

Form ADV Part 2A Brochure

Resources Investment Advisors, LLC
(Retirement Plan Division)
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March 30, 2020

This Brochure provides information about the qualifications and business practices of Resources Investment Advisors, LLC (“Resources”). If you have any questions about the contents of this Brochure, please contact us at 877-742-2021. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or any state securities authority.

Resources is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information from which you can determine whether to hire or retain an adviser.

Additional information about Resources is also available via the SEC’s web site: www.advisorinfo.sec.gov.

Item 2 – Material Changes

This Brochure, dated March 27, 2020, represents the annual update to the firm’s brochure.

On January 21, 2020, the owners of Resources entered into a Unit Purchase Agreement to sell all their ownership interests in the firm to Digital Insurance LLC (d/b/a “OneDigital”), an Atlanta-based employee benefits consulting firm. As a result of this transaction, Resources’ President, Vince Morris, now reports directly to Adam Bruckner, the President of OneDigital. However, no other changes were made to Resources’ management team and none are anticipated in the near future.

Following its acquisition by OneDigital, Resources entered into agreements to purchase the assets of the following firms that had previously been affiliated with it as independent entities: Bukaty Morris Retirement Services, Inc. (d/b/a “Bukaty Companies Financial Services”); Chepenik Management, Inc. (d/b/a “Chepenik Financial”); SHA Retirement Group, Inc. (d/b/a “SHA Retirement”); Strategic Retirement Group, Inc.; Teros Advisors, LLC; and 401k Advisors Intermountain, Inc. (d/b/a “401k AIM”); as well as Alford Jungers Management, LLC; Castner Josephs Retirement Group, Inc.; and CU Mgmt. LLC (collectively d/b/a “Retirement Benefits Group”). In addition, Resources purchased the assets of the following firms that had not previously been affiliated with it: The Cafaro Group Limited Liability Company; Capstone Advisory Group, LLC; i2i Financial, LLC; Doug Daziel and Mary Stoddard (d/b/a “Lincoln Advisors”); and Phillip Currie, Jr. (d/b/a “Fulcrum Partners”). Finally, Resources purchased Retirement Plan Administration, Inc., a third-party administration provider for retirement plans.

Resources and the companies it acquired will be transitioning to OneDigital’s information technology platform in 2020 but will continue to rely upon some of their existing software licenses. The personnel from the acquired firms will now be operating as employees of Resources. Some will continue to utilize the trade name of their prior firm but will gradually transition to a common brand under OneDigital. Resources expects to acquire additional firms in 2020.

Resources’ assets under management grew significantly in 2019, primarily as a result of the addition of several new affiliates, as well as from assets transitioning in from affiliates who had joined in the 4th quarter of 2018. The firm’s assets are expected to continue to grow throughout 2020, both as a result of the integration of accounts from the acquired firms and from the addition of newly acquired or affiliated firms.

In 2019, Resources began offering its managed account program (“Personalized Portfolios”) to retirement plan sponsors to provide customized investment management services to plan participants through its partnership with plan recordkeepers and Morningstar Investment Management, LLC. Resources’ Personalized Portfolios program added a significant amount of assets in its first year, and that growth is expected to increase in 2020 as it enters into agreements with other recordkeepers and service providers.

Pursuant to SEC Rules, Resources will deliver a summary of any materials changes to this and subsequent Brochures to you within 120 days of the close of our fiscal year, as well as providing notices of material changes as necessary. All such information will be provided to you free of charge.

Resources’ Brochure may be requested by contacting 877-742-2021. Additional information about Resources is also available via the SEC’s web site www.advisorinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Resources who are registered as investment adviser representatives of the firm.

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Item 4 – Advisory Business

Resources is registered as an investment adviser with the United States Securities and Exchange Commission (CRD # 106766). Resources was organized as a corporation under the laws of the State of Missouri in 1987 and was converted to a limited liability company in 2018. Pursuant to a Unit Purchase Agreement dated January 21, 2020, Resources is now a wholly-owned subsidiary of OneDigital.

Resources provides investment advisory and management services to the sponsors of retirement plans, as well as participants of those plans. (Resources also provides investment advisory, investment management, and financial planning services to individual and institutional clients, and those services are outlined in a separate brochure specifically tailored to the firm's Wealth Management Division.)

For the sponsors of retirement plans, Resources will either serve as the plan's investment adviser pursuant to §3(21) of ERISA (in which case Resources will recommend investment decisions for approval by the plan's named fiduciaries) or as the plan's investment manager pursuant to §3(38) of ERISA (in which case Resources will manage the plan's investment decisions on a discretionary basis). In either case, Resources will assist the plan sponsor with any notices or transactions resulting from a change in the plan's investment options.

If the plan consists of pooled investments, Resources' services will involve providing advice or management on the actual investment of the plan's assets. However, the vast majority of Resources' retirement plan clients consist of participant-directed, defined-contribution plans, in which its services involve the provision of advice or management on the investment options that will be made available to the plan's participants.

In rendering these services to most participant-directed plans, Resources works with the plan's named fiduciaries to evaluate the demographics of the plan's participants to select investment options that are appropriate for their retirement needs based upon ERISA §404(c)'s requirement that participant-directed retirement plans offer a "broad range" of investment options. The plan's named fiduciaries can impose restrictions on the types of investments that may be held by, or offered through, the plan, and those guidelines are typically referenced in the plan's investment policy statement. However, Resources generally does not provide advice regarding the inclusion of the plan's sponsor's stock within the plan.

Resources previously sponsored a special pricing program for smaller plans (generally between \$250,000 - \$3,000,000 in total plan assets) in which it committed to add a given amount of combined plan assets to a particular recordkeeper within a set period of time in exchange for the recordkeeper pricing its services on the basis of the combined plan assets of

the program, as opposed to pricing each participating plan individually. In order to facilitate the recordkeeper's ability to provide this pricing, Resources also agreed to create a common investment platform for all of the participating plans. As a result, this program offered greater savings to participating plans but lessened the customization provided to the development of their investment lineups. Empower Retirement had been the only recordkeeper participating in this program, but it developed its own customized offering for smaller plans, which eliminated the need for Resources' program. However, that program was successful, and it is likely Resources will look to partner with other recordkeepers in this regard.

Resources offers additional services to its retirement plan clients, including without limitation, assisting the plan's named fiduciaries with drafting the plan's investment policy statement, selecting an appropriate qualified designated investment alternative ("QDIA"), and providing investment education and enrollment services for the plan's participants. In addition, Resources now offers plan participants with financial planning assistance, debt counseling services, advice on health savings accounts (HSAs), and other financial wellness tools as part of its Financial Elements program.

One offering under Resources' Financial Elements program is EvoShare, which enables retirement plan participants to contribute additional funds to their retirement plan accounts through rebates from their purchase of goods and services. Specifically, EvoShare has negotiated cash back rebates with a large number of merchants. Participants who enroll in EvoShare receive a portion these cash back rebates after registering one or more credit or debit cards to track their qualifying purchases. The cash back refunds provided by merchants for purchases made by the participants are transmitted to EvoShare, which retains a percentage as its fee and then deposits the remaining amount into the participant's bank account. The participant's employer then deducts the same amount from the participant's next paycheck and deposits it into the participant's retirement plan account. Resources offers EvoShare to its retirement plan clients and collects EvoShare's required enrollment fee from the plan's sponsor. Resources' President, Vince Morris, serves on EvoShare's advisory committee and was granted shares of stock in the company at a deeply discounted price for his promotion of the program.

Resources is partnering with plan recordkeepers to provide retirement plan participants with the opportunity to have their accounts professionally managed through its Personalized Portfolios program. These managed account services can be offered on either an opt-in, opt-out (where managed accounts are selected as a QDIA for the plan), or modified opt-out (where participants who reach a selected age are moved into managed accounts as a QDIA) basis. In order to provide its managed account services, Resources relies upon the plan's recordkeeper to enable participants to enroll for the service through its website, as well as to allow it to process transactions in the participant's account and collect the fee Resources charges for its management services from the participant's account.

Resources prefers to utilize collective investment trusts (“CITs”) offered through Alta Trust for its Personalized Portfolio program. Although Resources serves as the investment manager for those CITs, it does not collect a fee in that capacity if it is also serving as the investment adviser or investment manager for the plan’s sponsor. Furthermore, because those CITs are only intended for use in connection with the Personalized Portfolios program, Resources requires the recordkeeper to “ghost” the funds so participants cannot select them as investments outside of the program. In the event a recordkeeper is unable to “ghost” the CITs or it is a 403(b) plan that cannot use CITs, Resources will construct model portfolios from the plan’s core investment line up. Resources then partners with a sub-adviser (generally Morningstar), which allocates the CITs or models portfolios to each participant based upon their individual characteristics – age, gender, state of residence, salary, etc.

Because the services Resources offers to plan participants through its managed account program differs significantly from the advice given to the sponsors of these participants’ plans, Resources currently collects a separate fee for each service and has included both the plans’ and the participants’ assets in the calculation of its regulatory assets under management – which results in the double counting of these assets. Specifically, as of the date of this disclosure, approximately \$30,290,646 in assets were in Resources’ managed account program and were counted toward the assets it managed on a discretionary basis. Those assets were also counted in Resources’ calculation of the assets it managed for the participants’ retirement plans on a non-discretionary basis.

As of December 31, 2019, Resources managed approximately \$43,805,145,614 in assets, of which approximately \$7,961,980,911 was managed on a discretionary basis and approximately \$35,843,164,703 was managed on a non-discretionary basis.

Item 5 – Fees and Compensation

Pursuant to §408(b)(2) of ERISA, Resources and other vendors providing services to a retirement plan or its participants must disclose all direct and indirect compensation they will receive in exchange for the services they provide to a retirement plan. Resources’ agreements with its plan sponsor clients disclose the services it will provide and the fee it will charge for those services, which services as its ERISA §408(b)(2) disclosure.

For investment advisory/management services, Resources charges its fees either on a percentage of assets in the retirement plan or as a flat annual fee. Resources also collects a separate fee for its Financial Elements offerings. Those fees are negotiable and vary greatly based upon the size of the plan and the services Resources will be providing. In fact, many plans select their investment adviser by soliciting competitive bids from multiple advisers. As a result, it is impossible to provide a fee schedule that would be relevant to all retirement plan clients.

For its Personalized Portfolios program, Resources has the plan's sponsor to execute an agreement to authorize Resources to offer investment management services to its participants in order to take advantage of a safe harbor provided by the Department of Labor. That agreement will also specify the fee that will be charged to each participant, which includes not only the fee Resources will collect for managing the participant's account but also the fees Resources must pay to the plan's recordkeeper and Morningstar for the services they provide to Resources. Resources will also enter into a separate agreement with each participant, and the fee will also be disclosed in that document.

Resources' advisory fee does not include any applicable taxes; confirmation fees for trades; custodial fees; brokerage commissions; transaction fees; charges imposed directly by a mutual fund, index fund, or exchange traded fund (as disclosed on the fund's prospectus), as well as other fees imposed by the plan's recordkeeper/custodian for securities transactions. The plan's administrator is required to provide participants with a disclosure of the costs associated with the investment options offered under the plan, pursuant to §404a-(5) of ERISA.

Retirement plan clients can decide whether the fees will be paid directly by the plan sponsor or deducted from plan assets. When Resources' fees are paid from plan assets, it must rely upon the plan's recordkeeper to collect that fee and the recordkeeper's policies will usually determine whether Resources' fee will be paid in advance or in arrears. This is also true for Resources' Personalized Portfolios program. However, if the plan sponsor will pay Resources' fee directly – as is often the case for the additional fee Resources collects for its Financial Elements offerings - the parties can negotiate when those payments will be due.

The plan's named fiduciaries can terminate the agreement upon 30 days' prior written notice to Resources, and Resources can terminate the agreement with the same notice to the plan. If the advisory fee had been collected in advance and the agreement is terminated in the middle of a calendar quarter, any unearned fees paid in advance will be refunded to the client on a pro-rata basis.

Because it would likely be deemed a prohibited transaction under ERISA (as well as being a general conflict of interest), Resources and its investment adviser representatives are not permitted to accept any compensation for the sale of any securities or investment products when they are acting as a fiduciary investment adviser or investment manager for a retirement plan or participant, except to the extent that compensation is used to offset Resources' advisory fee. For that reason, while some of Resources' investment adviser representatives are also registered representatives of Triad Advisors, LLC, ("Triad") a securities broker-dealer (member FINRA/SIPC), they rarely offer securities or insurance brokerage services to retirement plan clients.

There are two primary exceptions to this rule. First, some recordkeepers have yet to develop an investment advisory platform. In those cases, Resources' investment adviser can be paid on a commission basis through Triad, but those commissions must then be used to offset Resources' advisory fee.

In addition, some of Resources' employees and/or investment adviser representatives assist sponsors of "frozen" defined benefit plans to offload some or all of their liability for making future payments to beneficiaries through the purchase of an insurance annuity. (A "frozen defined benefit plan" is one that is no longer enrolling new participants but has a continuing duty to pay previously vested benefits.) In addition, some of Resources' employees and/or investment adviser representatives assist employers in establishing non-qualified, executive benefit plans. Because these activities involve the sale of insurance products, they are not considered investment advice. Therefore, clients are reminded they have the option to purchase these investment and insurance products from other brokers or investment adviser representatives not affiliated with Resources.

Item 6 – Performance-Based Fees and Side-By-Side Management

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

Item 7 – Types of Clients

Resources' Retirement Plan Division provides investment advisory and management services to the sponsors of 401(k), 403(b), and 457 plans; employee stock option plans ("ESOP"); profit sharing plans; cash balance plans; and pension plans for private and publicly held companies, charitable organizations, and governmental entities. It also provides investment advisory and management services to participants of participant-direct, defined-contribution plans. There is no minimum amount of assets required for Resources to provide these services.

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

For ERISA qualified, participant-directed, defined-contribution plans, Resources' first concern is to ensure the plan complies with ERISA §404(c)'s requirement for a "broad array" of investment options to enable participants to develop a diversified portfolio. If the plan already has an investment policy statement ("IPS"), Resources analyzes the investment options offered through the plan's platform provider to help ensure there is adequate representation of investment categories for the plan's participants to select from to construct a diversified portfolio. If the plan does not have an IPS, Resources can work with the plan to draft one to guide the plan fiduciaries' oversight of its investment options.

Once the investment categories are identified, Resources further refines them into the investment styles offered within each category. Resources then analyzes the choices available within each classification based upon investment style (including style consistency), risk and return characteristics, and performance versus the peer group median. Qualitative factors, such as the investment's operating expenses and tenure of its investment manager are also considered. Based upon this analysis, Resources will recommend or select the investment options to be made available to plan participants. Thereafter, Resources scores the various investment options each quarter. Those options that underperform are placed on a "watch list" and, if the underperformance continues, Resources may recommend or select another investment option(s). Resources also monitors the participants' demographics and utilization of the selected investments to help ensure they have relevant choices and understand how to utilize those options to build a suitably diverse investment portfolio.

By contrast, when Resources is managing a plan's pooled investments, it applies Modern Portfolio Theory to develop an investment strategy that is appropriate for the plan's objectives. Specifically, Resources will consider the plan's current funding status, the demographics of its intended beneficiaries, and annual investment return needs to construct a portfolio that adequately balances the plan's investment risks and growth requirements.

For its managed account program, Resources will either utilize investment options available in the plan's core lineup or CITs it manages through Alta Trust. These funds will typically include an accumulation model, a de-accumulation model, and, if available, a hedging strategy. Resources then instructs the sub-adviser to use its proprietary algorithms to construct a customized allocation for each participant based upon information (age, gender, income, current savings, etc.) provided by the plan's recordkeeper.

Clients must remember that investing in securities involves risk of loss, which they should be prepared to bear. These risks include market risk, interest rate risk, currency risk, and political risk, among others. No investment strategy, nor the use of a third-party manager, can assure a profit or avoid a loss, and Resources does not guaranty any level of investment returns.

Item 9 – Disciplinary Information

Resources and its "management persons" are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of the firm or the integrity of its management, such as criminal convictions or violations of securities laws. (A "management person" is generally defined as any of the firm's principal executive officers and members of the firm's investment committee.) Neither Resources nor any of its managers are currently subject to, or have ever been subject to, any material events resulting from legal or disciplinary action. The investment adviser representatives working on a client's account are also required to disclose any such events in their biographies, which are provided in a separate

document (ADV Part 2B).

Item 10 – Other Financial Industry Activities and Affiliations

As a result of its recent acquisition of certain firms, some of its investment adviser representatives are now employees of Resources, while the remainder are employed by, or acting as independent contractors for, independent financial services firms that operate under their own brand name. Because those independent financial services firms are not licensed investment advisers, their employees and independent contractors register through Resources to provide their investment advisory services. Therefore, even though those investment adviser representatives are not employees of Resources, it is statutorily responsible for supervising their investment advisory activities and is directly liable for any investment advice they provide.

Some of Resources' investment adviser representatives and its Chief Compliance Officer are also registered representatives of Triad and, in that capacity, could recommend securities transactions for individuals or entities who are also clients of Resources. In that event, Triad will pay these individuals a portion of the brokerage commissions received for products they sell. However, because this creates a conflict of interest, if Triad is the broker for a plan for whom Resources is providing investment advice, neither Resources nor its investment adviser representatives are permitted to receive any brokerage commissions generated from the plan's investments, except to the extent those commissions are used to offset Resources' advisory fee.

Some of Resources' investment adviser representatives are licensed insurance agents and, in that capacity, could recommend insurance transactions, such as fixed, variable, or group annuities, for individuals or entities who are also clients of Resources. The recommendation by Resources' investment adviser representatives regarding the purchase of a securities and/or insurance commission product presents a conflict of interest, as the receipt of commissions will provide an incentive to recommend investment products based on commissions received. No client is under any obligation to purchase any commission products from Resources' investment adviser representatives. Clients are reminded that they can purchase investment products recommended by one of Resources' investment adviser representatives through other, non-affiliated broker dealers or insurance agents.

Resources has relationships with entities that have agreed to provide referrals of potential retirement plan clients for compensation, which creates a conflict of interest. However, before Resources will pay a referral fee, it will enter into a solicitor's agreement with that entity or individual and require the solicitor to provide each prospective client with a solicitor's disclosure form, which details the arrangement, including the fee the solicitor will receive.

In addition, Resources has entered into agreements with unaffiliated third parties to either receive or provide services as a sub-contractor or sub-adviser. In the event Resources uses a sub-contractor or sub-adviser to provide services to its clients, it will be responsible for supervising those services and compensating the sub-contractor or sub-adviser for the services it provides on Resources' behalf.

Item 11 – Code of Ethics

Code of Ethics

In compliance with Rule 204A-1 of the Investment Advisers Act, Resources has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. The Code of Ethics describes the firm's fiduciary duties and responsibilities to clients by requiring compliance with applicable securities laws, including those that protect the confidentiality of client information, require the reporting of personal securities transactions, and prohibit trading on insider information. Each of Resources' "access persons" is required to acknowledge receipt of the firm's Code of Ethics within ten (10) business days of joining the firm. In addition, each access person is required to annually acknowledge that their continued employment is contingent upon their compliance with its terms. Resources will provide a complete copy of its Code of Ethics to any client upon request.

Trading Conflicts of Interest

Resources' access persons are permitted to buy or sell securities for their personal accounts that are identical to transactions recommended to clients. However, in order to address potential conflicts of interest, Resources prohibits its access persons from trading a security in their personal accounts, if they reasonably believe the security will be purchased or sold in a client's account, until the completion of all anticipated trading in that security for client accounts has occurred for that day. This prohibition only extends to transactions initiated by the access person, though, and does not apply to accounts managed pursuant to the investment allocation models maintained by Resources' Portfolio Management Team (in which case transactions in the access person's account are conducted on the same basis as other accounts managed pursuant to the model) or accounts managed by a third party asset manager.

For this reason, Resources requires that all of its access persons disclose their holdings of "reportable securities" annually and transactions in such securities each quarter. ("Reportable securities" do not include shares of mutual funds or government-issued securities.) Those reports are then reviewed by the firm's Compliance Department to ensure its access persons are not engaging in "front-running" or other prohibited acts which put their interests ahead of those of Resources' clients. Resources also requires its access persons to obtain prior approval from its Chief Compliance Officer before investing in any limited investment opportunities

(i.e., initial public offerings) so they do not appropriate a trading opportunity that should rightfully belong to Resources' clients. Finally, before an access person can invest in a publicly-held company that is a retirement plan client of Resources, the access person must confirm that any trading decision is not based upon nonpublic, insider information.

Item 12 – Brokerage Practices

Pursuant to ERISA, the plan's administrator is responsible for approving the party or parties that will process the participants' trades and monitoring their fees. Therefore, with the exception of plans that are being newly created, most retirement plan clients already have established relationships with a recordkeeper that typically provides custodial and brokerage services through a related broker, insurance company, or trust company. In that case, unless the plan sponsor requests Resources' assistance in replacing the recordkeeper, Resources has little influence on the plan's brokerage services. For those plans that do not have these relationships in place, Resources will provide retirement plan clients with recommendations for vendors who can serve these needs at the plan fiduciaries' request.

In the event a broker-dealer is selected as the custodian of a retirement plan account consisting of pooled assets, Resources will process all trades in the account through that custodian. As a result, clients will likely pay higher commissions and other transaction costs, or receive less favorable net prices on transactions than if they shopped for a broker-dealer to handle each transaction. For plans consisting of participant-directed investment accounts, the plan's named fiduciaries will have sole authority to select the broker(s) that will process transactions in those accounts – even if Resources is managing the participants' accounts.

Resources has developed relationships with entities that provide brokerage, custodial, and recordkeeping services to retirement plans. Those entities also provide Resources products and services that assist Resources in its servicing of its retirement plan clients. Some of these products and services benefit all of Resources' retirement plan clients, such as investment research. Other products and services, such as software and other technology that provide access to client account data, pricing and other market data, facilitate payment of our fees from our clients' accounts, assistance with back-office functions, compliance, recordkeeping, and client reporting, and special pricing programs, only assist those clients who are working with that vendor. These firms may also provide benefits solely to Resources, such as paying for attendance at educational conferences or sponsoring Resources' conferences or client marketing events. In addition, these firms often recommend Resources to clients who are searching for an investment adviser and, in some cases, partner with Resources to submit a combined bid.

Resources' receipt of these benefits creates a conflict of interest because it increases the likelihood Resources will recommend these companies to a retirement plan client. In addition,

these custodians or recordkeepers often offer or require retirement plan clients to utilize their investment products (including without limitation, their stable value funds), which provide additional revenue to these companies.

Resources also maintains a Strategic Partners Program, pursuant to which certain investment product and service providers provide funds that are used to sponsor educational seminars and/or client marketing events conducted by Resources. While this creates a conflict of interest, the program does not require Resources to favor the Strategic Partners over firms that do not participate in the program when recommending or selecting any products or services. In addition, Resources believes its recommendation of these companies is in the clients' best interests, because it is based upon the scope, quality, and price of their services that benefit them, as opposed to the services that benefit only Resources. Finally, Resources maintains records of all such payments, and those records are available for inspection at a client's request.

Item 13 – Review of Accounts

For plans with participant-directed investment accounts, Resources benchmarks the investment options offered within the plan each quarter. Resources also conducts regular investment review meetings with the plan's Investment Committee on a quarterly, semi-annual, or annual basis, depending upon the size of the plan and the preferences of the plan's named fiduciaries. During those reviews, Resources informs the named fiduciaries of each investment's performance and utilization, as well as whether Resources is recommending it be replaced (or has replaced the investment where it has discretionary authority as the plan's investment manager).

If Resources is managing the pooled investments of the plan, the performance of those investments will be monitored by Resources' Investment Committee and the investment adviser representative on the account. Resources will conduct regular investment review meetings with the plan's named fiduciaries pursuant to the schedule agreed upon in the parties' agreement. However, additional reviews can be triggered by the client's specific request or by a change in market or economic conditions.

For its Personalized Portfolios program, Resources' Portfolio Management Team frequently monitors the performance of its investment allocation models or CITs, as well as the investments within those models. Resources' investment adviser representative assigned to the plan may or may not conduct regular investment review meetings with the participants in the plan, depending upon the size of the plan, the expectations of the participant, and the investment adviser representative's ability to offer that service to all participants.

All retirement plan clients are reminded that it remains their responsibility to advise Resources of any changes in their investment objectives or specific guidelines within their investment policy statements.

Item 14 – Client Referrals and Other Compensation

As noted in Item 12, above, Resources receives economic benefits from entities that serve as the custodian, broker, and/or recordkeeper for retirement plans, including plans that are customers of Resources, in the form of the support products and services that are made available to us. However, these offers of products and services are not based on the willingness of Resources or its investment adviser representatives to provide any particular investment advice to retirement plan clients, such as recommendations to purchase or include any particular securities products.

Because Resources will be acting in a fiduciary capacity when it is serving as the plan's investment adviser or investment manager, Resources does not receive any direct or indirect compensation from product and service providers for recommending investment products, except to the extent the commissions generated from those products are used to offset the advisory fee Resources is due under its agreement with the plan. However, Resources and its investment adviser representatives do receive direct or indirect payments from third parties. This compensation includes payments for Resources' investment adviser representatives and/or other associated persons to attend educational and marketing seminars, gifts valued at less than \$100 annually, an occasional meal, or ticket to a sporting event. In addition, investment product and service providers sponsor conferences and client marketing events conducted by Resources. However, such compensation cannot be tied to the sales of any products, and Resources maintains records of all such payments, which are available for inspection at a client's request.

As referenced above, Resources sometimes pays individuals or entities to refer clients to us, including retirement plans. However, these agreements are structured to comply with applicable securities laws, which include the existence of a formal contract between Resources and the solicitor. Pursuant to that contract, the solicitor is required to provide each potential client with a disclosure statement, which describes the specific relationship between Resources and the solicitor – including the compensation that will be paid to the solicitor – prior to or at the time the client enters into an investment advisory or management agreement.

Finally, as also referenced above, Resources' President, Vince Morris, serves on an advisory committee for EvoShare, a company that provides plan participants with the ability to utilize their purchases of goods and services to generate additional deposits into their retirement plan accounts. Mr. Morris has been provided with shares in EvoShare at a greatly reduced cost.

This creates a conflict of interest to the extent Resources' recommendation of EvoShare to its clients will likely increase the value of the warrants provided to Mr. Morris.

Item 15 – Custody

Resources does not hold client assets. Instead, retirement plan clients must contract separately with a broker-dealer, insurance company, or trust company for custodial services.

If Resources is serving as investment manager for a retirement plan or participant, or is managing the plan's pooled assets, the management agreement between the parties will include a limited power of attorney to permit Resources to either select the investment options to be made available to participants through the plan, or to initiate transactions for participants or pooled asset plans, on a discretionary basis. Pursuant to ERISA, Resources must be bonded when acting in this capacity as it will be deemed to have "control" over plan assets. However, the power of attorney will not include authority to withdraw any plan assets, so Resources will not be deemed to have "custody" of those assets under the Investment Advisers Act.

Unlike its arrangement with custodians of its wealth management accounts, Resources does not typically calculate its own advisory fee and provide payment instructions to the plan's recordkeeper. Instead, most recordkeepers calculate and pay Resources' based upon authorization provided by the retirement plan's administrator.

Item 16 – Investment Discretion

Resources can act as either the investment adviser or investment manager for a retirement plan client. If Resources is acting as the investment manager for a plan consisting of pooled assets or for a participant in a participant-directed account, its agreement with the client will include a limited power of attorney granting Resources discretionary authority to initiate investment transactions of the plan's or participant's assets. If Resources is acting as the investment manager for a plan in which participants direct their own investments, that limited power of attorney will provide Resources with authority to add, remove, or replace the investment options offered through the plan without prior notification to, or the consent of, the plan's named fiduciaries.

However, Resources will make these decisions consistent with the plan's investment objectives, as noted in its investment policy statement or as communicated to Resources during its discussions with the plan's named fiduciaries. In addition, retirement plan clients can designate specific restrictions on the investments to be held or offered through the plan on the management agreement and are reminded to notify Resources of any changes they want

to make to those restrictions each calendar quarter. To date, no participant has requested any such restrictions be placed on the management of his/her account. However, because Resources' managed account program is based either upon investment options contained in the plan's core lineup or proprietary CITs, participants requesting limitations on the types of investments utilized in their accounts would likely be deemed ineligible to participate in the program.

Item 17 – Voting Client Securities

Resources will not accept authority vote on securities held in client accounts (i.e., proxy requests). In addition, it does not take any action or render advice with respect to the voting of proxies, unless it believes the advice is appropriate and necessary.

Item 18 – Financial Information

Registered investment advisors are required in some cases to provide certain financial information and or disclosures about financial condition. For example, if Resources required clients to prepay advisory fees six months or more in advance, had a financial condition that was reasonably likely to impair its ability to meet its contractual commitments to its clients, or had been the subject of a bankruptcy petition during the past ten (10) years, it would be required to include certain financial information and make disclosures. However, none of these factors are applicable to Resources, so no such disclosures are necessary.