



**BUDROS RUHLIN ROE**

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# Wealth Management & Investment Management Firm Brochure

Part 2A of Form ADV

Updated: March 30, 2020

This brochure provides information about the qualifications and business practices of Budros, Ruhlin & Roe, Inc. (BRR). If you have any questions about the contents of this brochure, please contact us at (614) 481-6900. 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. BRR is an investment adviser registered with the SEC. References herein to BRR as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Additional information about BRR is also available on the SEC’s website at:  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes

BRR's last annual update to Part 2A of Form ADV was made on March 29, 2019. Since that last annual amendment filing, several updating amendments were filed. Updates to our Brochure since the last annual amendment filing included: the announcement of the new "GROW with BRR" service offering; updated ownership information as a result of the executive leadership changes; updated Schedule A of Form ADV with additional changes to leadership and directors of the firm.

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## Advisory Business

Budros, Ruhlin & Roe (“BRR”) is an independently owned, fee-only, wealth management firm, founded in 1979. Currently, a majority of its shares are owned by Daniel Roe and John Schuman, and a minority of its shares are owned by seven other employees and the firm.

As of December 31, 2019, BRR managed \$2,732,715,357 of client assets; \$2,664,000,930 on a discretionary basis and \$68,714,427 on a non-discretionary basis. These amounts do not reflect assets under advisement in which BRR provides only investment advice, not execution, including certain individually held accounts as well as certain ERISA plans under Retirement Plan Services. BRR has four service offerings: 1) Wealth Management Services; 2) Investment Management Services; 3) Retirement Plan Services; and 4) GROW with BRR. For further information regarding BRR’s offerings, please see the offering specific brochure.

### Wealth Management Services.

BRR’s wealth management services combine customized financial planning services with the firm’s investment management services (described below) and are typically offered to high-net-worth individuals and their associated entities, trusts, and estates. BRR’s financial planning service counsels clients in the areas of retirement planning, risk management (life, disability, long-term care, property & casualty) planning, estate planning, income tax planning, education planning and/or charitable planning, by assisting them in setting goals and developing strategies to achieve those goals.

### Investment Management Services.

BRR’s investment management service includes working with each client to establish an appropriate investment risk/return profile. Clients typically choose from among seven (7) different portfolio strategies ranging from more conservative strategies to more aggressive strategies. BRR typically manages each portfolio strategy on a discretionary basis. Each portfolio is managed in accordance with a written investment policy statement, which can impose reasonable restrictions on BRR’s discretionary management.

Clients who engage BRR on a non-discretionary investment advisory basis **must be willing to accept** that BRR cannot affect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that BRR would like to execute a transaction for a client’s account (including in the event of an individual holding or general market correction), and the client is unavailable, BRR will be unable to effect the account transaction(s) (as it would for its discretionary clients) **without first obtaining the client’s verbal consent.**

## Co-Advisor Arrangement

BRR established a Co-Advisor relationship with Arcadia Financial Partners, LLC (Arcadia Financial) to offer its investment management services to selected clients of Arcadia Financial. This Co-Advisor relationship does not include and does not in any way apply to BRR’s clients who hire BRR for investment management services or wealth management services. Within the terms of this agreement, Arcadia Financial provides its clients with financial planning services, while BRR provides same Arcadia Financial clients with portfolio management services. All client services under this agreement are facilitated by Arcadia Financial and are bound by a tri-party agreement between the client, Arcadia Financial, and BRR.

In the Co-Advisor Arrangement, Arcadia Financial is responsible for managing the client relationship, including assessing each client’s investment objectives, risk tolerance, financial situation, and creating the investment policy statement. BRR will then manage the portfolio on behalf of the client based on the investment policy statement prepared by the client and Arcadia Financial.

Please see *Methods of Analysis, Investment Strategies and Risk of Loss* for how BRR generally manages clients’ investment assets.

In performing any of these services, BRR shall not be required to verify any information received from the client or from the client’s other professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify BRR if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising BRR’s previous recommendations and/or services. A copy of BRR’s written Brochure as set forth on Part 2A of Form ADV shall be provided to each client before, or contemporaneously with, the execution of a services agreement.

## Fees and Compensation

BRR has separate fee schedules for each of its service offerings. For further information on the fees and services of other BRR service offerings, please see the offering specific brochures: Retirement Plan Services; or GROW with BRR.

**Wealth Management Fees:**

The wealth management fee is based on all investment assets (including cash and cash equivalents) regardless of where custodied or held, including investment assets held within insurance products, non-qualified and qualified plans, trusts and other entities or vehicles. It is not based on “assets under management” as the fee applies to all investment assets whether or not BRR manages the assets as part of the client’s portfolio. The current wealth management fee schedule is as follows:

<b>Market Value of Investment Assets</b>	<b>Quarterly Fee %</b>	<b>Annual Fee %</b>
First \$4 Million	0.2125%	0.85%
In excess of \$4 Million and up to \$8 Million	0.1500%	0.60%
In excess of \$8 Million	0.0875%	0.35%

Wealth management clients are subject to a minimum quarterly fee of \$4,250.00.

**Investment Management Fees:**

Unlike the wealth management fees, investment management fees are based on the client’s assets under BRR’s management. The current investment management fee schedule is as follows:

<b>Market Value of Investment Assets</b>	<b>Quarterly Fee %</b>	<b>Annual Fee %</b>
First \$1 Million	0.1875%	0.75%
In excess of \$1 Million and up to \$4 Million	0.1250%	0.50%
In excess of \$4 Million	0.0625%	0.25%

Investment management clients are subject to a minimum quarterly fee of \$1,875.00. In the event the calculated fee is less than the minimum quarterly fee and BRR agrees to waive the minimum quarterly fee, the quarterly fee will be .25% of the investment assets, until such time as the as the quarterly fee of .25% exceeds the stated quarterly minimum fee.

**Co-Advisor Arrangement Fees**

Clients who fall under the Co-Advisor arrangement between Arcadia Financial and BRR will be assessed a total quarterly fee of .2125%. This fee will be paid to BRR by check or through direct debit of an investment account. BRR is responsible to remit payment to Arcadia Financial for Arcadia’s share of the client’s fee.

For all services: In certain instances, depending on the client’s needs and the services to be performed by BRR, a different fee schedule may be negotiated with a client. Additionally, BRR has grandfathered some wealth management clients under older fee schedules.

BRR calculates wealth management and investment management advisory fees quarterly or annually, based on the asset values at the beginning of the quarterly or annual billing period. Invoices are created quarterly or annually, and fees are payable in advance. The foregoing fees are not required to be prepaid six (6) months or more in advance.

The Wealth Management Services Agreement, and Investment Management Services Agreement, between BRR 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, BRR shall refund the pro-rated portion of the unearned advisory fee, if any, based upon the number of days that services were provided during the billing cycle (quarterly or annually, as applicable) or until an agreed upon termination date. Most clients authorize BRR to deduct fees automatically from their investment accounts, but clients may request that BRR allow invoices to be paid by check. If a check is not received by the due date, fees may be deducted from investment accounts.

As discussed below, unless the client directs otherwise or an individual client's circumstances require, BRR shall generally recommend that Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, or Fidelity Brokerage Services LLC ("Fidelity"), an SEC registered broker-dealer and member NYSE, SIPC, serve as the broker-dealer and custodian for client investment assets. Broker-dealers such as Schwab and Fidelity charge brokerage commissions and/or transaction fees for affecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to BRR's fee, clients may also incur brokerage commissions and/or transaction fees relative to mutual funds, separately managed accounts, alternative investments and exchange traded funds, charges imposed at the fund or manager level (e.g. management fees and other fund expenses).

## Performance Based Fees and Side-by-Side Management

BRR does not charge any performance-based fees. Some investment advisors may experience conflicts of interest in connection with the side-by-side management of performance-based fee accounts while also managing accounts with different fee structures. However, these conflicts of interest are not applicable to BRR.

## Types of Clients

BRR primarily provides wealth management services to high-net-worth individuals and their associated entities, trusts, and estates. BRR provides investment

management services to high-net-worth individuals, trusts, estates, pension and profit-sharing plans, foundations and endowments, business entities and other legal entities.

Please Note: There is no minimum account size for Wealth Management services; however, Wealth Management clients who are subject to the minimum quarterly fee of \$4,250.00, and who maintain investable assets below \$2,000,000.00, will be subject to an annual Wealth Management fee in excess of the 0.85% annual fee referenced in the Fees & Compensation section. All impacted clients should be guided accordingly.

For Investment Management services, the minimum quarterly fee is \$1,875.00, which calculates to a minimum of \$1,000,000.00 in investable assets. In the event the calculated fee is less than the minimum quarterly fee and BRR agrees to waive the minimum quarterly fee, the quarterly fee will be .25% of the investment assets, until such time as the quarterly fee of .25% exceeds the stated quarterly minimum fee. BRR may, at its discretion, accept accounts smaller than \$1,000,000.00.

In certain instances, depending on the client's needs and the services to be performed by BRR, a different fee schedule may be negotiated with a client.

## Methods of Analysis, Investment Strategies and Risk of Loss

BRR's investment committee is responsible for setting strategy for all client portfolios. The committee consists of members of the firm's Board of Directors, members of the firm's Executive Team, and members of the Central Portfolio Team. The investment committee is led by the Chief Investment Officer and meets at least quarterly to discuss strategy, client portfolio performance, existing and prospective investments, and asset allocations for portfolios.

BRR's investment process begins with the creation of an investment policy statement for each client portfolio. It is drafted with the input of the client and is based on the client's spending policy, portfolio time horizon, and risk tolerance. Asset allocation strategies currently include the following asset classes: domestic equities, international equities, global fixed income, alternative investments, commodities, and real estate. For qualified clients who can afford greater risk and illiquidity, BRR may offer private investments funds on a non-discretionary basis, as an asset class. Investment vehicles within each asset class can include individual securities, open-end mutual funds, exchange traded funds (ETFs), exchange traded notes (ETNs), separately managed accounts, and limited partnerships.

Each asset class to be utilized in a portfolio will have a stated target allocation, but the strategy and investment



policy statement will allow for some variation around the targeted allocation. This not only allows for day-to-day market volatility, but also for BRR to express current views by overweighting and underweighting asset class allocations. Within each asset class, fundamental analysis is prepared and reviewed for all investment securities recommended for client portfolios. This analysis varies depending on the security in question.

For mutual funds, separately managed accounts, ETFs, ETNs, and limited partnerships, the analysis generally includes a review of:

- management team;
- historical risk and return characteristics;
- sector and security exposures;
- marketability and liquidity issues;
- fee structure; and
- any other factors considered relevant.

For stocks and bonds, where BRR is making final purchase or sale decisions, the review may include:

- external research prepared by non-affiliated firms;
- the potential impact of that position on the return of the portfolio; and
- historical and expected performance and volatility.

BRR attempts to educate clients on the risks associated with investments, and the need to have a relatively long time horizon when investing in “risk” assets. The firm also educates on the importance of constructing diversified portfolios that allow for investments in companies and governments around the globe.

BRR may recommend strategies that engage in option writing, but that will only be implemented with the consent of the client. The use of option writing poses additional risks that are discussed with any client who is considering the use of these investment vehicles. In addition, on a discretionary basis, BRR may engage other fund managers or managers who engage in option writing for which it will not seek client consent.

When engaging in option writing, BRR is generally engaging in covered call writing. Covered call writing is the sale of an in-, at-, or out-of-the money call option against a long security position held in a client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs, and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

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

**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 BRR) will be profitable or equal any specific performance level(s). **Please Note: Investing in securities involves risk of loss that clients should be prepared to bear.**

**Separately Managed Account Programs.** BRR may allocate (and/or recommend that the client allocate) a portion of a client’s investment assets among unaffiliated separately managed account programs in accordance with the client’s designated investment objective(s). In such situations, the separately managed account manager shall have day-to-day responsibility for the active discretionary management of the allocated assets. BRR shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which BRR shall consider in recommending separately managed account programs include the client’s designated investment objective(s) as applied to the separately managed account program: management style, performance, reputation, financial strength, reporting, pricing, and research. The fee charged by separately managed account programs are separate and in addition to the BRR fees as set forth in Fees and Compensation section above.

**Private Investment Funds.** BRR may provide investment advice regarding private investment funds. BRR may recommend that certain qualified clients consider the purchase of private investment funds on a non-discretionary basis. BRR’s role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. The private investment fund shall be included for purposes of calculating BRR’s investment advisory fee. BRR’s clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

**Please Note:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity

constraints, and lack of transparency. A complete discussion on the factors is set forth in each fund's offering documents, which will be provided to each client for review and consideration.

Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that they are qualified for investment in the fund and acknowledge and accept the various risk factors that are associated with such an investment.

**Please Also Note: Valuation.** In the event that BRR references private investment funds owned by the client on any supplemental account reports prepared by BRR, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If the fund sponsor does not provide regular post-purchase valuations, then the valuation shall reflect the initial purchase price, or the most recent valuation provided by the fund sponsor. If the valuation reflects the initial purchase price or the most recent valuation provided by the fund sponsor, then the current fund value (to the extent ascertainable) could be significantly more or less than the fund's reflected valuation. The client's advisory fee shall be based upon such reflected fund value(s).

**Mutual Funds.** BRR may recommend that clients allocate investment assets to publicly available mutual funds that the client could obtain without engaging BRR as an investment advisor. However, if a client or prospective client determines to access such mutual funds themselves, then the client or prospective client will not receive BRR's initial and ongoing investment advisory services.

Alternatively, BRR may be able to access institutional share classes not typically available to the public (or retail clients). Specifically, mutual funds, issued by Dimensional Fund Advisors ("DFA"), are generally only available through selected registered investment advisors. BRR may allocate client investment assets to DFA mutual funds. Therefore, upon the termination of BRR's services to a client, restrictions regarding transferability and/or additional purchases of, or reallocation among DFA and/or other funds will apply.

**Retirement Rollovers – Potential for Conflict of Interest.** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over the assets 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). Typically, BRR manages employer sponsored retirement plan accounts for clients and applies an advisory fee to the plan assets. Under these circumstances, there wouldn't likely be a conflict of interest in recommending a rollover of the plan assets to an IRA under BRR's management. However, if BRR recommends that a client roll over their retirement plan assets in such a way that would either increase or create a new advisory fee for BRR, then that recommendation would create a conflict of interest. **No client is under any obligation to roll over retirement plan assets to an account managed by BRR. BRR's Chief Compliance Officer is available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

## Disciplinary Information

Neither BRR nor any of its employees have been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

## Other Financial Industry Activities and Affiliations

Daniel Roe serves on the PIMCO RIA Advisory Board ("The Board"). BRR does currently recommend mutual fund and private investments managed and distributed by PIMCO. The Board consists of approximately 18 representatives of independent investment advisory firms who have been invited by PIMCO management to participate in meetings and discussions of how PIMCO may better serve their RIA clients. The board serves as a forum for new product ideas as well as a sounding board for PIMCO to learn how to better support the registered investment advisor community. Board members are asked to serve for one three-year term, but the duration can be extended. Daniel Roe's term ended in the Fall of 2017 but has been temporarily extended. Board members enter nondisclosure agreements with PIMCO under which they agree not to disclose confidential information shared with them. Board members are not compensated by PIMCO for their service, but PIMCO does pay for or reimburse Board members' travel, lodging, meals and other incidental expenses incurred in attending Board meetings, which are expected to be held twice a year. Members receive additional access to key PIMCO investment personnel which may be beneficial in performing due diligence on investment strategies.

Otherwise, BRR and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

BRR has adopted a written code of ethics that is applicable to all employees. Among other things, the code requires BRR and its employees to act in clients' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report on many types of personal securities transactions. BRR's restrictions on personal securities trading applies to employees, as well as employees' family members living in the same household. A copy of BRR's code of ethics is available upon request.

BRR maintains a watch list of securities for which employees must obtain pre-clearance from the Chief Compliance Officer prior to executing personal security transactions in those securities. The Chief Compliance Officer does not grant pre-clearance where it would appear that an employee's trading could disadvantage BRR's clients or have the appearance of insider trading.

BRR does not recommend buys or sells of securities for client accounts, in which any employee of, or any related party of, BRR, has a material financial interest.

BRR, and/or its representatives, may buy or sell securities, at or around the same time, as those same securities are recommended to clients. This practice may create a situation where BRR and/or its representatives are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential 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 BRR 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 BRR's clients) and other potentially abusive practices.

BRR has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of its "Access Persons". BRR's securities transaction policy requires that an Access Person of BRR 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 BRR selects.

## Brokerage Practices

For Wealth Management and Investment Management clients, BRR generally recommends that clients arrange for their assets to be held with Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, or Fidelity Brokerage Services LLC ("Fidelity"), an SEC registered broker-dealer and member NYSE, SIPC. Although BRR may recommend that clients establish accounts at Schwab or Fidelity, it is the client's decision to custody assets with Schwab or Fidelity by entering into an account agreement directly with Schwab or Fidelity. BRR does not open such accounts for its clients, although it will assist in the preparation of the paperwork. BRR is independently owned and operated and not affiliated with either Schwab or Fidelity.

For BRR clients' accounts maintained in Schwab's or Fidelity's custody, either custodian will hold client assets in a brokerage account and buy and sell securities when BRR (or the client) instructs them to do so. Schwab and Fidelity generally do not charge separately for custody however, both are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through each of their platforms or that settle into Schwab or Fidelity accounts.

### Research and Additional Benefits

Schwab and Fidelity make available to BRR other products and services that benefit BRR but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of BRR's accounts, including accounts not maintained either at Schwab or Fidelity. BRR does not believe that clients whose accounts are held by Schwab or Fidelity bear any additional costs in connection with BRR's receipt of the products and services.

While as a fiduciary, BRR endeavors to act in its clients' best interests. BRR's recommendation that clients maintain their assets in accounts at Schwab or Fidelity may be based in part on the benefit to BRR of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab or Fidelity, which creates a conflict of interest. Also, some of the products and services listed above benefit clients whose accounts are held by other broker-dealer/custodians, which could create a conflict of interest between the clients at Schwab and/or Fidelity, who are indirectly paying for the products and services, and the clients at other broker-dealer/custodians who may benefit from the products and services.

Except as provided herein, BRR's receipt of products and services from Schwab, Fidelity, and/or other brokers is not tied to the level of commissions generated for such brokers, or the amount of client assets that are custodied



at such brokers. In regard to Fidelity, BRR has entered a contract and committed to maintain a certain level of client assets and client accounts at Fidelity, in exchange for a specific level of service and pricing. However, BRR sees its duty as a fiduciary for clients as its primary focus and would not recommend a client use Fidelity unless it was deemed to be completely appropriate for the client and their situation. Further, BRR has negotiated pricing with Schwab and Fidelity to create an equal fee arrangement for BRR clients with either custodian.

Schwab's and Fidelity's products and services that assist BRR in managing and administering clients' accounts include software and other technology that: provide access to client account data (such as trade confirmations and account statements); facilitate trade execution and allocate aggregate trade orders for multiple client accounts; provide research, pricing information, and other market data; facilitate payment of BRR's fees from its clients' accounts; and assist with back-office functions, recordkeeping, and client reporting.

Schwab and Fidelity also make available to BRR other services intended to help BRR manage and further develop its business enterprise. These services may include consulting, education events, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab and Fidelity may make available, arrange and/or pay for these types of services rendered to BRR by independent third parties. Schwab and Fidelity 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 BRR.

#### The Selection of Trading Counterparties

BRR can trade accounts held at Schwab or Fidelity using other broker/dealers. Even though Schwab or Fidelity may charge clients trade-away fees, BRR believes that the benefits from trading stocks, mutual funds, or ETFs with other brokers outweighs any such fees. The availability and pricing of bonds varies widely. Prior to placing a bond trade, BRR may solicit bids from several dealers, then arrange to execute the trade with the dealer that offers sufficient liquidity and the most favorable pricing.

For clients who elect to have their accounts held by firms other than Schwab or Fidelity, BRR's approach is generally to trade stocks, mutual funds, and ETFs with the chosen broker-dealer/custodian, and to trade bonds with the dealer that offers sufficient liquidity and the most favorable pricing.

Some clients' accounts are relatively small, in which case the broker-dealer/custodian may not allow BRR to trade through other firms. Other clients may specifically request that their accounts only be traded through a particular broker/dealer. BRR trades these accounts

through the firm chosen by the client, which limits BRR's ability to seek best execution. Trading restrictions may result in materially higher trading costs and reduced returns.

#### Best Execution Reviews

BRR has a fiduciary duty to seek best execution for client securities transactions. Best execution takes into account many factors in the execution of transactions other than simply cost. BRR's investment committee evaluates the pricing and services offered by Schwab, Fidelity, and other trading counterparties with those offered by other reputable firms. Through quarterly best execution reviews, BRR seeks to make good-faith determinations that its trading counterparties provide clients with good services at competitive prices. However, clients should be aware that this determination could have been influenced by BRR's receipt of the products and services described above.

If a client directs BRR to utilize a different broker, such direction may negatively impact the ability to obtain best execution for such client's securities transactions, as BRR's ability to negotiate price, commissions and execution may be limited, or eliminated.

#### Aggregated Trades

BRR may aggregate securities sale and purchase orders for a client with similar orders being made contemporaneously for other accounts it manages. In such event, the average price of all securities purchased or sold in such transactions may be determined and a client may be charged or credited, as the case may be, the average transaction price. As a result, however, the price may be less favorable to the client than it would be if similar transactions were not being executed concurrently for other accounts. BRR may also cause a client to buy or sell securities directly from or to another client, if such cross-transaction is in the interest of both such clients.

#### Brokerage Client Referral Arrangements

BRR does not currently participate in any client referral programs with Schwab, Fidelity, or any other broker-dealer/custodian.

### **Review of Accounts**

Client portfolios under BRR's wealth management services are monitored on an ongoing basis by the Chief Investment Officer (or another member of the investment team, identified on BRR's Form ADV Part 2B) a Senior Wealth Manager, and/or firm's Director of Portfolio Research. Client portfolios under BRR's investment management advisory services are monitored on an ongoing basis by the Chief Investment Officer (or another member of the investment team), Senior Portfolio Advisor, or firm's Director of Portfolio Research. Each review is designed to determine if the client portfolio is in compliance with the investment policy statement, and

that the asset allocation and investment selections for each asset class are as specified by the investment committee. Each client portfolio is reviewed on at least a quarterly basis. Reviews of client accounts will also be triggered if a client deposits or withdraws meaningful amounts to or from the portfolio, changes his or her investment objectives, or if the market, political, or economic environment changes materially.

Clients receive account statements directly from their chosen broker-dealer/custodian on at least a quarterly basis. BRR provides quarterly customized reports to supplement these custodial statements and may provide reports at other times upon a client's request. Clients should carefully review the broker-dealer/custodian's statements and should compare these statements to the reports provided by BRR.

Customized reports from BRR, as well as other documents, are delivered to clients electronically through a secure client portal website suite; the Planning Portal for Wealth Management clients, and the Investment Client Online Relationship Experience ("iCORE"). Each client has their own portal that is accessed by the client pursuant to a client username and a client selected password. All reports and document files during transport (either upload or download) across the internet, and while stored on the site, are encrypted for client security purposes. In addition, clients may upload document files to their portal for delivery to BRR or to store electronically. Clients may elect not to have a portal in which reports and documentation will be delivered to clients via encrypted email, fax, or regular mail.

BRR's customized reports may be prepared in conjunction with the services provided by ByAllAccounts, Inc. and eMoney Advisor. These systems allow for clients to track the performance and value of certain assets and accounts, which fall outside the scope of BRR's services, for informational purposes only. Such assets and accounts may be included in a client's customized report, at the direction of the client, even though BRR's service is limited to reporting only and does not include investment management, review, or monitoring services, nor investment recommendations or advice. As such, the client, and not BRR, shall be exclusively responsible for the investment performance of any assets and/or accounts outside the scope of BRR's services. In the event the client desires that BRR provide investment management services or advice with respect to these assets and/or accounts, the client may engage BRR to do so.

## **Client Referrals and Other Compensation**

If a client is introduced to BRR by either an unaffiliated or an affiliated solicitor, BRR may pay that solicitor a

referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from BRR's wealth management or investment management fee and shall not result in any additional charge to the client. If the client is introduced to BRR by an affiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of their solicitor relationship, and shall provide each prospective client with a copy of BRR's written ADV brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between BRR and the solicitor, including the compensation to be received by the solicitor from BRR.

As described above, BRR does not currently participate in any client referral programs with Schwab or any other broker-dealer/custodian. However, BRR has participated in such programs in the past and is continuing to pay a portion of its advisory fees to Schwab for certain legacy accounts in connection with Schwab's referral of those clients to BRR.

Other than the previously described products and services that BRR receives from Schwab, BRR does not receive any other economic benefits (i.e. 12b-1 fees or commissions) from non-clients in connection with the provision of investment advice to clients.

## **Custody**

All client accounts are held in custody by unaffiliated broker-dealers/custodians or banks. Under Rule 206(4)-2 under the Investment Advisers Act of 1940 (the "Custody Rule"), BRR is deemed to have custody of client assets in certain circumstances: 1) where BRR has the ability to withdraw advisory fees from client accounts; 2) where clients maintain standing letters of authorization to move money to third parties under their agreements with qualified custodians; and 3) where clients have granted permission to manage their accounts held at qualified custodians other than Schwab or Fidelity through granting BRR Limited Power of Attorney for those accounts.

BRR adheres to the regulatory requirements and safeguards described in the Custody Rule and related regulatory guidance with respect to the custody of client funds and securities. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian. BRR may also provide a written periodic report summarizing account activity and performance. Clients should carefully review these statements, and clients are urged to compare these statements to any account information provided by Budros, Ruhlin & Roe for accuracy of all information, including the accurate deduction of fees.

For clients who have established asset transfer authorizations, such arrangements are disclosed on Form ADV Part 1, Item 9. BRR follows the protocols discussed in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter, and, accordingly, these arrangements are not subject to annual surprise examination by an independent accounting firm. Finally, with respect to custody arising from the Limited Power of Attorney arrangements described above, BRR reports such arrangements on Form ADV, Part 1, and these client accounts are subject to an annual surprise examination by an independent accounting firm. The results of such examinations are filed directly with the SEC.

## Investment Discretion

BRR has investment discretion over nearly all clients' accounts. Clients grant BRR trading discretion through the execution of a limited power of attorney with the account broker-dealer/custodian.

Clients can place reasonable restrictions on BRR's investment discretion by noting such restrictions on the investment policy statement. For example, some clients have asked BRR not to sell certain securities where the client has a particularly low tax basis or wishes to maintain an investment position.

## Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisers Act, BRR has adopted and implemented written policies and procedures governing the voting of client securities (proxy statement). All proxies that BRR receives will be treated in accordance with these policies and procedures.

BRR considers the reputation, experience, and competence of a company's management and board of directors when it evaluates a prospective investment. In general, BRR votes in favor of routine corporate matters, such as the re-approval of an auditor or a change of a legal entity's name. BRR also generally votes in favor of compensation practices and other measures that are in line with industry norms, that allow companies to attract and retain key employees and directors, that reward long-term performance, and that align the interests of management and shareholders. BRR supplements its evaluation of client proxies with guidance from an independent corporate governance consulting firm.

BRR has not identified any material conflicts of interest in connection with past proxy votes. Such a conflict could arise if, for example, a client was a senior executive with a publicly traded company and other clients held securities issued by that company. Absent specific client instructions, if BRR identifies a material conflict of interest it will follow the voting recommendation of the

independent corporate governance consulting firm that it has retained.

A copy of BRR's proxy voting policies and procedures, as well as specific information about how BRR has voted in the past, is available upon written request. Upon written request, clients can also take responsibility for voting their own proxies or can give BRR instructions about how to vote their respective shares.

## Financial Information

BRR does not solicit fees of more than \$1,200.00 per client six months or more in advance, has never filed for bankruptcy, and is not aware of any financial condition that is expected to affect its ability to manage client accounts.