

# TandemGrowth Financial Advisors, LLC

SEC File # 801-79425

ADV Part 2A, Firm Brochure

Dated: April 3, 2020

Contact: Jeffrey Bernier, Chief Compliance Officer

3820 Mansell Road, Suite T30

Alpharetta, Georgia 30022

(770) 641-6360

[www.tandemgrowth.com](http://www.tandemgrowth.com)

This Brochure provides information about the qualifications and business practices of TandemGrowth Financial Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (770) 641-6360 or [jbernier@tandemgrowth.com](mailto:jbernier@tandemgrowth.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 TandemGrowth Financial Advisors, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

## **Item 2           Material Changes**

There have been no material changes to this ADV Part 2A Brochure since the February 26, 2019 annual update filing.

TandemGrowth Financial Advisors, LLC's Chief Compliance Officer, Jeffrey Bernier remains available to address any questions about this Brochure.

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

- A. TandemGrowth Financial Advisors, LLC (the “Registrant”) is a Georgia limited liability company formed on November 13, 2000, which became registered as an investment adviser in May 2003. The Registrant is owned by Jeffrey Bernier. Mr. Bernier is the Registrant’s Managing Member and Chief Compliance Officer.
- B. As discussed below, the Registrant offers financial planning and investment advisory services to its clients (generally, individuals, high net worth individuals, trusts and estates, etc.) on a fee basis.

#### **WEALTH MANAGEMENT SERVICES**

Clients may choose to engage the Registrant to provide “Wealth Management Services,” which include initial and ongoing financial planning services in addition to discretionary or non-discretionary investment advisory services.

The financial planning aspect of the Wealth Management Services addresses investment and non-investment related matters, which generally include, but are not necessarily limited to: investment and retirement planning, education planning, legacy/estate planning, cash flow planning, income tax planning, goals-based investment planning, risk management planning, and stock option planning.

The specific financial planning services generally include: ongoing review and communications regarding financial planning concepts, a discovery meeting, preparation and delivery of a “Financial Blueprint” document that confirms the client’s financial goals and includes: a balance sheet, a summary cash flow schedule, a retirement analysis, an insurance summary, a needs analysis in the event of disability, an estate plan analysis, a survivor needs analysis, an education funding analysis and planning recommendations (as applicable). The financial planning services also include: an annual review, a semi-annual review, a year-end tax planning meeting with the client’s designated certified public accountant or other tax planning professional, joint meetings with the client’s other designated professionals, attendance at an annual market update luncheon, access to an online financial planning portal and access to account holdings (please see “Asset Aggregation / Reporting Services” disclosure below), receipt of a “TandemGrowth Perspectives Blog” and participation in client education workshops.

The discretionary or non-discretionary investment advisory component of the Wealth Management Services addresses ongoing management of the client’s investment assets. To commence this part of the process, an investment adviser representative will confirm each client’s investment objectives based on the Financial Blueprint, and then allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. The Registrant primarily allocates or recommends that a client allocate client assets among various mutual funds and exchange traded funds (“ETFs”) and, to a much lesser extent, independent managers as described below. Once allocated, the Registrant provides ongoing monitoring and review of portfolio performance and asset allocation as compared to client investment objectives, and may periodically execute or recommend execution of transactions for the portfolio based upon those reviews or upon other triggering events.

Before engaging the Registrant to provide Wealth Management Services, the client is required to sign a Wealth Management Agreement with Registrant setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the fees that are due from the client.

## **NEXTGEN SERVICES**

In limited circumstances as a courtesy to existing clients, Registrant offers its “NextGen Services” (“NextGen”) to adult children of Registrant’s existing clients. Those clients can choose to engage Registrant to provide initial and ongoing financial planning and/or investment advisory services as further described below.

### **NEXTGEN FINANCIAL PLANNING SERVICES**

Clients who qualify for the NextGen Services may choose to engage the Registrant to provide initial and ongoing financial planning services for an initial fee and a recurring monthly fee. These financial planning services address investment and non-investment related matters, which may include, but are not limited to: investment and retirement planning, education planning, legacy/estate planning, cash flow planning, goals-based investment planning, and risk management planning (as applicable). The specific financial planning services include: ongoing review and communications regarding financial planning concepts, a discovery meeting, preparation and delivery of a “Financial Blueprint” document that confirms the client’s financial goals and includes: a balance sheet, a summary cash flow schedule, a retirement analysis, an insurance summary, a needs analysis in the event of disability, an estate plan analysis, a survivor needs analysis, an education funding analysis and planning recommendations (as applicable). The NextGen ongoing financial planning services also include: an annual review, attendance at an annual market update luncheon, access to an online financial planning portal and access to portfolio holdings (please see “Asset Aggregation / Reporting Services” disclosure below), receipt of a monthly “TandemGrowth Perspectives Blog” and participation in client education workshops.

Before engaging the Registrant to provide such initial and ongoing financial planning services, clients are required to enter into a NextGen Financial Planning and Consulting Agreement with Registrant setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the fees that are due from the client.

### **NEXTGEN INVESTMENT ADVISORY SERVICES**

Clients who qualify for NextGen Services may also choose to engage the Registrant to provide discretionary investment advisory services under the terms and conditions of a NextGen Investment Advisory Agreement.

To commence the NextGen investment advisory process, an investment adviser representative will coordinate with the client to develop their investment objectives, and then allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. The Registrant primarily allocates or recommends that a client allocate client assets among various mutual funds and ETFs and, to a much lesser extent, independent managers as described below. Once allocated, the Registrant provides ongoing monitoring and review of portfolio performance and asset allocation as

compared to client investment objectives, and may periodically execute transactions for the portfolio based upon those reviews or other triggering events.

## **EDUCATIONAL SEMINARS / WORKSHOPS**

The Registrant may also offer clients the opportunity to participate in educational seminars and workshops, generally related to the financial planning concepts discussed above. If the Registrant chooses to require clients to pay a nominal fee for attending such educational seminars and workshops, the terms and conditions of the client's attendance and the related fee for attendance will be set forth in a separate Agreement between the Registrant and the client.

## **WEALTH MANAGEMENT ACCESS SOLUTION**

The Registrant offers educational seminars and workshops under its "Wealth Management Access Solution" ("WMAS"). WMAS offers a number of investor education courses and furnishes all course materials to attendees, which are provided for a one-time fee. WMAS courses range in duration from approximately four to six hours, which are offered in-person by Registrant.

Clients may also choose to engage the Registrant to provide "WMAS Advisory Services," under the terms and conditions of a Wealth Management Access Solution Advisory Agreement. The WMAS advisory services include initial and ongoing financial planning services, in addition to discretionary investment management services. Clients will have the option to attend a free "one-on-one lab" at Registrant's offices during which Registrant will commence the WMAS advisory service process by ascertaining the client's financial planning and investment objectives. Thereafter, the advisory services and conditions are the same as described under the Wealth Management Services offering, subject to minimum fee reductions and the payment of an ongoing financial planning fee as described in Item 5 below.

## **MISCELLANEOUS**

Order Management System. As part of its investment advisory services, Registrant may manage clients' retirement plan accounts (generally 401(k), 403(b) or profit sharing plans) on a discretionary basis using an "Order Management System." The Order Management System allows Registrant to access and manage the client's designated retirement plan account maintained on platforms where Registrant would otherwise need to collect the client's personal login credentials to manage the account and therefore potentially trigger additional custody obligations. Registrant does not charge additional fees for making the Order Management System available. However, when clients engage Registrant in this capacity, they are responsible to keep the Order Management System link / Registrant's login credentials active, so that Registrant will be able to access and manage the respective account without delay. If Registrant determines that an Order Management System link has become inactive, Registrant will use its best efforts to notify the client to resolve the issue. However, clients will remain subject to Registrant's fees described in Item 5 even when Registrant is not capable of executing trades because of the inactive link.

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. Neither the Registrant, nor any of its representatives, serves as an attorney, accountant, or licensed insurance agent, and no portion of the Registrant's services should be construed as legal, accounting or insurance implementation services. Therefore, the Registrant does not prepare estate planning documents, tax returns, or sell insurance products. Unless specifically agreed in writing, neither Registrant nor its representatives are responsible to: implement any financial plans or financial planning advice; provide ongoing financial planning services; or provide ongoing monitoring of financial plans or financial planning advice. Registrant's financial planning and consulting services are completed upon communicating its recommendations to the client, or upon termination of the applicable agreement for ongoing services. To the extent requested by a client, Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e., attorneys, accountants, insurance agents, etc.). Clients are under no obligation to engage the services of any recommended professional, who shall be solely responsible for the quality and competency of the services they provide. If the client engages any unaffiliated recommended professional, and a dispute arises related to the engagement, the client should seek recourse exclusively from and against the engaged professional.

Non-Discretionary Service Limitations. Clients that determine to engage Registrant on a non-discretionary investment advisory basis must be willing to accept that Registrant cannot execute any account transactions without obtaining the client's prior consent to the transactions. Therefore, if Registrant would like to make a transaction for a client's account (including removing a security that the Registrant no longer believes is appropriate, adding a security that the Registrant believes is appropriate, or in the event of a market correction), and the client is unavailable, Registrant will be unable to execute the account transactions (as it would for its discretionary clients) without first obtaining the client's consent. This may place affected clients at an economic disadvantage.

Independent Managers. Registrant may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers ("Independent Managers") in accordance with the client's designated investment objectives. In such situations, the Independent Managers will have day-to-day responsibility for the active discretionary management of the allocated assets. Registrant will continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. The Registrant generally considers the following factors when recommending Independent Managers: the client's designated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated Independent Managers, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, Registrant's ongoing investment advisory fee. The fee charged by the Independent Managers is separate from, and in addition to, Registrant's advisory fee as set forth in Item 5, which will be disclosed to the client at the point of entering into the Independent Manager engagement, and/or subject to the terms and conditions of a separate agreement between the client and the Independent Managers.

Cash Positions. The Registrant may maintain cash and cash equivalent positions (such as money market funds) for defensive and liquidity purposes. Unless otherwise agreed in writing, all cash and cash equivalent positions will be included as part of assets under management for purposes of calculating the Registrant's investment advisory fee.

Margin / Securities Based Loans. Upon client request, Registrant may recommend that a client establish a margin loan or a securities based loan (collectively, "SBLs") with the client's broker-dealer/custodian or their affiliated banks (each, an "SBL Lender") to access cash flow. Unlike a traditional real estate-backed loan, an SBL has the potential benefit of: enabling borrowers to access funds in a shorter period of time, providing greater repayment flexibility, and may also result in the borrower receiving certain tax benefits. Clients interested in learning more about the potential tax benefits of borrowing money on margin should consult with an accountant or tax advisor. The terms and conditions of each SBL are contained in a separate agreement between the client and the SBL Lender selected by the client, which terms and conditions may vary from client to client. Borrowing funds on margin is not suitable for all clients and is subject to certain risks, including but not limited to: increased market risk, increased risk of loss, especially in the event of a significant downturn; liquidity risk; the potential obligation to post collateral or repay the SBL if the SBL Lender determines that the value of collateralized securities is no longer sufficient to support the value of the SBL; the risk that the SBL Lender may liquidate the client's securities to satisfy its demand for additional collateral or repayment / the risk that the SBL Lender may terminate the SBL at any time. Before agreeing to participate in an SBL program, clients should carefully review the applicable SBL agreement and all risk disclosures provided by the SBL Lender including the initial margin and maintenance requirements for the specific program in which the client enrolls, and the procedures for issuing "margin calls" and liquidating securities and other assets in the client's accounts.

If Registrant recommends that a client apply for an SBL instead of selling securities that Registrant manages for a fee to meet liquidity needs, the recommendation presents an ongoing conflict of interest because selling those securities (instead of leveraging those securities to access an SBL) would reduce the amount of assets to which the Registrant's investment advisory fee percentage is applied, and thereby reduce the amount of investment advisory fees collected by the Registrant. Likewise, the same ongoing conflict of interest is present if a client determines to apply for an SBL on their own initiative. These ongoing conflicts of interest would persist as long as Registrant has an economic disincentive to recommend that the client terminate the use of SBLs. Clients are therefore reminded that they are not under any obligation to employ the use of SBLs, and are solely responsible for determining when to use, reduce, and terminate the use of SBLs. Although Registrant seeks to disclose all conflicts of interest related to its recommended use of SBLs and related business practices, there may be other conflicts of interest that are not identified above. Clients are therefore reminded to carefully review the applicable SBL agreement and all risk disclosures provided by the SBL Lender as applicable, and contact the Registrant's Chief Compliance Officer with any questions regarding the use of SBLs.

Portfolio Trading Activity. As part of its investment advisory services, Registrant will review client portfolios on an ongoing basis to determine if any trades are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and

other factors, there may be extended periods of time when Registrant determines that trades within a client's portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 during periods of portfolio trading inactivity.

Asset Aggregation / Reporting Services. Registrant may provide access to reporting services through one or more third-party aggregation / reporting platforms that can reflect all of the client's investment assets, including those investment assets that the client has not engaged the Registrant to manage (the "Excluded Assets"). Registrant's service for the Excluded Assets is strictly limited to reporting, and specifically excludes investment management or implementation. Because Registrant does not have trading authority for the Excluded Assets, the client (and/or another investment professional), and not Registrant, shall be exclusively responsible for directly implementing any recommendations for the Excluded Assets. Further, the client and/or their other advisors that maintain trading authority, and not Registrant, shall be exclusively responsible for the investment performance or related activity (such as timing and trade errors) pertaining to the Excluded Assets. The third-party aggregation / reporting platforms may also provide access to financial planning information and applications, which should not be construed as services, advice, or recommendations provided by Registrant. Accordingly, Registrant shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the third party reporting platforms without Registrant's participation or oversight.

Trade Error Policy. Registrant shall reimburse accounts for losses resulting from the Registrant's trade errors, but shall not credit accounts for such errors resulting in market gains which shall be credited to a local charitable organization designated by the Registrant.

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 on any provided information. 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 the Registrant revising its previous recommendations or services.

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



Availability of Mutual Funds and Exchange Traded Funds. While the Registrant may recommend allocating investment assets to mutual funds and ETFs that are not available directly to the public, the Registrant may also recommend that clients allocate investment assets to publically-available mutual funds and ETFs that the client could purchase without engaging Registrant as an investment adviser. However, if a client or prospective client determines to purchase publically-available mutual funds and ETFs without engaging Registrant as an investment adviser, the client or prospective client would not receive the benefit of Registrant's initial and ongoing investment advisory services with respect to that asset. Other mutual funds, such as those issued by Dimensional Fund Advisors ("DFA"), are generally only available through registered investment advisers. Registrant may allocate client investment assets to DFA mutual funds. Therefore, upon the termination of Registrant's services to a client, restrictions regarding transferability and/or additional purchases of, or reallocation among DFA funds will apply. Registrant's Chief Compliance Officer, Jeffrey Bernier remains available to address any questions that a client or prospective client may have regarding the above.

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 levels.

Disclosure Statement. A copy of the Registrant's written disclosure statement as set forth on Part 2 of Form ADV shall be provided to each client either before, or contemporaneously with, the execution of the applicable form of Agreement.

- C. The Registrant shall provide investment advisory services specifically tailored to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objectives. If engaged to do so, the Registrant will then allocate or recommend that the client allocate investment assets consistent with their designated investment objectives. 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 by providing portfolio management services.
- E. As of December 31, 2019, the Registrant had \$165,897,528 in regulatory assets under management on a discretionary basis and \$1,642,908 in regulatory assets under management on a non-discretionary basis.

## **Item 5            Fees and Compensation**

- A. Registrant's fees for its various service offerings are as generally set forth below.

### **WEALTH MANAGEMENT SERVICES**

Clients can choose to engage the Registrant to provide discretionary and/or non-discretionary Wealth Management Services as described above. The fee for this service includes an initial and one-time fee generally ranging between \$1,500 and \$5,000 for preparation of the Financial Blueprint. Half of this fee is payable upon either the execution of the Wealth Management Agreement or at the discovery meeting (whichever

is later), and the other half of is payable upon delivery of the Financial Blueprint. However, Registrant will waive the initial and one-time fee for clients who will initially maintain assets under Registrant's management or supervision exceeding \$1,000,000.

The remaining fees for Registrant's Wealth Management Services are based on a percentage of the market value of investment assets placed under the Registrant's management (i.e. assets for which Registrant maintains trading authority) and supervision (i.e. investment assets that Registrant monitors and for which Registrant provides investment advice, but does not maintain trading authority, such as assets held in a client-directed 401(k) account).

This fee is prorated and billed quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter, generally based on the following fee schedule:

<u>Market Value of Portfolio</u>	<u>Annual Fee</u>
Assets up to \$1,000,000	1.00%
Additional Assets between \$1,000,001 and \$2,000,000	0.75%
Additional Assets between \$2,000,001 and \$5,000,000	0.50%
Additional Assets between \$5,000,001 and \$10,000,000	0.40%
Additional Assets exceeding \$10,000,001	0.30%

Financial Planning and Investment Advisory Services. New clients who do not qualify for NextGen Services are not able to engage the Registrant to provide investment advisory services without also engaging the Registrant for financial planning services under its Wealth Management Services offering.

Negotiable Fees. The Registrant's fee for Wealth Management Services is negotiable at the discretion of the Registrant, depending upon objective and subjective factors including but not limited to: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professionals rendering the services; prior relationships with the Registrant and/or its representatives, and negotiations with the client. As a result of these factors, similarly situated clients could pay different fees, the services to be provided by the Registrant to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above. The Registrant's Chief Compliance Officer, Jeffrey Bernier, remains available to address any questions that a client or prospective client may have regarding the above fee determination.

Legacy Clients. Certain legacy clients may have accepted different pre-existing service offerings from Registrant and may therefore receive different services under different fee schedules than as set forth above. These legacy clients have been or will be offered the ability to engage Registrant under its Wealth Management Services offering if it is more advantageous to such clients.

Reduced Fees. The Registrant may agree to reduce or waive its fees on certain assets placed under its supervision, including but not limited to, cash positions, concentrated positions or holdings, or the holding of employer stock. The decision to reduce or waive fees may be made by the Registrant, in its sole discretion.

Minimum Portfolio Value. The Registrant generally requires a \$500,000 minimum portfolio value for its Wealth Management Services, which it may reduce or waive in its sole discretion.

Independent Managers. The Independent Managers that may be engaged typically charge a fee ranging between 0.15 % and 0.75%, of the market value of the designated assets under management which is separate from, and in addition to, Registrant's advisory fee as set forth above. The Independent Managers fee does not result in any additional compensation to the Registrant. The applicable Independent Manager fee will be disclosed to the client at the point of entering into the Independent Manager engagement, and/or subject to the terms and conditions of a separate agreement between the client and the Independent Manager.

## **NEXTGEN SERVICES**

### NEXTGEN ONGOING FINANCIAL PLANNING SERVICES

Clients who qualify for the NextGen Services may choose to engage the Registrant to provide initial and ongoing financial planning services, generally according to the following negotiable fee schedule: an initial fee of \$1,500 payable upon delivery of the Financial Blueprint; and a recurring monthly fee of \$125 payable in advance, starting on the first month of the next quarter in which the Financial Blueprint is delivered and monthly thereafter.

### NEXTGEN INVESTMENT ADVISORY SERVICES

Clients who qualify for the NextGen Services may choose to engage the Registrant to provide discretionary investment advisory services for a negotiable fee generally equal to 1% of the market value of assets placed under the Registrant's management (i.e. assets for which Registrant maintains trading authority) and supervision (i.e. investment assets that Registrant monitors and for which Registrant provides investment advice, but does not maintain trading authority, such as assets held in a client-directed 401(k) account). This fee is prorated and billed quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. Once NextGen clients reach the \$500,000 minimum portfolio threshold to receive Wealth Management Services, they are provided the opportunity to transition to that service offering under the terms and conditions of a Wealth Management Agreement.

## **EDUCATIONAL SEMINARS / WORKSHOPS**

If the Registrant chooses to require clients to pay a nominal fee for attending such educational seminars and workshops, the terms and conditions of the client's attendance and the related fee for attendance will be set forth in a separate Agreement between the Registrant and the client. The fee will be generally tailored to the out-of-pocket expenses that Registrant incurs to produce such educational seminars and workshops.

### WEALTH MANAGEMENT ACCESS SOLUTION ADVISORY SERVICES

Except as stated in this section and in Item 7 below, clients who choose to engage the Registrant to provide the WMAS Advisory Services will pay the same fees as offered under the Wealth Management Services offering, subject to all the same terms and conditions in this Item 5. However, clients who engage Registrant under the WMAS Advisory Services offering do not incur an initial and one-time fee for preparation of a

Financial Blueprint. Rather, Registrant charges these clients an ongoing and a recurring monthly financial planning fee of \$250 that is payable in advance, starting on the first day of the month after the client completes the discovery meeting. In addition, while the Registrant generally requires that clients maintain a \$500,000 minimum portfolio to receive Wealth Management Services, Registrant will reduce this standard requirement from \$500,000.00 to \$200,000.00 for WMAS Advisory Services participants. However, once WMAS Advisory Services participants maintain at least \$500,000 in assets under Registrant's management or supervision, Registrant will request that the parties terminate the Wealth Management Access Solution Advisory Agreement in favor of a Wealth Management Agreement.

- B. Clients may elect to have the Registrant's fees deducted from their custodial account. The Registrant's Agreements and the brokerage or clearing agreement may authorize the custodian to debit the account for the Registrant's fees and to pay the fee to the Registrant in compliance with regulatory procedures. The Client may also choose to engage a third-party payment facilitator to remit fees to the Registrant. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. Except with respect to the monthly NextGen Ongoing Planning Service fees, and the WMAS monthly financial planning fees described above, the Registrant shall deduct fees and/or bill clients quarterly, in advance.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that Fidelity Institutional Wealth Services, an SEC-registered and FINRA member broker dealer and its affiliates ("Fidelity") serve as the broker-dealer/custodian for client investment advisory assets. Broker-dealers charge transaction fees for effecting certain securities transactions according to their fee schedule, and they or their affiliated custodians also impose charges for custodial services / fees associated with maintaining the client's account. For mutual fund and ETF purchases, clients will incur charges imposed by the respective fund, which represent the client's pro rata share of the fund's management fee and other fund expenses. These fees and expenses are described in each fund's prospectus or other offering documents. The fees charged by the applicable broker-dealer/custodian, and the charges imposed by mutual funds and ETFs, are separate from and in addition to Registrant's advisory fee referenced in this Item 5. Registrant does not share in any portion of those fees or expenses.
- D. Registrant's investment advisory fee is prorated and paid quarterly, in advance, based upon the market value of all of the assets under the Registrant's management and/or supervision as identified in Item 5.A. on the last business day of the previous quarter. Where a client and the Registrant mutually agree, assets maintained at custodians other than Fidelity may still be subject to the investment advisory fee schedule set forth above. The Registrant, in its sole discretion, may reduce or waive its investment advisory 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.). As indicated above with respect to Wealth Management Services, the Registrant charges an initial and one-time fee generally ranging between \$1,500 and \$5,000 for preparation of the Financial Blueprint, half of which is payable in advance. Under the NextGen Financial Planning service offering, the Registrant also charges a \$1,500 fee for preparation of the Financial Blueprint, payable upon delivery of the Financial Blueprint.

The applicable form of 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 such Agreement. Upon termination, the Registrant shall refund the pro-rated portion of any advanced fee paid based upon the number of days remaining in the billing quarter.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

## **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 currently generally include individuals, high net worth individuals, trusts and estates. The Registrant does not impose a minimum portfolio value requirement for its NextGen Services, but generally requires a \$500,000 minimum portfolio value for its Wealth Management Services, and a \$200,000 minimum portfolio value for its WMAS Advisory Services. Registrant may reduce or waive these minimum portfolio value requirements in its sole discretion based upon certain criteria (i.e. anticipated future services, related accounts, scope services to be rendered, individuals rendering the services, negotiations with client, etc.).

## **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);
  - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices); and
  - 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); and
- Short Term Purchases (securities sold within a year).

Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear, including the loss of principal investment. Past performance may not be indicative of future results. 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 levels. Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk

of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease and client account values could suffer a loss. It is therefore important that clients understand investment risks, diversification strategies, and ask Registrant any questions they may have before making any investment decisions.

- B. The Registrant's methods of analysis and investment strategies do 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 (or recommends that a client allocate) client investment assets among various mutual funds and/or ETFs, cash and cash equivalents, and, to a much lesser extent, Independent Managers, on a discretionary and non-discretionary basis, in accordance with the client's designated investment objectives. Each type of investment has its own unique set of risks associated with it, and it would not be possible to describe each of the specific risks of every type of investment. However, the following provides a short description of some of the underlying risks associated with the types of investments that Registrant uses or recommends:

Market Risk. The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors (such as economic or political factors), but may also be incurred because of a security's specific underlying investments. Additionally, each security's price can fluctuate based on market movement, 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.

Unsystematic Risk. Unsystematic risk is the company-specific or industry-specific risk in a portfolio that the investor bears. Unsystematic risk is typically addressed through diversification. However, as indicated above, diversification does not guarantee better performance and cannot eliminate the risk of investment losses.

Value Investment Risk. Value stocks may perform differently from the market as a whole and following a value-oriented investment strategy may cause a portfolio to underperform growth stocks.

Growth Investment Risk. Prices of growth stocks tend to be higher in relation to their companies' earnings and may be more sensitive to market, political and economic developments than other stocks, making their prices more volatile.

Small Company Risk. Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, small capitalization companies are more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

Commodity Risk. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political, and regulatory developments.

Foreign Securities and Currencies Risk. Foreign securities prices may decline or fluctuate because of: (i) economic or political actions of foreign governments, and/or (ii) less regulated or liquid securities markets. Investors holding these securities are also exposed to foreign currency risk (the possibility that foreign currency will fluctuate in value against the U.S. dollar).

Interest Rate Risk. Fixed income securities and fixed income-based securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices tend to fall. When interest rates fall, fixed income security prices tend to rise. In general, fixed income securities with longer maturities are more sensitive to these price changes.

Inflation Risk. When any type of inflation is present, a dollar at present value will not carry the same purchasing power as a dollar in the future, because that purchasing power erodes at the rate of inflation.

Reinvestment Risk. Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate), which primarily relates to fixed income securities.

Credit Risk. The issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and impact performance. Credit risk is considered greater for fixed income securities with ratings below investment grade. Fixed income securities that are below investment grade involve higher credit risk and are considered speculative.

Call Risk. During periods of falling interest rates, a bond issuer will call or repay a higher-yielding bond before its maturity date, forcing the investment to reinvest in bonds with lower interest rates than the original obligations.

Regulatory Risk. Changes in laws and regulations from any government can change the market value of companies subject to such regulations. Certain industries are more susceptible to government regulation. For example, changes in zoning, tax structure or laws may impact the return on investments.

Mutual Fund Risk. Mutual funds are operated by investment companies that raise money from shareholders and invests it in stocks, bonds, and/or other types of securities. Each fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. Mutual funds charge a separate management fee for their services, so the returns on mutual funds are reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

Exchange Traded Fund Risk. ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) an ETF's shares may trade at a market price that is above or below its net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

Independent Manager Risk. While Registrant may conduct due diligence regarding Independent Managers and their respective investment style and process, Registrant will not have the opportunity to evaluate each specific investment that the Independent Managers will execute on the client's behalf. As a result, the rates of return to clients will primarily depend upon the choice of investments and other investment and management decisions of Independent Managers and returns could be adversely affected by unfavorable performance of such Independent Managers. Further, Registrant depends on Independent Managers to develop the appropriate systems and procedures to control operational risks.

"Flourish Cash" Risk. Registrant may arrange for client access to a "Flourish Cash" account, which is a brokerage account offered by Stone Ridge Securities LLC, an SEC registered and FINRA member broker-dealer. Registrant is not affiliated with Stone Ridge Securities LLC, which is not a bank. The cash balance in a Flourish Cash account is swept from the Stone Ridge Securities LLC brokerage account to deposit accounts at one or more third-party banks that have agreed to accept deposits from end-customers of Stone Ridge Securities LLC ("Program Banks"). The accounts at Program Banks pay variable interest rates. The cash balance in a Flourish Cash account that is swept to one or more Program Banks is eligible for FDIC insurance, subject to FDIC rules, including FDIC aggregate insurance coverage limits. However, FDIC insurance will not be provided until the funds arrive at the Program Bank. There are currently at least 6



Program Banks available to accept deposits for institutional Flourish Cash accounts (accounts for corporations, partnerships and other legal entities) and at least 8 Program Banks available to accept deposits for personal Flourish Cash accounts (individual, joint and revocable trust accounts), and Flourish Cash is not obligated to allocate client funds across more than this number of Program Banks if there is a greater number of banks in the program. Clients are generally eligible for FDIC insurance coverage of \$250,000 per client, per Program Bank, for each account ownership category. Therefore, institutional clients are eligible for up to \$1,500,000 of FDIC insurance and non-institutional clients are eligible for (i) up to \$2,000,000 of FDIC insurance for either (A) an individual account or (B) an account for a revocable living trust in which one person is the only grantor, trustee and beneficiary of the trust (“Individual Revocable Trust Account”) and (ii) up to \$4,000,000 of FDIC insurance for either (A) a joint account with two owners or (B) an account for a revocable living trust in which the same two persons are each the only grantors, trustees and beneficiaries of the trust (“Joint Revocable Trust Account”). The total FDIC coverage for a two-person household is calculated assuming that each household member has an individual account and that both household members share a joint account. If the number of Program Banks decreases for a client (either because a Program Bank is no longer participating in Flourish Cash, because a client's cash is not eligible to be swept to a Program Bank based on criteria set by the Program Bank (which will be disclosed at account opening), or because a client opts out of having their cash swept to a particular Program Bank), the amount of FDIC insurance for which the client would be eligible through Flourish Cash would be lower. Typically, all of a client's deposits at a Program Bank in the same ownership category (including deposits held outside Flourish Cash or held through multiple Flourish Cash accounts with the same ownership category) count toward the FDIC insurance limit for deposits at that Program Bank. Clients are responsible for monitoring whether they maintain deposits at a Program Bank outside of Flourish Cash and should consider opting out of having their cash swept to any such Program Bank to avoid exceeding FDIC insurance limits. Although Flourish Cash is offered through a brokerage account and cash held in brokerage accounts often has the benefit of SIPC protection, until such time as we offer securities products, clients likely will not have the benefit of SIPC protection for cash held in their Flourish Cash account. Further, SIPC protection is not available for any cash held at the Program Banks. For additional information regarding FDIC coverage, visit <https://fdic.gov/>. Flourish Cash currently does not carry the benefit of SIPC protection, and SIPC protection is not available for any cash held at the Program Banks. For withdrawal requests submitted by the applicable deadline, the funds will generally be transferred to the requested external account by the next business day, except for withdrawal requests submitted on the weekend or on a holiday, which should be completed by the second following business day, but in some circumstances, withdrawals may take longer to complete, as further described in your account agreement.

## **Item 9            Disciplinary Information**

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

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

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- 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. The Registrant does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person. However, Registrant maintains a Business Continuity and Succession Plan to mitigate a disruption of service to clients in the event of an unforeseen loss of key personnel, due to disability or death. To that end, Registrant has entered into a Succession Agreement with Buckingham Strategic Wealth, LLC, effective September 25, 2018. The Registrant's Chief Compliance Officer, Jeffrey Bernier, remains available to address any questions that a client or prospective client may have regarding this arrangement.
- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

## **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 an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- 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 presents a conflict of interest. As indicated above in Item 11.C, 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 advisory accounts be maintained at Fidelity. Before engaging Registrant to provide investment advisory services, the client will be required to enter into a formal 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 a broker-dealer's 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 advisory fee.

1. Non-Soft Dollar Research and Additional Benefits

In addition to the above, and although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant receives from Fidelity (and can receive from another broker-dealer/custodian, vendor, unaffiliated investment manager, investment platform product/fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. The support services that Registrant receives can include: 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 free consulting services, discounted and/or free travel and attendance at conferences, meetings, and other educational and/or social events (which can also include transportation and lodging), marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations. Fidelity can make available or arrange and/or pay for these types of services provided by independent third parties. Certain of the support services and/or products that Registrant can receive 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. The receipt of these support services and products presents a conflict of interest, because Registrant has the incentive to recommend that clients utilize Fidelity as a broker-dealer/custodian based upon its interest in continuing to receive the above-described support services and products, rather than based on a client's particular need. Registrant will therefore only recommend that a client engage Fidelity as broker-dealer/custodian if it reasonably believes that the arrangement is in the best interests of that client based upon the factors discussed throughout this Item 12. Further, Registrant's clients do not pay more for investment transactions executed and/or assets maintained at Fidelity as a result of this arrangement. There is no corresponding commitment made by 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 in connection with the above.

Except as otherwise provided, Fidelity's responsibility is limited to executing transactions pursuant to the direction of the Registrant. Fidelity has not assisted in the selection of the Registrant and the client has the sole and exclusive responsibility for the selection of the Registrant and Fidelity as service providers. The Registrant's Chief Compliance Officer, Jeffrey Bernier, 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.

2. The Registrant does not receive referrals from broker-dealers.

3. Directed Brokerage.

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, clients 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.

If 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. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be executed 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 this aggregation.

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

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and/or representatives. 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 economic benefits from Fidelity including support services or products without cost or at a discount. 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, Jeffrey Bernier, remains available to address any questions about the above arrangement and the corresponding conflict of interest presented.
- 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 fees 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 or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

The Registrant provides other services on behalf of its clients that require disclosure at ADV Part 1, Item 9. In particular, certain clients have signed asset transfer authorizations that permit the qualified custodian to rely upon instructions from the Registrant to transfer client funds or securities to "third parties." In accordance with the guidance provided in the SEC Staff's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subjected to an annual surprise CPA examination.

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. The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

## **Item 16            Investment Discretion**

The client can determine to engage the Registrant to provide investment management services on a discretionary basis. Before the Registrant assumes discretionary authority over a client's account, clients are required to execute an Agreement naming the Registrant as the 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.

The Registrant's Chief Compliance Officer, Jeffrey Bernier, remains available to address any questions about this ADV Part 2A, Firm Brochure.