



**HEADQUARTERS**

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**Third Party Program Brochure Dated 07/01/2015**

This brochure provides information about the qualifications and business practices of Thurston, Springer, Miller, Herd & Titak, Inc. (Thurston Springer). If you have any questions about the contents of this Brochure, please contact the Chief Compliance Officer at 317-581-4000 and/or [compliance@thurstonspringer.com](mailto:compliance@thurstonspringer.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Thurston Springer is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Thurston Springer is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information which you can use to determine to hire or retain an Adviser.

## Item 2 – Material Changes

Per SEC Rules, we will provide you with a summary of any material changes to this and subsequent brochures within 120 days of the close of our business fiscal year, which is June 30. We will further provide other ongoing disclosure information about material changes as necessary, without charge. The date of our last brochure was July, 2014.

Currently, our brochure may be requested by contacting Lisa L. Lauria, Co-Chief Compliance Officer, at 317-581-4003 or [compliance@thurstonspringer.com](mailto:compliance@thurstonspringer.com).

Material Changes to note:

Assets under Management (Discretionary):	\$208,747,904	\$274,456,398
Assets under Management (Non-discretionary):	\$0	\$0
Date Amounts Calculated:	June 30, <b>2014</b>	June 30, 2015

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Investment Advisor’s Brochure also known as Supplemental Brochure

## Item 4 – Advisory Business

### Our Firm

Thurston, Springer, Miller, Herd & Titak, Inc. is a dually registered broker-dealer (Member FINRA & SIPC) and SEC Registered Investment Adviser Firm. The firm began operations in January, 1981 as a broker-dealer, and registered with the state of Indiana as an Investment Adviser Firm in May, 1992. Investment Advisory assets grew to the level in which the firm's registration with the state was transferred to the federal level with the Securities and Exchange Commission (SEC). The principal owner of the firm is James J. Titak.

### Advisory Services We Offer

Thurston Springer provides financial planning, estate planning, retirement planning, multi-generational planning, portfolio management and reviews, and fee-based management services. These services are offered to our own clients and the firm may also act as a sub-adviser to clients of other Investment Advisers.

In its capacity as a broker-dealer, the firm conducts a financial planning business for which it may not necessarily charge a fee. The broker-dealer is compensated via commissions, sales charges and 12b1 fees from the products it recommends to its clients.

Our Investment Adviser Representatives may also provide consultation services on various matters such as Retirement Plan Consulting, Net-Worth Accumulation, Household Money Management, and Selection of a Portfolio Manager. As an example, Clients may want their Adviser Representative to review their 401(k), an investment account, or a trust account in order to take a holistic approach to managing their assets here at Thurston Springer. Doing so may give the Adviser the opportunity to alert you to a lack of diversification, expensive assets, high fees, risky investments, over concentration, and such.

In doing so, fees may be charged at an hourly rate, or may be waived or reduced to the extent that a client uses the firm as a broker. Client may terminate these services in writing at any time and request a refund of the unused portion of the fee.

### Tailored Services / Client Preferred Restrictions

Advisory services are tailored to the financial goals and individual needs of our clients. Your individual and family circumstances are important to determining how your account will be invested.

Clients who want to impose restrictions on investing in certain securities or types of securities may make a request to their Adviser Representative. Your Adviser Representative will make every effort to request that your accommodation be carried out.

### Wrap Fee Programs

Thurston Springer manages a Wrap Fee Program of its own, called the Compass Account. The adviser firm is paid for its' services in managing the program, for back-office duties, and such. When your Adviser Representative arranges for the investment of your assets at an outside Adviser Firm, that firm is paid for providing portfolio management services, and our firm receives a portion for our services. The firm receives a portion of the wrap fee for our investment advisory services and may also charge a transaction fee for broker-dealer services to offset the cost of each transaction.

### Assets under Management

Assets under Management (Discretionary):	\$274,456,398
Assets under Management (Non-discretionary):	\$0
Date Amounts Calculated:	June 30, 2015

## Item 5 – Fees and Compensation

- A. When an outside portfolio management service provider is selected, the client will pay a fee in which a portion is retained by the third party service provider, and a portion is paid to the adviser firm. The advisory fee is assessed as a percentage of the assets under management according to the third-party providers' Fee Schedule. Fees that are set by the third party are normally not negotiable however the over-all advisory fee may be negotiable.
- B. The advisory account fee is automatically deducted from the clients' account each quarter.
- C. Other types of fees or expenses clients may pay in connection with an advisory account include:  
Advisory account fees are exclusive of transaction fees and other related costs and expenses, which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third parties, such as fees charged by managers, custodial fees, odd-lot differentials, transfer taxes, postage and handling, electronic funds fees, and other fees and taxes on brokerage accounts and securities transactions. These fees are usually small and are incidental to the importance of the security being purchased or sold.
- Mutual funds and exchange-traded funds charge internal management fees, which are disclosed in a fund's prospectus.
  - Load-waived (no sales charge) funds and funds designed specifically for wrap accounts with no sales charge may also be used.
  - Adviser will typically receive a 12-b-1 fee from the mutual fund companies' internal charges. Because of the aforementioned fee income, the direct fee to the client is reduced. A mutual fund account will be affected by the internal expenses of the funds in the Account. The firm typically is compensated 25 basis points (.25) on mutual fund assets under management pursuant to a distribution plan adopted under Rule 12b-1 of the Investment Company Act of 1940. The firm considers these fees to be part of their compensation. If such changes are made that result in the termination of this compensation, the firm will automatically increase its fee schedule by the same amount.
  - ETFs (exchange traded funds), open-end convertible bonds and closed-end bonds will be billed using the standard fee schedule.
  - Fixed income assets such as CDs (certificate of deposits), treasuries or individual bonds, taxable or tax-free, will be purchased and sold on a net basis with no mark-up or mark-down. The fee for the fixed income portion of the account will be ½ of the standard fee schedule, (i.e., less than \$100,000 would be a direct fee of 75 basis points; \$1,000,000 would be 50 basis points in direct fees.)
  - Cash in stock accounts will be billed the same rate as stocks; cash in fixed income accounts will be billed the same rate as bonds; and cash in mutual fund accounts will be billed the same rate as mutual funds. If an account has various assets, the cash will be billed proportionately to the invested assets.
  - If margin is used in the account, the fee will be based on the market value of the securities.
- D. ▪ Liquidations: When securities are deposited into the account, they will be liquidated at the discretion of the Adviser Representative/Portfolio Manager in order to select the investments he/she has determined are appropriate for your Account. The standard management fees for the asset class would apply. A large position might be sold over time in an attempt to maximize the value of the account. Realizing that the stock price might decline, Client acknowledges the risk inherent in such a strategy.  
Fees will be charged in arrears and will be based on the value of the assets under management at the end of the calendar quarter. Either party may terminate the agreement at any time, effective upon receipt of the written request - with pro-rata fees and any transaction charges being deducted from the account at termination. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals).
- E. In its Compass Account Program, the adviser firm and its investment adviser representatives' may also use load-waived (no sales charge) funds and funds designed specifically for wrap accounts with no sales charge.

The Class A share compensates registered representatives 25 basis points (.25) on all mutual fund assets under management pursuant to a distribution plan adopted under Rule 12b-1 of the Investment Company Act of 1940. Additionally, investment adviser representatives may accept internal expense compensation from the sale of a certain class of mutual fund called a 12b-1 fee. Thurston Springer considers these fees to be part of their compensation. If such changes are made that result in the termination of this compensation, the firm will automatically increase its' fee schedule by the same amount of the reduction.

1. This practice presents a conflict of interest in that it may give the supervised person an incentive to recommend investment products based on the compensation received. However, the conflict of interest is deterred by reducing the advisory account fee to the Client.
2. Clients have the ability to purchase investment products that we recommend through other brokers or agents that are not affiliated with our firm.

Thurston Springer may also provide advice on matters not involving securities; additional charges may apply. Payment for said advice may be at an hourly rate and include such matters as working with family members, settling an estate, etc.

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

Thurston Springer and its' supervised persons do not receive performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## Item 7 – Types of Clients

Thurston Springer's services include providing investment advice and portfolio management services to individuals, high net worth individuals, corporations and other business entities, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, estates and trusts.

Typically, managed accounts need to be valued at \$25,000 or greater however other services offered are valued based on time, effort, expertise level, and other criteria deemed essential by the adviser.

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

Portfolio Managers and Adviser Representatives select securities based on many factors.

- A. The methods of analysis may include charting, fundamental analysis, technical analysis or cyclical analysis.

*Charting:* Charts are used to analyze a wide array of securities and attempts to forecast future price movements. The word "securities" refers to any tradable financial instrument or quantifiable index such as stocks, bonds, commodities, futures or market indices. Any security with price data over a period of time can be used to form a chart for analysis. Charts provide an easy-to-read graphical representation of a security's price movement over a specific period of time. A graphical historical record makes it possible to spot the effect of key events on a security's price, its performance over a period of time and whether it's trading near its highs, near its lows, or in between.

*Fundamental:* The **fundamental analysis** approach is primarily concerned with value, examining factors that determine a company's expected future earnings and dividends as well as the continued dependability of those earnings and dividends. It then attempts to put a value on the stock accordingly. Therefore, an investor who uses this approach seeks out stocks that are a good value; in other words, stocks that are priced low relative to their perceived value. The assumption is that the stock market will later recognize the value of the stock and its price will consequently increase.

*Technical:* The investor who uses **technical analysis** attempts to predict the future price of a stock or the future direction of the market based on past price and trading volume changes. This approach assumes that stock prices and the stock market follow discernible patterns, and if the beginning of a pattern can be identified, then the balance of the pattern can also be predicted well enough to yield positive returns. When using technical analysis on a specific security, you are looking for price patterns, price fluctuations and trends.

*Cyclical:* Some industries are **cyclical**, that is, their fortunes go through a series of ups and downs. These cycles can last for several years. There are many industries like automotive, airlines, steel, paper, heavy machinery, tools, etc. that experience cycles in their performance. Given the up and down trends of the economy, it is logical to attempt to take advantage, and invest cyclically. A cyclical investor attempts to figure out when a market sector is likely to go up or down on a long-term basis. Such an investor should not be concerned about short-term volatility. The holding period in this strategy can be a few months to many years.

- B. The investment strategies utilized may include a buy and hold strategy, rebalancing, asset allocation and value investing, utilizing long or short term purchases, trading, short sales in an attempt to hedge risk, transactions on margin or option writing, including covered options, option purchases or spreading strategies. The primary types of securities recommended are mutual funds, bonds, and equities.

Investing in securities involves risk of loss that clients should be prepared to bear. All strategies have the risk that past performance is not indicative of future results. Prior to investing, it is important for you to review the materials delivered to you, including the Compass Account Agreement, this Wrap Fee Brochure, investment prospectuses, applications, and other such documents the Adviser uses to introduce the account or the products that will be bought and sold.

For each significant investment strategy or method of analysis, there are material risks involved. The following is a summary of certain types of risks in investing:

*Call Risk:* Call risk is the risk that, during a period of falling interest rates, the issuer may redeem a security by repaying it early, which may reduce income if the proceeds are reinvested at lower interest rates.

*Credit Risk:* Credit risk refers to the possibility that the issuer of a security will not be able to make payments of interest and principal when due. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the current value of an investment in that issuer.

*Equity Securities Risk:* Stock markets are volatile. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions.

*Selection Risk:* Selection risk is the risk that the securities selected will underperform the markets or relevant indices.

*Small Cap and Emerging Growth Securities Risk:* Small cap or emerging growth companies may have limited product lines or markets. They may be less financially secure than larger, more established companies. They may depend on a more limited management group than larger capitalized companies. They are also subject to substantially greater volatility due to limited liquidity.

*Mid Cap Securities Risk:* The securities of mid cap companies generally trade in lower volumes and are generally subject to greater and less predictable price changes than the securities of large capitalization companies.

*Emerging Markets Risk:* Emerging markets are riskier than more developed markets because they tend to develop unevenly and may never fully develop. Investments in emerging markets may be considered speculative. Emerging markets are more likely to experience hyperinflation and currency devaluations, which adversely affect returns to U. S. investors. In addition, many emerging securities markets have far lower trading volumes and less liquidity than developed markets.

*Interest Rate Risk:* Interest rate risk is the risk that prices of bonds and other fixed-income securities will increase as interest rates fall and decrease as interest rates rise.

## Item 9 – Disciplinary Information

As a Registered Investment Adviser Firm, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management.

- Thurston Springer has no such legal or disciplinary events.

## Item 10 – Other Financial Industry Activities and Affiliations

In addition to Thurston, Springer, Miller, Herd & Titak, Inc., being a registered investment adviser firm, the firm is also a registered broker-dealer (Member FINRA & SIPC), an introducing broker with the National Futures Association, and an Insurance Agency.

The firm is securities licensed in 49 states in the United States of America, and the District of Columbia in addition to being insurance licensed in multiple states.

- Thurston Springer does not believe these arrangements create a material conflict of interest with clients. Individual Adviser Representatives do not earn commission based compensation on advisory accounts and Adviser Representatives who are also insurance agents who engage in insurance services are compensated separately for the purchase of insurance products.

## Item 11 – Code of Ethics,

Participation or Interest in Client Transactions and Personal Trading, and  
Principal or Agency Cross Transactions

- A. Code of Ethics: Thurston Springer has adopted a Code of Ethics for all employees and associated persons' of the firm, describing its high standards of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. The Code of Ethics is designed to assure that personal securities transactions and activities of the employees and associated persons will not interfere with making decisions in the best interest of advisory clients, and implementing such decisions while at the same time allowing employees to invest for their own accounts. All employees and associated persons at our firm must acknowledge receipt of the terms of the Code of Ethics upon hire, again annually, or as amended.

- A copy of Thurston Springer's Code of Ethics will be provided upon request at no charge.

- B. Participation or Interest in Client Transactions and Personal Trading: Thurston Springer performs similar services for other clients that it does for you, and the same securities may or may not be purchased or sold for other accounts at the same time. The Adviser may give advice and/or take action in the performance of its duties to other clients or for their own account that may differ from advice given or the timing or nature of action taken with respect to Client. In any such transactions, the interests of the Client shall supersede that of any Adviser Representative. Because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between the firm and its clients.

Adviser will allocate investment opportunities believed appropriate for Client's Account and other accounts managed by Adviser among such accounts equitably and in a manner consistent with the best interests of all accounts involved. There can be no assurance that a particular investment opportunity that comes to the attention of the Adviser will be allocated in any particular manner.



Material Financial Interest: Adviser will not cause accounts over which we have management authority to effect transactions in securities in which we, our affiliates and/or clients, directly or indirectly, have a material financial interest.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with our obligation of best execution. In such circumstances, the affiliated and client accounts will share costs equally and receive securities at a total average price. We will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro-rata basis. Any exceptions will be explained on the order. If there is a situation where there are multiple executions, the firm and its employees would receive the least favorable price.

- C. It is Thurston Springer's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. We will also not cross trades between client accounts.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account.

An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## Item 12 – Brokerage Practices

Assets are in the physical possession of a broker, custodian bank, trust company, mutual fund or insurance company.

- A. Directed Brokerage: Thurston Springer serves as the broker-dealer for the Compass Account. Fees may be found at other broker-dealers to be higher or lower than those charged at Thurston Springer. In client directed brokerage accounts, it may not be possible to negotiate commissions or obtain best execution however we believe you are paying a reasonable rate and according to industry standards. The determining factor for your account is not the lowest possible transaction cost, but whether we can provide what is our view the best qualitative execution for your account. Not all advisers require their client to direct brokerage.
- B. Trade Aggregation aka 'bunching or block trading': Transactions for each client account may be affected individually or Thurston Springer may aggregate the purchase and sale of securities for client accounts whenever the trades appear to be potentially advantageous for each participating account (including for the purpose of reducing brokerage commissions or obtaining a more favorable transaction price). Trade aggregation also allows Thurston Springer to direct trades in a more timely and efficient manner. When trade aggregation is done, the shares are allocated among the selected client accounts with the specified number of shares, and each account receives an average share price. Thurston Springer uses this method in good faith at the time the order is placed for execution however there is never a guarantee of best price. No favoritism is shown to any employee, client or group of clients in the allocation process.
- C. Research and Other Soft Dollar Benefits: Thurston, Springer, Miller, Herd & Titak, Inc. does not receive research or other products or services other than execution from a broker-dealer or third party in connection with client securities transactions ("soft dollar benefits"), thus, this is not a factor in determining the broker-dealer to be selected.
- D. Our Adviser Representatives have been, and likely will be invited in the future, to attend mutual fund company sponsored conferences for educational purposes. The fund company may reimburse and pay for the travel and



other related expenses incurred by our Adviser Representatives to attend such conferences. In addition, mutual fund companies also may pay for certain expenses incurred by Adviser Representatives or the firm in connection with dinners or events for clients and other miscellaneous expenses that may be incurred in relation to the event.

### Item 13 – Review of Accounts

The securities within your account are actively monitored by Thurston Springer and/or your Adviser Representative. Assets that are invested in the Compass Account are rebalanced according to the model selected along with the client's wishes to impose investment restrictions.

**Account Reviews:** At all times during the duration of this Agreement, Adviser Representative shall be available to meet with the Client by appointment during normal business hours. At a minimum, Adviser Representative shall offer to meet annually with Client to update Client on the progress of investments covered under this Agreement and to verify Client's personal goals, objectives and risk tolerances. The nature and frequency of reports to clients will be determined by discussions with each individual client on a case-by-case basis.

The portfolio review will include determining the appropriateness of the account in light of the activity and the client's investment objectives. More frequent reviews should take place if you have a change in your circumstances, your objectives or a change in the value or type of assets to be managed. Reviews shall be conducted by the individual Adviser Representative assigned to the client account.

**Account Statements:** Each client will receive an Account statement at least quarterly (monthly when there is activity) from the clearing firm or from any mutual fund or variable annuity company if assets are held outside our clearing firm.

### Item 14 – Client Referrals and Other Compensation

- A. Thurston Springer has entered into a networking arrangement whereby Adviser Representatives are located on the premises of a financial institution. The institution will receive a portion of the Adviser Representatives' compensation made with their members. The portion of the fee paid to the financial institution is deducted from the Adviser Representative's compensation, and is not in addition to the Adviser Representatives compensation.
- B. The Adviser and/or the Adviser Representative may also compensate that institution's individual personnel a nominal fee for qualified referrals. Such compensation is not transaction related, and is deducted from the Adviser Representative's compensation.

### Item 15 – Custody

Thurston Springer does not have physical custody of any accounts or assets. Client is required to open an account at our clearing firm in order to facilitate the collection of the fee for management services provided. The custodian of your account's assets will produce a client statement reflecting all transactions and actions that took place in the account during that calendar quarter. Your RBC account statement will reflect the quarterly fee charged. We urge you to carefully review such statements and compare such official custodial records to the unofficial report that we may provide to you. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### Item 16 – Investment Discretion

Adviser Representative to select the identity of the security and amount to be bought or sold without first seeking client authority. This method allows the Portfolio Manager or the Adviser Representative to implement recommendations in an efficient manner. For example, you might be one (1) of 50 clients advisory clients that he/she plans to purchase a particular stock for; if he/she did not have discretionary authority, he/she would be required to call all 50 clients before executing the trade, thereby possibly missing 'the targeted market price'. In all cases such

discretionary authority is to be exercised in a manner consistent with the stated investment objectives for the particular client account. This discretionary authority is conveyed via the management agreement that the client signs.

When selecting securities and determining amounts to be bought or sold, we observe the investment policies, limitations and restrictions of the clients we advise. Investment guidelines and restrictions must be provided to us in writing.

#### **Item 17 – Voting Client Securities and Legal Proceedings**

- A. Proxy Voting: As a matter of firm policy and practice, we do not have authority to and do not vote proxies on behalf of advisory clients however a third party Portfolio Manager may have authority to vote proxies on your behalf per the Advisory Agreement you sign. When your Adviser Representative manages your account, he/her may provide advice to you regarding your voting of proxies however clients retain the responsibility for voting proxies for any and all securities maintained in client portfolios. Proxies and other solicitations will be provided by the custodian of the assets.
- B. Legal Proceeding: Clients occasionally receive legal proceeding notices, including bankruptcies or class actions, involving securities held or previously held by the Account or the issuers of these securities (“Legal Proceedings”). Thurston Springer does not offer assistance as a service provided under Agreement, however if requested, your Adviser Representative may answer your question about how to complete the settlement claims but is not allowed to advise you what choice to make.

#### **Item 18 – Financial Information**

Thurston Springer does not require or solicit the prepayment of more than \$1200.00 in fees per client, six months or more in advance. Thurston Springer has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

#### **Item 19 – Supplemental Brochure**

The Adviser Representative’s individual supplemental brochure should accompany this brochure. If it has been inadvertently missed, please let us know right away.