

**Part 2A of Form ADV: *Firm Brochure***

**RFM Financial Solutions, LLC**

805 North Brown Street  
Mount Pleasant, MI 48858

Telephone: (989) 772-1209

Email: [mharter@robertfmurray.com](mailto:mharter@robertfmurray.com)

Web Address: [www.rfmfinancialsolutions.com](http://www.rfmfinancialsolutions.com)

June 11, 2020

This brochure provides information about the qualifications and business practices of RFM Financial Solutions, LLC (hereinafter “RFMFS”, “our” or “we”). If you have any questions about the contents of this brochure, please contact us at (989) 772-1209 or [mharter@robertfmurray.com](mailto:mharter@robertfmurray.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. Registration with state regulatory authorities does not imply any level of skill or training.

Additional information about RFMFS also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 124468.

## **Item 2     Material Changes**

This Firm Brochure, dated June 11, 2020 provides you with a summary of RFMFS' advisory services and fees, professionals, certain business practices and policies, as well as actual conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

- **Annual Update:** We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of September 30. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
- **Material Changes:** Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following summarizes new or revised disclosures based on information previously provided in our Firm Brochure dated February 21, 2019. RFMFS has no material changes to report.

<b>Item 3</b>	<b>Table of Contents</b>	<b>Page</b>
Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	7
Item 6	Performance-Based Fees and Side-By-Side Management	9
Item 7	Types of Clients	9
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	9
Item 9	Disciplinary Information	11
Item 10	Other Financial Industry Activities and Affiliations	11
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	11
Item 12	Brokerage Practices	13
Item 13	Review of Accounts	15
Item 14	Client Referrals and Other Compensation	16
Item 15	Custody	16
Item 16	Investment Discretion	17
Item 17	Voting Client Securities	17
Item 18	Financial Information	17

## Item 4    Advisory Business

RFMFS is an SEC-registered investment adviser with its principal place of business located in Mount Pleasant, Michigan. RFMFS began conducting advisory business in 2006. RFMFS is wholly owned by Robert F. Murray & Company, CPAs – a public accounting firm.

We offer the following advisory services to our clients:

### **PORTFOLIO MANAGEMENT SERVICES**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

Although we principally manage advisory accounts on a discretionary basis, clients may engage RFMFS for non-discretionary account management. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Under no circumstances are clients required to grant RFMFS discretionary authority; clients always retain the right to grant or revoke RFMFS' authority over their accounts.

RFMFS manages clients' assets primarily utilizing no-load mutual funds and, on a more limited basis, exchange-traded funds (ETFs), taking into consideration the overall management style selected by the client. The mutual funds are selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors is determined by each client's individual needs and circumstances.

Clients have the opportunity to place reasonable restrictions on the types of investments, which are made on their behalf. Clients retain individual ownership of all securities.

Certain clients' portfolios may contain various types of individual securities when they initially engage our firm for asset management services. Over time, RFMFS will generally liquidate these holdings with the objective to fully invest the client's assets in appropriate mutual funds. Therefore, while client assets will be invested primarily in no-load mutual funds, upon client request we may also render investment advice regarding the following securities:

- Exchange-listed securities
- Municipal securities
- Certificates of deposit
- Unit Investment Trusts
- Securities traded over-the-counter
- United States governmental securities
- Variable annuities

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

### **PENSION CONSULTING SERVICES**

We also provide several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. RFMFS' Pension Consulting Services are comprised of three distinct services. Clients may choose to use any or all of these services.

#### *Selection of Investment Vehicles:*

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's Investment Policy Statement (IPS). The number of investments to be recommended will be determined by the client, based on the IPS.

#### *Monitoring of Investment Performance:*

We monitor client investments regularly, based on the procedures and timing intervals delineated in the Investment Policy Statement. RFMFS supervises the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

#### *Employee Communications:*

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we will provide educational support and an investment workshop designed for the plan participants during an employee initiation meeting and on an annual basis thereafter. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

### **FINANCIAL PLANNING**

RFMFS provides financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.

- *TAX & CASH FLOW*: We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- *INVESTMENTS*: We analyze investment alternatives and their effect on the client's portfolio.
- *INSURANCE*: We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- *RETIREMENT*: We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- *DEATH & DISABILITY*: We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- *ESTATE*: We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Typically, the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

## **CONSULTING SERVICES**

Clients can also receive investment advice on a more focused or limited basis. This may include periodic review, and if appropriate, rebalancing of the client's holdings, advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

## Item 5 Fees and Compensation

### PORTFOLIO MANAGEMENT FEES

For portfolio management accounts having a minimum of \$50,000 in assets, our annualized fee for Investment Supervisory Services is charged as a percentage of assets under management, according to the following tiered fee schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$50,000 to \$500,000	1.00%
\$500,001 to \$1,000,000	0.80%
\$1,000,001 to \$2,500,000	0.65%
\$2,500,001 and above	0.50%

Our fees are billed in arrears at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Clients may elect to pay RFMFS upon receipt of the invoice; otherwise fees will be debited from the account in accordance with the client authorization in the Client Services Agreement. RFMFS requires a minimum annual fee of \$1,000 for its Portfolio Management Services. Accordingly, clients with assets below \$100,000 will pay advisory fees higher than our stated fee schedule.

**Limited Negotiability of Advisory Fees:** Although RFMFS has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in our contract with each client.

### PENSION CONSULTING FEES

RFMFS receives a combination of fees for pension consulting services. RFMFS charges self-directed plan accounts a fee of 0.75% of assets under advisement (with a non-negotiable minimum annual fee of \$75). These fees are calculated on a quarterly basis in arrears and are deducted directly from the participants' investment account. In addition, RFMFS will bill the employer directly for set-up fees that are determined based on the number of participants, according to the following schedule:

1 - 5 employees	\$500
6 - 10 employees	\$750
11 - 20 employees	\$1,000
Over 20 employees	\$1,000 plus \$40 for each additional participant
Adding new employees after initial plan set-up - \$100 per employee	

## FINANCIAL PLANNING FEES

RFMFS' Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with the client. If the estimated time appears to be in excess of our initial proposal, we will contact the client directly to discuss it.

Our Financial Planning fees are calculated and charged on an hourly basis, ranging from \$95 to \$250 per hour depending on the professional(s) providing this service. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship.

The client is billed in full upon completion and delivery of the financial plan. Fees are due and payable upon receipt of our invoice.

## CONSULTING SERVICES FEES

Our Consulting Services fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Consulting Services fees are calculated and charged on an hourly basis, ranging from \$95 to \$250 per hour. An estimate for the total hours is determined at the start of the advisory relationship. The client is billed monthly in arrears based on actual hours accrued.

## GENERAL INFORMATION

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. As RFMFS' fees are billed and collected in arrears, no fee refunds will be required; however, any earned, unpaid fees will be due and payable.

***Mutual Fund Fees:*** All fees paid to RFMFS for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.



***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Grandfathered Fees/Minimums:*** Pre-existing advisory clients are subject to RFMFS' minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, RFMFS' minimum account requirements and advisory fees may differ among clients.

RFMFS retains the discretion to reduce or waive account minimums, and/or advisory fees. Circumstances may include but are not necessarily limited to, a significant percentage of bond holdings in client's portfolio. RFMFS may also combine related household accounts for the purpose of achieving the minimum account requirements.

***Discounted Fees:*** RFMFS reserves the right to reduce or waive advisory fees for services provided to family members and friends. Such rates are not available to all of RFMFS' advisory clients.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

***Assets Under Management:*** As of July 31, 2018, RFMFS had \$122,194,817 in assets under management. \$90,123,839 are discretionary assets; \$32,070,977 are non-discretionary assets.

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

RFMFS does not charge performance-based fees (fees based on a share of capital gains or capital appreciation of the client's assets).

## **Item 7 Types of Clients**

RFMFS provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Corporations or other businesses not listed above
- Charitable Organizations

As previously disclosed in Item 5, our firm has established certain minimum annual fee requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

***Fundamental Analysis.*** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

***Mutual Fund and/or ETF Analysis.*** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

***Risks for all forms of analysis.*** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

***Long-term purchases.*** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

*Risk of Loss.* Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

RFMFS is not registered, nor does it have an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, or commodity trading advisor. Furthermore, none of our management persons are registered or have pending applications to become registered as any of the foregoing entities.

As previously disclosed in Item 4 of this disclosure brochure, RFMFS is wholly owned by Robert F. Murray & Company, CPAs (hereinafter "RFM"), an accounting firm. Mike Harter, the Chief Compliance Officer and portfolio manager of our firm is also a partner in RFM, where he is an individually licensed and practicing Certified Public Accountant providing accounting services for separate and typical compensation.

RFM typically recommends RFMFS to accounting clients in need of advisory services. Conversely, RFM typically recommends RFM to advisory clients in need of accounting services. Accounting services provided by RFM are separate and distinct from our advisory services, and are provided for separate and typical compensation. There are no referral fee arrangements between our firms for these recommendations. No RFMFS client is obligated to use RFM for any accounting services and conversely, no accounting client is obligated to use the advisory services provided by us. RFM's accounting services do not include the authority to sign checks or otherwise disburse funds on any of our advisory client's behalf.

Mr. Harter will spend approximately 60% of his time engaged in activities related to these outside endeavors.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

RFMFS and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

RFMFS' Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to Operations Manager, or by calling us at (989) 772-1209.

RFMFS and individuals associated with our firm are prohibited from engaging in principal transactions or agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees 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.

Our firm, and/or individuals associated with our firm, may buy or sell for their personal accounts, securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.

5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination.

## **Item 12 Brokerage Practices**

***Soft Dollar Arrangements.*** RFMFS does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

***Brokerage for Client Referrals.*** Brokers that we recommend to our clients may refer clients to us. This gives us an incentive to select or recommend a broker based on our interest in receiving client referrals, rather than on our clients' interest in receiving most favorable execution. To address this conflict of interest, we have determined that, as a matter of policy, we will not make commitments to any broker or dealer to compensate that broker or dealer through brokerage or dealer transactions for client referrals. In our last fiscal year we did not direct brokerage transactions to any broker in exchange for client referrals.

### **PORTFOLIO MANAGEMENT SERVICES**

***Directed Brokerage.*** As our firm does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients must direct RFMFS as to the broker-dealer to be used.

Because we primarily utilize mutual funds in our client portfolios, RFMFS does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

RFMFS recommends that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients

establish accounts at Schwab, it is the client's decision to custody assets with Schwab. RFMFS is independently owned and operated and not affiliated with Schwab.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than Schwab if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account.

Schwab provides RFMFS with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit RFMFS but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to RFMFS. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

### **FINANCIAL PLANNING SERVICES**

Our financial planning service does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price. You will be required to select your own broker-dealer and/or insurance company for buying or selling securities or insurance products recommended in your financial plan. As disclosed above, we recommend any one of several brokers. You must independently evaluate these brokers. The factors we consider when recommending brokers include:

- the broker's ability to provide professional services,
- our experience with the broker,
- the broker's reputation, and
- the broker's financial strength.

You may use any broker or dealer of your choice.

## **Item 13 Review of Accounts**

### **PORTFOLIO MANAGEMENT SERVICES**

**REVIEWS:** While the underlying securities within Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by Mike Harter, Portfolio Manager and Chief Compliance Officer of RFMFS.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings.

## **PENSION CONSULTING SERVICES**

**REVIEWS:** RFMFS will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. RFMFS will also review the investment options of the plan as contracted for at the inception of the advisory relationship. Such reviews will generally occur quarterly.

These accounts are reviewed by Mike Harter, Portfolio Manager and Chief Compliance Officer of RFMFS.

**REPORTS:** RFMFS will provide reports to Pension Consulting Services clients as contracted for at the inception of the advisory relationship.

## **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

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

It is RFMFS' policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm. It is also RFMFS' policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.



RFMFS is also deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and under that SLOA, clients authorize RFMFS to designate the amount or timing of transfers with the custodian.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

As previously disclosed in Item 4 of this brochure, RFMFS will ask non-discretionary clients to grant us limited discretionary authority that will be exercised under extraordinary circumstances and only for purposes of selling out of an existing position. Under no circumstances are clients required to grant RFMFS such discretionary authority. Clients always retain the right to grant or revoke RFMFS' authority over their accounts.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, 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. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

## **Item 18 Financial Information**

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. RFMFS has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement as part of this brochure.

RFMFS has never been the subject of a bankruptcy petition.