

## **O'ROURKE & COMPANY, INCORPORATED**

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This Brochure provides information about the qualifications and business practices of O'Rourke & Company, Incorporated. If you have any questions about the contents of this Brochure, please contact us at 617-482-4200 or send an email to [borourke@ceteraadvisors.com](mailto:borourke@ceteraadvisors.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. O'Rourke & Company, Incorporated is a SEC registered investment adviser. Registration does not imply a certain level of skill or training.

Additional information about O'Rourke & Company, Incorporated also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Summary of Material Changes**

The purpose of this Item 2 is to disclose material changes that have been made to this Brochure since the last update of this Brochure. Since the last update of this Brochure on December 24, 2019, we have made the following material changes:

- Item 4: we have revised the description of our services and have updated the amount of discretionary and non-discretionary assets under our management
- Item 5: we have updated the description of our fees and compensation
- Item 8: we have revised the description of our methods of analysis, strategies and risks of loss
- Item 10: we have revised the description of our other financial industry activities and affiliations
- Item 11: we have revised our description of our Code of Ethics
- Item 12: we have revised and updated our discussion of our brokerage practices
- Item 13: we have revised the description of our review of accounts
- Item 14: we have revised the description relating to other compensation
- Item 15: we have revised the description relating to custody
- Item 16: we have revised this Item to discuss in more detail our practices relating to investment discretion

Many of these changes are designed to provide additional disclosure but do not represent a change in our practices. We have also revised language throughout this document. We nonetheless urge all clients and potential clients to read this updated brochure in its entirety.

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## **Item 4 Advisory Business**

O'Rourke & Company, Incorporated ("O'Rourke & Company", "we", or "our") is a SEC registered investment adviser based in Boston, Massachusetts. The company was organized in 1987. Brian C. O'Rourke is principal owner, investment adviser representative (IAR) and Chief Compliance Officer of O'Rourke & Company.

O'Rourke & Company, Inc., offers financial planning services for individuals and continuous and regular investment supervision and management services to non-discretionary and discretionary investment advisory accounts for individuals, high net worth individuals, retirement plans, trusts, estates, charitable organizations and small businesses. We offer advice in the areas of:

- Establishing financial goals and objectives;
- Cash flow management
- Investment management/asset allocation
- Tax and insurance planning
- Retirement, education and estate planning.

### **Types of Advisory Services**

#### *Investment Advice And Management*

Investment advice and management are major components of our client activity. We regard these services as an ongoing process which generally addresses the following items:

- Meet with you to discuss your goals, investment objectives, time horizon and risk tolerance.
- Prepare an asset allocation for an investment portfolio based on your objectives.
- Identify suitable investments for the portfolio and recommend or invest your funds accordingly.
- Monitor the performance of the portfolio created and rebalance assets as necessary in line with your objectives.

The types of investments we employ in implementing your investment strategy are mutual funds, exchange traded funds, listed securities, and annuities. Clients may request that we not invest in certain securities or types of securities. Client imposed restrictions are likely to affect investment returns either positively or negatively.

#### *Financial Planning*

The service generally involves a review and assessment of your present financial condition and the preparation of a summary of our recommendations. This report takes into account your goals, objectives, and risk parameters. A financial plan can include any of the following.

- Net worth and cash flow evaluation.
- Investment management.
- Education planning.
- Income tax and insurance planning.

- Retirement planning and projections.
- Estate planning issues.

As of March 26, 2020, we manage approximately \$147,357,883 in client assets on a discretionary basis, and \$164,685,423 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### *Investment Supervisory Or Management Services*

The annual fee for investment supervisory or management services is a percentage of the client's assets under the firm's management, ranging from 0.30% to 1.00%. The percentage fee is negotiated with the client after a review of the size of the accounts to be managed, the complexity of the client's needs and the level and scope of the overall services to be rendered; generally, the greater the value of the assets under management, the lower the percentage fee. These fees are negotiable at the sole discretion of the firm. The fee to be charged each client will be stipulated within each client's advisory agreement and applies to all assets within the portfolio or household (as defined in the agreement).

Assets included in clients' margin balances are included when calculating advisory fees; clients who use margin should note that they will also pay margin interest on the same assets. The method for calculating the value of assets under management for purposes of the fee calculation is permitted to be different than the methodology used to calculate Regulatory Assets Under Management. Fees are billed in arrears directly to the client. Clients generally are required to instruct the custodian to debit fees from the client's account. Clients are billed on a quarterly basis based on the value of the account on the last day of each calendar quarter.

### *Financial Planning Fees*

Fees are negotiated on a case-by-case basis. They may be charged on an hourly or fixed fee basis. Once determined, the fee arrangement is set forth in the Client Agreement.

*Hourly Fees.* Hourly rates range from \$60 to \$400 per hour based upon the knowledge and experience of the individual providing the work. Fees are billed in 15-minute increments. Hourly fees will be billed monthly as the work is provided (in arrears).

*Fixed Fees.* Fees are typically determined by estimating the number of hours to be spent preparing the plan and then quoting a fixed price. If additional work is requested that goes beyond the original scope of the project, it may be billed on an hourly basis or a fixed price basis as negotiated. Fixed fees will be invoiced quarterly depending upon the negotiated agreement with the client and the anticipated delivery of the plan. Other limited planning services are billed monthly. In addition, some or all of the financial planning fees may be included in the investment management fees agreed upon by clients and the firm. Financial planning is not always billed separately. Total costs for financial plans, whether per hour or on a fixed basis, may range from as little as \$500 to as much as \$5,000 or more. There is no "typical" plan, as services are customized to the particular needs of the client; thus there is a wide range of fees that may be imposed. Should a contract be terminated prior to the service being delivered, the firm will bill for work completed. In the case of prepayment of fees, the prorated refund will be based upon the hourly rate of the individuals who provided services.

### *Other Fees*

Our investment advisory fees are exclusive of all direct expenses incurred for the client or disbursements made on behalf of the client. In addition, the client is responsible for payment to the custodian for commissions, transaction fees, asset-based custody fees, and all other fees described in the custodial agreement. Clients will also incur charges imposed by other third-parties in connection with certain investments, including mutual fund fees, confirmation fees, surcharges, fees charged by sub-account managers, contingent deferred sales charges on previously purchased mutual funds, clearing, custody and other transaction charges and service fees, and IRA and Qualified Retirement Plan fees.

Additional third-party fees also include, but are not limited to, fees associated with the type of transaction (exchange versus purchase), method of placing the transaction (electronic vs. over the phone), and paper confirmation fees.

Clients should be aware that all mutual funds, including “no load” funds and exchange traded funds, incur transaction costs, expenses and other fees. Mutual funds typically charge ongoing fees and operating costs, including operating expenses, management fees, 12b-1 fees, shareholder services fees, and other expenses. These charges are deducted from the fund’s assets, thereby reducing the shareholders’ investment returns. Many mutual funds pay a portion of the 12b-1 fees, which are generally used for marketing and distribution expenses or compensation, to financial institutions, broker-dealers or other investment professionals. Generally, information about the fund’s fees and expenses is contained in the fund Prospectus or in other documents such as the fund’s Statement of Additional Information. Investors should request and read the fund’s Prospectus before making an investment decision.

When purchasing mutual funds, choosing a share class is an important investment decision. Different share classes are charged different types and amounts of fees. Certain share classes can also be subject to restrictions on redemptions, or to “back end” charges that are assessed if the investor redeems his or her investment within a prescribed time period. The holders of higher cost share classes will pay higher fees, and will thus achieve lower investment return, than holders of lower-cost share classes of the same fund.

### *Compensation for the Sale of Securities or Other Investment Products*

Broker-dealers and their representatives receive compensation when clients invest in certain classes of mutual funds. Depending on the share class, compensation could be a front-end sales charge (a commission), a concession from a mutual fund company, ongoing servicing fees (commonly known as “12b-1 fees” or “trails”), distribution fees, dealer fees, or a “back end” sales charge. The ongoing fees that the broker-dealer and representative receive from the mutual fund company are based upon the amount of the client’s investment held with the fund.

Persons providing investment advice on behalf of our firm are registered representatives with Cetera. In their capacity as registered representatives, these persons receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products and a share of certain dealer fees or fees paid to Cetera on client transactions or holdings.

Persons providing investment advice to advisory clients on behalf of our firm can select or recommend, and in some instances will select or recommend, mutual fund investments in share classes that pay 12b-1 fees when clients are eligible to purchase share classes of the same funds that do not pay such fees and are less expensive. This practice presents a conflict of interest because, where commission-based compensation is paid, persons providing investment advice on behalf of our firm who are also registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. We have a fiduciary obligation to Advisory Clients and have established procedures to ensure that any recommendations made are in the best interest of clients overall. We do not recommend that our clients who pay us an asset-based fee ("AUM Clients") purchase share classes that pay commissions or 12b-1 fees. If AUM Clients pay 12b-1 fees or we earn 12b-1 fees on their holdings we apply the fees received as a credit toward these clients' advisory fees. We do recommend share classes that pay commissions or 12b-1 fees to clients who pay a flat advisory fee plus commissions; we do not credit the commissions or 12b-1 fees received on these clients' holdings against the flat advisory fees paid. This is a conflict of interest with these clients, as this compensation structure gives the firm's supervised persons a financial incentive to recommend investment products based on the compensation received rather than on the client's needs. To address this conflict, the firm is mindful of its fiduciary obligation to place clients' interests first. Moreover, clients are under no obligation to purchase securities through the firm or its supervised persons.

Compensation earned by our personnel in their capacities as registered representatives is separate and in addition to our advisory fees. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

Some persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

We primarily recommend exchange traded funds ("ETFs"), mutual funds and listed securities. When recommending mutual funds, we will recommend the most appropriate mutual fund share class for your portfolio, based upon your individual circumstances (including whether you are an AUM Client), that is reasonably available through the clearing firm. These recommendations can include load or no-load funds. The expenses associated with each recommendation are discussed with the client prior to purchase.

#### GENERAL INFORMATION ON ADVISORY SERVICES AND FEES

*Legacy Arrangements And Fee Differentials.* Some clients are subject to a fee arrangement that is different than described above. These clients pay a flat fee for advisory services plus commissions on transactions, or monthly versus quarterly charges. The firm no longer offers these alternative arrangements to new clients. Further, as indicated above, the firm may price its services based upon assets under management or other subjective factors, and fees are negotiable at the discretion of the firm.

As a result, any of our clients could pay fees that are higher or lower than the fees charged to other clients who have a similar market value of assets under our management, complexity of engagement, and/or level and scope of the services to be rendered. The services to be provided by our firm to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

*Margin.* The firm occasionally recommends that clients engage in margin transactions. This creates a conflict of interest, as the firm charges its advisory fee based on the total value of the assets in the account, including assets purchased on margin, without deducting for the margin balance. The firm addresses this conflict of interest by generally refraining from recommending that clients use margin, and by carefully ensuring that in the few instances when it recommends the use of margin, that is in the clients' best interest. Purchasing securities on margin can amplify potential returns and losses. Purchasing securities on margin can result in losses greater than a client's original principal. Clients and potential clients should carefully review disclosures regarding risks, fees, and other considerations appearing in margin account agreements prior to opening margin accounts.

*Termination.* All advisory agreements may be terminated upon written notification by either party at any time, or in accordance with any written advisory agreement. Upon termination, clients will receive refunds of any prepaid and unearned advisory fees (prorated for the balance of the month, if needed). If services have been provided, and are therefore due and payable, clients will receive an invoice with the amount due. Any transactional or custodial charges levied by the custodian after the termination of the advisory agreement will remain the client's responsibility and not the responsibility of the firm. We have no obligation to refund these fees to clients.

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

We do not charge performance-based fees or engage in side-by-side management.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organization, corporations, and other small business entities.

The company does not require a minimum amount of assets for opening or maintaining an account.

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

### *Methods of Analysis*

We use fundamental analysis, which involves the evaluation and interpretation of companies'/funds financial data, the experience and expertise of the management, and the outlook of the industry/fund category to assist in evaluating the true value of the companies' securities. Fundamental analysis carries with it the risk that publicly available company information may be inaccurate, and if the securities price adjusts quickly to market



information, the value of the portfolio may decrease. This is why our investment strategies involve long term and short term purchases.

The main sources of information for security analysis include:

- Research from third party research firms such as Morningstar, and Lipper.
- Public records filed with the U.S. Securities and Exchange Commission.
- Financial publications such as the Wall Street Journal, Barron's, Bloomberg Business Week.
- Company websites, annual reports, and other company specific public records.
- Employees of O'Rourke & Company also participate in conference calls, and industry conferences that provide insight into the research of securities.
- Public information collected from financial websites such as Yahoo! Finance or Google Finance.

### *Investment Strategies*

The foundation of our investment process is based on the principles of asset allocation and diversification. We utilize a top-down approach in determining the asset allocation mix for your portfolio. (This means the asset allocation comes first and the security selection second.) Although diversification and asset allocation cannot guarantee a profit or assure against loss, we believe that this approach is the best way to optimize the potential returns for a given amount of estimated risk.

O'Rourke & Company, Inc., develops an individualized asset allocation strategy for each client. Each strategy is updated periodically to reflect our outlook over the short to intermediate, and long-term for the economy and markets. Typically six asset classes are utilized, including domestic stocks, foreign stocks, fixed income, REITs (real estate investment trusts), alternatives (commodities, low-volatility strategies), and cash. The outlook for each asset class will determine its weighting within each model.

Each portfolio is allocated among a number of sub-asset classes including but not limited to Domestic Equities, International Equities, U.S. Treasuries, Agencies, Corporate Bonds, Municipal Bonds, High Yield Bonds, as well as alternative investments. Most often, these allocations are invested utilizing vehicles such as mutual funds, exchange traded funds or other comparable investment vehicles. Portfolios of sufficient size may be invested in individual stocks and individual bonds as well.

We determine the appropriate portfolio allocation for each client based on the client's situation, investment objectives, risk profile, goals and needs, which are discussed at the outset of the relationship and during review meetings. Clients must notify us immediately of any changes to the client's financial situation, objectives or tolerance of risk.

### *Risk of Loss*

All investing in securities involves risk of loss. Those risks include:

- Interest rate risk: The risk borne by an interest-bearing asset, such as a loan or a bond, due to variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa.
- Market Risk: The risk that the price of a security may drop in reaction to market events. This type of risk is independent of risks associated with a security's particular

underlying circumstances.

- **Inflation Risk:** The risk that a currency loses its purchasing power because of the rising price of goods and services.
- **Currency Risk:** The risk that arises from the change in price of one currency against another.
- **Reinvestment Risk:** The risk that a decline in interest rates will lead to lower income when bonds mature and funds are reinvested at a lower rate.
- **Business Risk:** The risk associated with a particular industry or a particular company with an industry.
- **Liquidity Risk:** The risk that an investment will not readily be converted into cash.
- **Financial Risk:** The increase in stockholder's risk, over and above the firm's basic business risk, resulting from the use of financial leverage (borrowing).

Clients also face the risk that securities that we choose for your portfolio may not perform as well as similar securities in the same industry or the stock/bond market in general.

Different types of investments involve varying degrees of risk. Diversification and asset allocation do not guarantee profits or assure against loss. Past performance is never a guarantee of future results. No one should assume that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the firm) will be profitable or equal any specific performance level(s).

*Client Obligations.* In performing its services, the firm is 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 that information. Moreover, it is the client's responsibility to notify the firm promptly upon any change in the client's financial situation or investment objectives. If the client does not provide this notice or information, the firm and its personnel will not be in a position to perform an accurate review, evaluation or revision of their previous recommendations and/or services.

*Non-Discretionary Service Limitations.* The firm provides investment advice on a discretionary basis, meaning that the firm is authorized to make transactions on the client's behalf in the client's account at the discretion of the advisor. If a client engages the firm on a non-discretionary investment advisory basis, the client must be willing to accept that the firm cannot effect any account transactions without obtaining prior verbal consent for the transaction(s) from the client. Thus, if the client is unavailable during a market event, the firm will be unable to effect any account transactions (as it would for its discretionary clients) because it must first obtain the client's verbal consent.

## **Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

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

Persons providing investment advice on behalf of our firm are registered representatives with Cetera. Other industry professionals are also registered representatives of Cetera; however,

these individuals are not associated with us. Clients should be aware that Cetera marks up its clearing firm's non-transaction fees including paper delivery surcharge, surcharges for client statements and confirms. The existence and extent of Cetera's fee mark ups is potentially material to clients when evaluating the recommendation of Cetera for brokerage services.

Individuals who are licensed registered representatives are permitted to place securities transaction for our clients. Clients are informed that, to the extent licensed registered representatives recommends transactions in ETFs, mutual funds or variable insurance products placed through Cetera, they receive up to 92% of the commission compensation paid to Cetera. Registered Representatives receive material income via commissions and trailer fees received from variable insurance products and certain mutual funds purchased by our clients. Clients should be aware that these relationships create a conflict of interest. We place our client's interest first as part of our fiduciary duty, and clients are under no obligation to execute trades through our licensed registered representatives or through Cetera.

Some associated persons of our firm are also be licensed as insurance agents to sell life, disability and long-term care insurance products for various insurance companies, and are therefore able to purchase life, disability and long-term care insurance products for any of our clients in need of such services. Licensed insurance agents will receive separate, customary commission compensation on purchases of life, disability and long-term care insurance products, which are not subject to advisory fees. Clients are under no obligation to purchase life, disability and long-term care insurance products from our insurance agents.

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

We have adopted a Code of Ethics ("Code") in compliance with SEC rule 204A-1. Accordingly, our Code sets forth guidelines for professional conduct for our employees. Our goal is to protect clients' interest at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with our clients, while at the same time allowing our employees to invest for their own accounts.

The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumormongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other topics. All supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

The firm or its related persons are permitted to recommend to clients, or buy or sell for client accounts, securities in which the firm or its related persons have a material financial interest. Under certain circumstances, this presents a conflict of interest. The firm's Code of Ethics addresses this conflict; employees and associated persons are required to follow the Firm's policy and applicable laws. Subject to these requirements, firm personnel are allowed to trade for their own accounts in securities which are recommended to and/or purchased for clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of firm personnel will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while,

at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of the firm's clients. In addition, the Code requires pre-clearance of many transactions, and restricts certain trading in close proximity to client trading activity. Nonetheless, 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. The firm regularly monitors employee trading to ensure that clients' interests are protected in the event of any conflict of interest between a firm associated person and a client.

Our Code is available to any client or prospective client upon request.

## **Item 12 Brokerage Practices**

### *The Custodians and Brokers We Use*

O'Rourke and Company, Inc., does not maintain custody of your assets, although we will be deemed to have custody of your assets if you give us authority to withdraw assets from your account. Your assets must be maintained in an account at a "qualified custodian," generally a broker/dealer or bank. Our clients must use Cetera (which clears through Pershing, LLC) or Fidelity Investments (which clears through National Financial Services). O'Rourke and Company, Inc., is independently owned and operated and is not affiliated with Fidelity or Cetera, although certain of our personnel are affiliated with Cetera. (We refer to each of these qualified custodians as a "QC.")

Clients open their accounts by entering into an account agreement directly with the QC. We do not open the account for clients, although we generally assist clients in doing so. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. The QC will hold your assets in a brokerage account and buy and sell securities when we instruct them to. Even though your account is maintained at one of the QCs listed above, we can still use other brokers to execute trades for your account as described below.

### *How We Select Brokers/Custodians*

We have selected custodians/brokers who will hold your assets and execute transactions on terms that we believe are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Availability of lowest cost share classes of mutual funds
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds ("ETFs"), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services

- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below

### *Your Brokerage and Custody Costs*

The QC generally charges for its custody services either by charging you commissions or other fees on trades that it executes or that settle into your QC account, or by charging an asset-based fee.

In addition to commissions or asset-based fees, a QC charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your QC account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we execute most trades for your account at the QC, however, in some (very limited) cases, we can obtain better pricing on a security or be able to obtain a security that is not available at the QC at a different broker-dealer.

We have determined that having a QC execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

### *Products and Services Available to Us From QCs.*

QCs provide us and our clients with access to institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to retail customers. QCs also make available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. QCs’ support services generally are available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of QCs’ support services:

Services That Benefit You. Institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. The services described in this paragraph generally benefit you and your account.

Services That Do Not Directly Benefit You. Other products and services are available to us that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both a QC’s own and that of third parties. We use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at the QC. In addition to investment research, the QC also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client

accounts

- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us. QCs also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

The QC provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. The QCs also discount or waive fees for some of these services or pay all or a part of a third party's fees. From time to time, each QC also provides us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in a QC's Services. The availability of these services benefits us because we do not have to produce or purchase them. We don't have to pay for services so long as our clients collectively keep a minimum dollar amount of their assets in accounts at the QC. That minimum dollar amount varies with each QC. Beyond that, these services are not contingent upon our committing any specific amount of business to a QC in trading commissions or assets in custody. The applicable minimum gives us an incentive to recommend that you maintain your account with a particular QC, based on our interest in receiving services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. In addition, it is a benefit to us that certain of our associated persons are registered representatives of Cetera. These are potential conflicts of interest. We believe, however, that our selection of the QCs listed above as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of services and not by the services that benefit only us.

Soft dollar benefits are not limited to those clients who have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients. Soft dollar benefits are not proportionally allocated to accounts that generate different amounts of the soft dollar benefits.

*Trade Errors.* If a trade error occurs in a client account and it is O'Rourke and Company, Inc.'s error, the firm will correct the error so the client account does not suffer a loss. However, the client is generally not permitted to profit from the error, even if the correction results in a profit. For example, certain custodians keep all trade profits on an error regardless of how the error was caused.

*Block Trading and Trade Allocations.* When placing trades in the same security for multiple clients, some investment advisers "bunch," or aggregate, all client orders in that security into one transaction, and then allocate the order based on pre-determined (usually pro-rata) allocation. This ensures no client transaction is favored over another, as all transactions are executed at the same price. We do not engage in this practice. Since we do not participate in order aggregation practices, in the event that we place orders for more than one client in the same individual security, on the same day, and on the same side of the market, these transactions will be placed individually, and clients should be aware that one client will

probably pay more or less than another client for the same security on the same day. These considerations do not apply to mutual funds, which trade at the same price for all investors each trading day.

*Directed Brokerage.* In directing the firm to use a specific custodian and/or broker/dealer (other than those recommended by the firm) clients should understand that we will not have the authority to negotiate commissions among various custodians or obtain volume discounts. This could also affect our ability to achieve best execution.

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

#### *Client Accounts*

Each client is offered at least an annual account review with a registered investment adviser representative. Additional reviews can be triggered by client request, by material market, economic or political events, or by changes in the client's financial situation (such as retirement, termination of employment, inheritance, etc.).

We provide clients with quarterly written reports from Morningstar and other proprietary sources that consolidate the various custodial statements and provide information relating to the performance of the clients' assets.

In addition, each QC provides clients with written trade confirmations and monthly or quarterly account statements.

Clients are urged to compare any reports provided by us to those received from the qualified custodian and immediately report any unexplained differences to the firm and/or the qualified custodian, as appropriate.

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

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with Cetera, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In addition, we receive an economic benefit from QCs in the form of support products and services made available to us and to other independent investment advisors whose clients maintain accounts with the QC. These products and services, how they benefit us, and the related conflicts of interest, are described in Item 12, above. The availability to us of products and services is not based on our giving particular investment advice, such as buying particular securities, for our clients. For more information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We have no arrangements under which we or any of our related persons compensates another person or entity for client referrals.

### **Item 15 Custody**

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct a QC to deduct our advisory fees directly from your account or if

you grant us authority to move your money to another person's account. The QC maintains actual custody of your assets. You will receive account statements directly from the QC at least quarterly. They will be sent to the email or postal mailing address you provided to them. You should carefully review those statements promptly when you receive them.

In addition, as part of our comprehensive financial planning services, clients may grant us authority to log into client accounts for purposes of viewing or rebalancing client assets. These login privileges provide us only with limited authority and do not allow us to take custody of funds. We do not have the ability to disburse funds to third parties or make withdrawals from these accounts.

### *Standing Letter Of Authorization*

Our firm, or persons associated with the firm, are permitted to effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. This kind of written authorization is known as a Standing Letter Of Authorization. An adviser with authority to conduct these third party wire transfers has access to the client's assets, and therefore is deemed to have custody of the client's assets in any related accounts.

We rely on SEC guidance for firms with this type of custody. We do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, because we meet the following criteria:

1. The client provides a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. The client authorizes us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. The client's qualified custodian verifies the client's authorization (e.g., signature review) and provides a transfer of funds notice to client promptly after each transfer;
4. The client can terminate or change the instruction;
5. Our firm has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. Our firm maintains records showing that the third party is not a related party to us nor located at the same address as us; and
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

### **Item 16 Investment Discretion**

We offer investment advisory services on a non-discretionary and discretionary basis.

For non-discretionary engagements we obtain client approval prior to effecting transactions for the account. Limited trading authorization is obtained from the client allowing us to execute trades on the client's behalf.

For discretionary engagements, we obtain authorization from the client to select the identity, amount, and timing of securities to be bought or sold. We are granted discretionary authority through a separate written authorization from the client.



In both circumstances we have the authority to discount the commission rates paid to our Firm for clients' stock, bond, and ETF securities transactions in order to minimize transaction expenses incurred by the client, and have elected to waive such commissions on all stock, bond and ETF transactions. In all cases, trades are executed in a manner consistent with the stated investment objectives for the particular client account.

*Non-Discretionary Service Limitations.* If a client engages the firm on a non-discretionary investment advisory basis, the client must be willing to accept that the firm cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, if the client is unavailable during a market event, the firm will be unable to effect any account transactions (as it would for its discretionary clients) because it must first obtain the client's verbal consent.

### **Item 17 Voting Client Securities**

We do not vote, or advise clients on how to vote, proxies for securities held in client accounts. The client maintains the authority and responsibility for voting proxies, as provided in the investment advisory agreement. Clients are permitted to contact us if they have questions about a particular solicitation.

### **Item 18 Financial Information**

We do not request that any client pay fees in advance, and have no financial conditions that would impair our ability to meet our contractual obligations to our clients.

We have not been the subject of any bankruptcy petition.