to \$10,000 on a fixed fee basis, and from \$125 to \$300 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed above, and more particularly described at Item 12 below, and unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that ("*Fidelity*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Fidelity* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). Please Note: The



brokerage commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other broker-dealers/custodians.

D.

Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based on the market value of the assets on the last business day of the previous quarter

The Investment Advisory Agreement between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, the Registrant shall refund the prorated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

E.

**Commission Transactions.** In the event the client desires, the client can engage Jacob Mack in his individual capacity as registered representative of Commonwealth, or as licensed insurance agent, to implement investment recommendations on a fully disclosed commission basis. In the event the client chooses to implement by purchasing investment products through Registrant's representative, in his individual capacity as registered representatives of Commonwealth, brokerage commissions will be charged Commonwealth to effect securities transactions, a portion of which commissions shall be paid by Commonwealth to Registrant's representative. Prior to effecting any transactions, the client will be required to enter into a new account agreement with Commonwealth. The brokerage commissions charged by Commonwealth may be higher or lower than those charged by other broker-dealers. In addition to brokerage commissions, the client may incur, relative to all mutual fund purchases, charges imposed at the mutual fund level (i.e. advisory fees, 12(b)-1 distribution charges, and other fund expenses). Commonwealth, relative to commission mutual fund purchases, may also receive additional ongoing 12(b)-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment. Our advisory representatives do not receive 12(b)-1 fees in their role as registered representatives.

1. Conflict of Interest: The recommendation by Registrant's representative 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 commission products from Registrant's representative. Clients are reminded that they may purchase securities recommended by Registrant through other, non-affiliated broker-dealers. Registrant's Chief Compliance Officer, Rachel Housel, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

2. Please Note: Clients may purchase investment products recommended by Registrant through other, non-affiliated broker-dealers or agents. However, when purchasing these securities and investment products away from Registrant, you will not receive the benefit of the advice and other services we provide.

3. Registrant does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products Registrant recommends to its clients.

4. When Registrant's representative sells an investment product on a commission basis, Registrant does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, Registrant's representative does not also receive commission compensation for such advisory services. However, a client may engage Registrant to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from Registrant's representative on a separate commission basis.

## **Item 6 Performance-Based Fees and Side-by-Side Management**

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

## **Item 7 Types of Clients**

The Registrant's clients shall generally include individuals, business entities, trusts, estates and charitable organizations. The Registrant does not require a minimum asset level or impose a minimum annual fee 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.).

**Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. ANY QUESTIONS: Registrant's Chief Compliance Officer, Rachel Housel, remains available to address any questions that a client or prospective client may have regarding advisory fees.

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

A. The Registrant may utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)  
Fundamental Analysis is a *method* of evaluating a security that entails attempting to measure its intrinsic value by examining related economic, financial, and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (e.g., the overall economy and industry conditions) and company-specific factors (e.g., financial condition and management). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis".
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

Technical Analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value. Instead, they use charts and other tools to identify patterns that can suggest future activity. When looking at individual equities, a person using technical analysis generally believes that performance of the stock, rather than performance of the company itself, has more to do with the company's future stock price. It is important to understand that past performance does not guarantee future results.

- 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. Investors face the following investment risks: •

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors independent of the fund's specific investments as well as due to the fund's specific investments. Additionally, each security's price will fluctuate based on market movement and emotion, which may, or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

- B. The Registrant's method of analysis 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.

- C. Currently, the Registrant primarily allocates client investment assets among various mutual funds (including closed end funds) and exchange traded funds ("ETFs") (individual equities (stocks), and debt instruments (bonds) on a discretionary basis in accordance with the client's designated investment objective(s).

## **Item 9           Disciplinary Information**

The Registrant has not been the subject of a disciplinary action.

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

- A. **Registered Representative of Commonwealth.** As disclosed above in Item 5.E, Jacob Mack is a registered representative of Commonwealth. Commonwealth is a broker-dealer that is independently owned and operated and is not affiliated with the Registrant. Please refer to Item 12 for a discussion of the benefits that the Registrant may receive from Commonwealth and the conflicts of interest associated with receipt of such benefits.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Registered Representative of Commonwealth.** As disclosed above in Item 5.E, one of Registrant's representative is a registered representative of Commonwealth, a FINRA member broker-dealer. Clients can choose to engage Registrant's representative, in their individual capacity, to effect securities brokerage transactions on a commission basis.

**Licensed Insurance Agents.** Certain of the Registrant's representatives are, in their separate individual capacities, licensed insurance agents. As discussed above, clients can

choose to engage these representatives, in their individual capacities, to effect the purchase of insurance products on a commission basis.

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

**Certified Public Accountants.** Todd Chamberlain, a principal of Registrant also owns RPA, which is a certified public accounting firm. To the extent that RPA provides accounting, bill payment and/or tax preparation services to any clients, including clients of Registrant, all such services shall be performed by RPA, in its individual professional capacity, independent of Registrant, for which services Registrant shall not receive any portion of the fees charged by RPA, referral or otherwise. RPA is not involved in providing investment advice on behalf of Registrant, nor does RPA hold itself out as providing advisory services on behalf of Registrant. No client of Registrant is under any obligation to use the services of RPA.

**Conflict of Interest:** The recommendation by Registrant that a client engage RPA or its representatives in their capacities as Certified Public Accountants presents a conflict of interest, as Registrant could have the incentive to make such a recommendation based on funds received, rather than on a particular client's need. No client is under any obligation to engage RPA or its representatives in such a capacity and clients are reminded that they may engage other non-affiliated Certified Public Accountants.

**Insurance Agency.** Mr. Chamberlain is the owner of Chamberlain Financial Services, Inc., which shares the same office space as the Registrant. To mitigate any conflict of interest, no new business is conducted through Chamberlain Financial Services, Inc. and the primary purpose of this insurance agency relates to the receipt of trailing commissions on existing insurance products.

**Other Investment Adviser.** Mr. Mack and Mr. Chamberlain are also investment adviser representatives of Commonwealth Financial Network, a Registered Investment Adviser.

**Conflict of Interest:** The recommendation by Registrant or its representatives that a client seek investment advisory services from Commonwealth Financial Network presents a potential **conflict of interest**, as Registrant could have the incentive to make such a recommendation based on fees received from that client, rather than on a particular client's need. Accordingly, Registrant and its representatives do not generally refer clients to Commonwealth Financial Network to receive investment advisory services. Clients are reminded that they are not under any obligation to pursue investment advisory services from Commonwealth Financial Network.

**Registrant's Chief Compliance Officer, Rachel Housel, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Other Business Affiliations.** Todd Chamberlain and Jacob Mack, principals of Registrant own and/or are the managing members of multiple businesses and investment-related entities. In certain situations, the Registrant's clients may also be investors and/or employees of these businesses. This presents a material Conflict of Interest as the receipt of income or other economic benefits by Mr. Chamberlain and or Mr. Mack, as owners or managing members of various business or investment related entities may provide an incentive to recommend that Registrant's clients invest in such businesses or entities. No client is obligated to invest in or conduct business with any of these related businesses or entities. **The Registrant's Chief Compliance Officer, Rachel Housel, remains available to address any questions that a client or prospective may have regarding the above conflicts of interest.**

- A. The Registrant does not recommend or select other investment advisors, separate from the Commonwealth arrangement disclosed above, for its clients for which it receives a fee.

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

- A. 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.

- B. 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.
- C. 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 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. Thereafter, the Access Person shall provide the Chief Compliance Officer or his/her designee with a written report each quarter detailing the Access Person's personal account transactions. Each Access Person must also 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. However, if at any time the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. 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 conflict of interest. As indicated above in Item 11C, 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.

## **Item 12 Brokerage Practices**

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at *Fidelity*. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/ custodian.

Factors that the Registrant considers in recommending *Fidelity* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee.

- 1. Non-Soft Dollar 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 *Fidelity* (or another broker-dealer/custodian) 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 *Fidelity* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *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, Rachel Housel, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the corresponding conflict of interest that it creates.**

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**The Registrant's Chief Compliance Officer, Rachel Housel, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**



- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

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

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on a periodic basis by the Registrant's Principal, 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.
- B. 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.
- C. 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.

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

- A. As referenced in Item 12.A.1 above, the Registrant receives an economic benefit from *Fidelity*. The Registrant, without cost (and/or at a discount), may receive support services and/or products from *Fidelity*.

Registrant’s clients do not pay more for investment transactions effected and/or assets maintained at *Fidelity* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *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, Rachel Housel, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the corresponding conflict of interest presented by such arrangements.**

- B. The Registrant does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

## **Item 15 Custody**

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. 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.

**Please Note:** To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

**Please Also Note: Custody Situations:** The Registrant engages in other practices and/or services on behalf of Registrant's clients that require Registrant's disclosure at ADV Part 1, Item 9. Some of such practices and/or services are subject to an annual surprise CPA examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940. In addition, certain clients have established asset transfer authorizations which permit the qualified custodian to rely upon instructions from the Registrant to transfer client funds or securities to third parties. These arrangements are also disclosed at ADV Part 1, Item 9, but in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts **are not** subject to an annual surprise CPA examination

**The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

## **Item 16 Investment Discretion**

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, client shall be required to execute an *Investment Advisory Agreement*, naming the Registrant as client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, **in writing**, on the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

## **Item 17          Voting Client Securities**

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

## **Item 18          Financial Information**

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. 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.
- C. The Registrant has not been the subject of a bankruptcy petition.

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