

**Item 1 – Cover Page**

The Gensler Group

Firm Brochure  
(Form ADV Part 2A)

120 C Avenue, Suite 170  
Coronado, CA 92118

619-554-1300

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

March 26, 2020

**The brochure provides information about the qualifications and business practices of The Gensler Group (“Advisor”). If you have any questions about the contents of this brochure, please contact us at 619-554-1300 or Dan@GenslerGroup.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.**

**The Gensler Group is a registered investment advisor. Registration does not imply any level of skill or training.**

**Additional information about The Gensler Group also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). This site can be searched by using Advisor’s name or by an identification number known as the CRD Number. Our CRD Number is 110543.**

## **Item 2 – Material Changes**

This brochure is dated March 26, 2020. There have been no material changes made to our brochure since the date of our last annual update and brochure revision dated March 22, 2019.

## **Item 3 – Table of Contents**

Item 1 – Cover Page.....	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	2
Item 4 – Advisory Business.....	3
Item 5 – Fees and Compensation.....	7
Item 6 – Performance-Based Fees and Side-By-Side Management.....	14
Item 7 – Types of Clients.....	14
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	14
Item 9 – Disciplinary Information.....	16
Item 10 – Other Financial Industry Activities and Affiliations.....	16
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	16
Item 12 – Brokerage Practices.....	17
Item 13 – Review of Accounts.....	18
Item 14 – Client Referrals and Other Compensation.....	19
Item 15 – Custody.....	19
Item 16 – Investment Discretion.....	20
Item 17 – Voting Client Securities.....	20
Item 18 – Financial Information.....	20

## **Item 4 – Advisory Business**

Daniel G. Gensler doing business as The Gensler Group (“Advisor”, “we” or “our”) offers personalized investment advisory services to clients in the form of asset management and financial planning. The Advisor has been in business since January of 1996, and is owned by Daniel G. Gensler.

### **Gensler Group Asset Management Program**

We offer the Gensler Group Asset Management Program (referred to as “Program” in this brochure), an asset allocation program based on the individual needs of the client. Through this service, we offer you a customized and individualized investment program. Understanding your personal situation is very important to the services we provide. Therefore, we will have detailed discussions with you to understand your current financial situation and investments, goals, risk tolerance and investment objectives. A specific asset allocation strategy is crafted to focus on your specific goals and objectives. You may be asked to complete a confidential questionnaire in order to help define the risk tolerance and investment objective for your account. We may also create a financial plan or provide financial planning services to you as part of our engagement to manage your Program account. We primarily use no-load or load-waived mutual funds as the investment vehicle in managing your accounts; however we may also assist you with transactions in equity securities, fixed income securities, variable annuities, options, or alternative investments.

In order for us to manage your assets, you will be required to establish a Program account in your name at LPL Financial (“LPL”), a registered broker/dealer and custodian. LPL provides clearing, custody and other brokerage services for accounts established through the Program. Therefore, you will be required to establish a brokerage account in your name through LPL. You retain all rights of ownership of your accounts (e.g., right to withdraw securities or cash, vote proxies, and receive transaction confirmations). In addition, you have the ability to impose restrictions on investing in certain securities or types of securities.

Program accounts allow you to authorize us to manage your account on either a discretionary or non-discretionary basis. As of December 31, 2019, we manage \$331,281,248 of client assets on a discretionary basis and no client assets on a non-discretionary basis.

In order to hire us to provide investment management services, you will be required to enter into a written investment advisory agreement with us setting forth the terms and conditions, including the amount of investment advisory fees, under which we will manage your assets. You will also be required to enter into a separate brokerage account application with LPL.

### **Optimum Market Portfolios**

We offer the LPL Optimum Market Portfolios (“OMP”) advisory program. Both Advisor and LPL serve as investment advisors and provide ongoing investment advice for the OMP program. The OMP program offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds Class I shares. There are up to six Optimum Funds

that may be purchased within an OMP account: Optimum Large Cap Growth Fund, Optimum Large Cap Value Fund, Optimum Small-Mid Cap Growth Fund, Optimum Small-Mid Cap Value Fund, Optimum International Fund and Optimum Fixed Income Fund. Upon opening an OMP account we will select a portfolio for you based on your investment objective. LPL will then rebalance the portfolio based on the frequency selected. You should refer to the LPL OMP disclosure brochure for additional details.

In addition to serving as an investment advisor for the OMP program, LPL provides custodial, brokerage and administrative services to clients. You will be required to enter into an account agreement with Advisor and LPL in order to open an OMP account and engage us for services.

### **Model Wealth Portfolios**

We offer the LPL Model Wealth Portfolios (“MWP”) advisory program. The MWP program is a managed mutual fund and exchange traded fund (“ETF”) asset allocation program in which both Advisor and LPL serve as investment advisors and provide ongoing investment advice.

Upon opening an MWP account we will select one or more model portfolio of funds (“Portfolio”) designed by LPL or a third party investment strategist (“Portfolio Strategist”) based on your investment objective. LPL or the Portfolio Strategist is responsible for selecting the mutual funds and/or ETFs within a Portfolio. LPL has discretion to buy and sell securities in the account according to the Portfolio(s) selected. A Portfolio Strategist does not have discretion, but instead provides LPL with asset allocation and fund recommendations. LPL acts as an overlay portfolio manager in coordinating the trades in the account. You should refer to the LPL MWP disclosure brochure for additional details.

In addition to serving as an investment advisor for the MWP program, LPL provides custodial, brokerage and administrative services to clients. You will be required to enter into an account agreement with Advisor and LPL in order to open an MWP account and engage us for services. You will have the opportunity to impose restrictions on investing in certain securities or types of securities when completing this agreement.

### **Manager Access Select**

We offer the LPL Manager Access Select (“MAS”) advisory program. The MAS program makes the advisory services of third party management firms (“Portfolio Managers”) available to clients. We will assist you in determining the investment objective, as well as selecting an investment strategy and Portfolio Manager, for the account. The Portfolio Manager selected by the client will manage the MAS account on a discretionary basis. The types of securities that may be purchased by the Portfolio Manager include stocks, bonds, mutual funds and ETFs. A Portfolio Manager may also hire one or more sub-advisors to manage all or a portion of the MAS account. We will provide you with ongoing advice and monitoring of the Portfolio Manager’s services and acts as the point of contact between you and the Portfolio Manager.

LPL serves as an investment advisor for the MAS program. In addition, LPL provides custodial, brokerage and administrative services to clients. LPL also provides research information to

Advisor, which may assist us in determining which Portfolio Managers to recommend to clients. You will be required to enter into an account agreement with Advisor, LPL and the selected Portfolio Manager in order to open an MAS account and engage us for services. You will have the opportunity to impose restrictions on investing in certain securities or types of securities when completing this agreement.

## **Personal Wealth Portfolios**

We offer the LPL Personal Wealth Portfolios (“PWP”) advisory program. The PWP program is a unified managed account in which both Advisor and LPL serve as investment advisors and provide ongoing investment advice. In PWP, you invest in asset allocation portfolios (“Portfolios”) designed by LPL, which include a combination of mutual funds, ETFs and investment models (“Models”) provided to LPL by third party money managers (“PWP Advisors”). The Models typically consist of equity and fixed income securities, but may include mutual funds. LPL selects the mutual funds, ETFs and Models to be made available in a Portfolio.

Upon opening a PWP account, we will select the Portfolio based on your investment objective, and then select among the mutual funds, ETFs and/or Models available in the Portfolio. On an ongoing basis LPL has discretion to buy and sell securities in the account and acts as the overlay portfolio manager in coordinating the trades among the various securities and sleeves of the account. In some cases, the PWP Advisor of a municipal security Model may have discretion over the municipal security holdings in the account. Except as noted above, PWP Advisors are limited to providing Models to LPL and do not have discretion. You should refer to the LPL PWP disclosure brochure for additional details.

In addition to serving as an investment advisor for the PWP program, LPL provides custodial, brokerage and administrative services to clients. You will be required to enter into an account agreement with Advisor and LPL in order to open a PWP account and engage us for services. You will have the opportunity to impose restrictions on investing in certain securities or types of securities when completing this agreement.

## **Financial Life Navigator Planning Services**

For clients that wish to engage us separately for financial planning services, our **Financial Life Navigator** planning process is designed to discover and empower clients (“client”, “you” or “your”) to embrace your financial future. The process begins with a complimentary, no-obligation conversation to mutually determine if there is a good fit and to identify where value can be added. We will explain how our firm operates, answer any of your questions and then we mutually agree how to proceed.

Once we have decided to proceed, we will work to develop a thorough understanding of the various dimensions of your financial life. This part of the process will focus on the life goals that are important to you. The intent here is to genuinely explore goals and aspirations which we use as the foundation for the plan.

The next step is to gather the financial facts and details needed to craft the financial plan. We collect and examine information on your investments, retirement assets, business interests, liabilities, taxes, risk exposure, estate plans, and so on. After we complete the input and analysis, we present and review the financial plan with you.

Following review and approval of the financial plan, we mutually agree upon actions and assign (or identify) responsible parties for next steps. The goal is to provide a path for success which may include service, collaboration and plan implementation.

Financial planning services will terminate upon presentation of the written plan to the client and a discussion of that plan at a review meeting. Clients may elect to engage us for financial planning maintenance on a periodic basis.

Clients are free at all times to accept or reject any of Advisor's recommendations provided in the financial plan. Should a client decide to implement any recommendations contained in their financial plan, the client may, but is under no obligation to, utilize advisory representatives associated with the Advisor to implement those recommendations.

The financial planning services described herein, do not include discretionary asset management services. To receive discretionary asset management services, client must engage Advisor through a separate written investment advisory agreement and pay a separate fee for such services. Please see description of Gensler Group Asset Management Program in this brochure for additional information.

### **Consultations**

Clients may also contract with us for consultations on any topic(s) of interest. We will together determine whether the consultations will involve one or more meetings, but you will have the final determination as to the actual length of the consultation services.

Services terminate upon completion of the requested consultations. However, either party can terminate services at any time by providing written notice to the other party. Termination will be effective immediately upon receipt of such notice. If services are terminated within five business days of signing the client agreement, services will be terminated without penalty. For agreements terminated after the five business days, you will be responsible for the time expended to the date of termination and we will provide you with a billing statement detailing the charges due.

### **Seminars**

We offer educational and informational seminars to the public at no charge. Seminars are always offered on an impersonal basis and will not focus on the individual needs of participants or include recommendations on specific investment products.

## **Newsletters and Publications**

We provide a periodic newsletter via e-mail to both current and prospective clients at no charge. All communications are general and informational in nature and there are no specific products discussed or recommended.

In addition, Advisor has and will continue to write books on industry-related topics. These publications are available for purchase and Advisor will be compensated through these sales. In addition, complimentary copies may be provided to our clients and prospective clients.

## **Item 5 – Fees and Compensation**

The specific fees you will pay will be disclosed to you prior to any services being provided.

### **Gensler Group Asset Management Program**

The annual advisory fee for asset management services is a maximum of 2.5%, and is based on a percentage of the market value of your account, including cash holdings. You can bundle household accounts in order to reach a higher account value and therefore a lower fee charge. In addition, fees may be negotiable based on various factors including, but not limited to, asset and investment holdings within the account, complexity of your financial situation and trading activity.

The amount of the advisory fee will be as agreed upon in the written investment advisory agreement between Advisor and client. Advisory fees are billed quarterly in advance and calculated as of the account's asset value on the last business day of the prior quarter. Fees for accounts opened at any time other than the beginning of a quarter will be prorated based on the number of days remaining in the initial quarter.

Advisory fees will be deducted from your accounts through a direct debit by LPL, and you must provide LPL with written authorization to debit advisory fees from your accounts and pay the fees to Advisor. LPL is responsible for calculating and debiting all advisory fees from your accounts.

In addition to the advisory fee you pay to us for our services, you will pay certain transaction charges for trade execution. These transaction charges are paid to the custodian; we do not receive any portion of the transaction charges. The transaction charges vary based on the type of investment (e.g., mutual fund, ETF, equity or option) and range from \$0 to \$50.00. You will receive a schedule of transaction charges when you establish your account.

You may also incur certain charges imposed by third parties other than Advisor in connection with investments made through the account including, but not limited to, mutual fund 12b-1 fees, mutual fund management fees and administrative expenses, mutual fund transaction fees, deferred sales charges on previously purchased mutual funds transferred into the account, variable annuity expenses, other transaction charges and service fees, IRA and qualified

retirement plan fees, administrative servicing fees for trust accounts, creation and development fees or similar fees imposed by unit investment trust sponsors, hedge fund and managed future investment management fees, managed futures investor servicing fees, fees relating to American Depository Receipts, and other charges required by law. Advisor does not receive any portion of these fees.

Within the Program account, Advisor uses mutual funds that LPL makes available within the account. In many instances, the available mutual funds offer multiple classes of shares, including shares designated as Class A shares and institutional share classes and other share classes that are specifically designed for purchase in a fee-based investment advisory program. In other instances, a mutual fund may offer only Class A shares, but another similar mutual fund may be available that offers an institutional or fee-based advisory share class. When a Program account purchases Class A shares, LPL receives from the mutual fund a portion of the 12b-1 fees charged by the mutual fund. Neither Advisor nor its advisory representatives receive any portion of these 12b-1 fees. Institutional or fee-based advisory share classes generally are not subject to 12b-1 fees. As a result of the different expenses of the mutual fund share classes, it is generally more expensive for a client to own Class A shares than an institutional or fee-based advisory share class. An investor in an institutional or fee-based advisory share class will pay lower fees over time, and keep more of his or her investment returns than an investor who holds Class A shares of the same fund. You should not assume that you will be invested in the share class with the lowest possible expense ratio. In an advisory program, the appropriateness of a particular mutual fund share class should be determined based on a variety of different considerations, including but not limited to: the advisory fee that is charged; whether transaction charges are applied and the amount of the transaction charges applied to the purchase or sale of mutual funds; the anticipated frequency of transactions; the holding period for the mutual funds; the overall cost structure of the advisory program; share class eligibility requirements; and potential tax consequences.

LPL also charges clients a transaction charge for mutual fund purchases and sales. The transaction charge level, ranging from \$0 to \$26.50, varies depending on the amount of 12b-1 fees and/or subtransfer agent recordkeeping fees that the custodian receives from the mutual fund. Neither Advisor nor its advisory representatives receive any portion of these transaction charges. You generally do not pay a transaction charge for Class A share mutual fund transactions, but generally do pay transaction charges for institutional and fee-based advisory share class transactions. You may avoid or lower the transaction charge by purchasing Class A share mutual funds, however, the share class may be more expensive to you over time because of the ongoing 12b-1 fee depending on the number of transactions in the account and the holding period. You may pay a higher transaction charge for institutional and fee-based advisory shares classes, however, the share class may be less expensive to you over time.

You should consider the additional indirect expenses that exist as a result of the mutual fund fees when negotiating and discussing with the advisory representative the advisory fee to Advisor and the advisory representative and the selection of share classes and mutual funds for the Program account.



If your account invests in mutual funds, you should be aware that there will be two layers of fees for those investments. You will pay the mutual fund a management fee as a shareholder of the fund. You will also pay us an advisory fee for managing those assets. For those mutual funds available in the Program that may be purchased directly, you could generally avoid the additional fees by not using our management services and by making your own decisions about your mutual fund investments. Please note that Dimensional Fund Advisors Funds may not be purchased directly at this time. A description of the management fees and administrative expenses charged by mutual funds are available in each mutual fund's prospectus.

Advisory representatives of the Advisor are also separately registered as licensed securities representatives of LPL. In this capacity, the advisory representatives can sell securities to clients and receive compensation in the form of commissions and 12b-1 fees or trails. However, such compensation will not be received in connection with investments made in Program accounts.

The Program may cost you more or less than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged commissions for each transaction, and we would have no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold investment strategy for the account or do not wish to purchase ongoing investment advice or management services, you should consider opening a commission-based brokerage account rather than a Program account.

Either party may terminate the agreement for services at any time. Upon termination, any pre-paid, unearned fees will be refunded. Termination shall be effective from the time the other party receives written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final refund of advisory fees.

For additional information, please see Item 12 – Brokerage Practices.

### **Optimum Market Portfolios**

The annual advisory fee for OMP is a maximum of 2.5%, and is based on a percentage of the market value of your account. Fees are negotiable based on various factors including, but not limited to, number of accounts, asset and investment holdings within the account and complexity of your financial situation.

Advisory fees are billed quarterly in advance and calculated based on the account's market value on the last business day of the prior quarter. LPL, as the qualified custodian for the OMP account, is responsible for calculating and deducting all advisory fees from your account. The advisory fee is shared between Advisor and its advisory representatives.

In addition to the advisory fee you pay to us for our services, you will pay confirmation charges for trade execution. These confirmation charges are paid to LPL and are set out in the OMP account agreement. Advisor does not receive any portion of the confirmation charges. LPL may also charge other miscellaneous administrative and custodial-related fees and charges that may apply to an OMP account.

As the OMP program invests solely in mutual funds, you will pay the funds a management fee and other expenses as a shareholder of the fund in addition to paying an advisory fee to Advisor and LPL for managing the assets. As the funds may be purchased directly, you could avoid the second layer of fees by not using our management services and by making your own investment decisions.

Our advisory representatives are also separately registered as licensed securities representatives of LPL. In this capacity, the advisory representatives can sell securities to clients and receive compensation in the form of commissions and 12b-1 fees or trails. However, such compensation will not be received in connection with investments made in OMP program accounts.

The OMP program may cost you more or less than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged commissions for each transaction, and we would have no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold investment strategy for the account or do not wish to utilize ongoing investment advice or management services, you should consider establishing a commission based brokerage account rather than an OMP account.

You may terminate the agreement for services with us at any time with written notice. Upon termination, any prepaid, unearned fees will be refunded.

For additional information, refer to Item 12 – Brokerage Practices and the OMP disclosure document and account agreement.

### **Model Wealth Portfolios**

The annual advisory fee for MWP is a maximum of 2%, and is based on a percentage of the market value of your account, including cash holdings. Fees are negotiable based on various factors including, but not limited to, number of accounts, asset and investment holdings within the account and complexity of your financial situation. The advisory fee is shared between Advisor and its advisory representatives.

In addition to the annual advisory fee that you pay to Advisor, you will also pay a Portfolio Strategist fee and an LPL Program fee. We do not receive any portion of the Portfolio Strategist fee or the LPL Program fee. The Portfolio Strategist fee currently ranges from 0.00% to 0.20%, and the amount of the fee is determined based on the Portfolio Strategist that you select. The LPL Program fee currently ranges from 0.08% to 0.45% and is determined based on the size of your MWP account and whether the model selected follows a strategic or tactical investment mandate. You should refer to the LPL MWP disclosure brochure for additional details regarding the Portfolio Strategist fee and the LPL Program fee.

Advisory fees are billed quarterly in advance and calculated based on the account's market value on the last business day of the prior quarter. LPL, as the qualified custodian for the MWP account, is responsible for calculating and deducting all advisory fees from your account. LPL may charge miscellaneous administrative and custodial-related fees and charges that may apply to an MWP account.

As the MWP program invests solely in mutual funds and ETFs, you will pay the fund a management fee and other expenses as a shareholder of the fund in addition to paying an advisory fee to Advisor and LPL for managing the assets. As the funds may be purchased directly, you could avoid the second layer of fees by not using our management services and by making your own investment decisions.

Advisory representatives of Advisor are also separately registered as licensed securities representatives of LPL. In this capacity, the advisory representatives can sell securities to clients and receive compensation in the form of commissions and 12b-1 fees or trails. However, such compensation will not be received in connection with investments made in MWP program accounts.

The MWP program may cost you more or less than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged commissions for each transaction, and we would have no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold investment strategy for the account or do not wish to utilize our ongoing investment advice or management services, you should consider opening a commission based account rather than an MWP account.

Clients have the option to purchase the individual investment products available within an MWP program account through other brokers or agents that are not affiliated with Advisor. However, the investment advisory services of Advisor would not be available in such an arrangement.

You may terminate the agreement for services with us at any time with written notice. Upon termination, any prepaid, unearned fees will be refunded.

For additional information, refer to Item 12 – Brokerage Practices and the MWP disclosure document and account agreement.

### **Manager Access Select**

The annual advisory fee for MAS is a maximum of 2.5%, and is based on a percentage of the market value of your account, including cash holdings. Advisory fees are negotiable and the amount of the advisory fee will be as stated in the account agreement.

Advisory fees are billed quarterly in advance and calculated based on the account's market value on the last business day of the prior quarter. Advisory fees will be deducted from your account by LPL and paid to Advisor. LPL may also charge miscellaneous administrative and custodial-related fees that may apply to an account.

The advisory fee will be shared among Advisor, the Portfolio Manager, and LPL. Advisor receives up to 87.5% of the advisory fee charged to the client and shares a portion with its advisory representative. The balance of the fee is retained by LPL, with a portion ranging from 0.25% to 1.50% paid to Portfolio Manager.

As the amount of the fee charged by one Portfolio Manager may differ from the amount charged by another Portfolio Manager, Advisor has a financial incentive to recommend a Portfolio Manager that charges less than others. We take our responsibilities to you very seriously and we will only recommend a Portfolio Manager if we believe it is appropriate and in your best interests.

As MAS may invest in mutual funds and ETFs, you should understand that you will pay the fund a management fee and other expenses as a shareholder of the fund in addition to paying an advisory fee to Advisor, the Portfolio Manager and LPL (if applicable). As the funds may be purchased directly, you could avoid the second layer of fees by not using the management services offered through the program and by making your own investment decisions.

Our advisory representatives of are also separately registered as licensed securities representatives of LPL. In this capacity, the advisory representatives can sell securities to clients and receive compensation in the form of commissions and 12b-1 fees or trails. However, such compensation will not be received in connection with investments made in a MAS program account.

MAS may cost you more or less than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged commissions for each transaction, and we would have no duty to provide ongoing advice with respect to the account.

You may terminate the agreement for services with us at any time with written notice. Upon termination, any prepaid, unearned fees will be refunded.

For additional information, refer to Item 12 – Brokerage Practices and the LPL MAS disclosure document and account agreement or similar documents for other third party management programs.

### **Personal Wealth Portfolios**

The annual advisory fee for PWP is a maximum of 2.5%, and is based on a percentage of the market value of your account. Advisory fees are negotiable between you and the Advisor, and the amount of the advisory fee will be as stated in the PWP account agreement.

Advisory fees are billed quarterly in advance and calculated based on the account's market value on the last business day of the prior quarter. LPL, as the qualified custodian for the PWP account, is responsible for calculating and deducting all advisory fees from your account. LPL will charge miscellaneous administrative and custodial-related fees and charges that apply to a PWP account.

Advisor receives up to 78% of the advisory fee charged to the client and shares a portion with its advisory representative. The balance of the fee is retained by LPL, with a portion ranging from 0.15% to 0.35% paid to PWP Advisors, if applicable. As the amount of the fee charged by one PWP Advisor may differ from the amount charged by another PWP Advisor, Advisor has a financial incentive to recommend a Portfolio that charges less than others. We take our

responsibilities to clients very seriously and we will only recommend a Portfolio if we believe it is appropriate and in your best interests.

If your PWP account invests in mutual funds and ETFs, please note that you will pay the fund a management fee and other expenses as a shareholder of the fund in addition to paying an advisory fee to Advisor and LPL for managing the assets. As the funds may be purchased directly, you could avoid the second layer of fees by not using our management services and by making your own investment decisions.

Advisory representatives of Advisor are also separately registered as licensed securities representatives of LPL. In this capacity, the advisory representatives can sell securities to clients and receive compensation in the form of commissions and 12b-1 fees or trails. However, such compensation will not be received in connection with investments made in PWP program accounts.

PWP may cost you more or less than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged commissions for each transaction, and we would have no duty to provide ongoing advice with respect to the account.

You may terminate the agreement for services with us at any time with written notice. Upon termination, any prepaid, unearned fees will be refunded.

For additional information, refer to Item 12 – Brokerage Practices and the LPL PWP disclosure document and account agreement.

### **Financial Life Navigator Planning Services**

The fixed fee for planning services generally ranges from \$2,750 to \$20,000. Fees are negotiable based upon the actual services provided and the complexity of your situation. Fees are due upon completion of the services, presentation of the plan and receipt of a billing statement from Advisor.

If client engages Advisor to manage a Program account and deposits at least \$1,000,000 for management within the Program account, Advisor will waive the fixed fee for financial planning services.

Either the Advisor or the client can terminate services at any time by providing written notice to the other. Termination will be effective immediately upon receipt of such notice. However, client will be responsible for paying for work completed prior to the date of termination.

Financial planning maintenance involves updating and preserving changes to a client's personal information and financial goals. Advisor will charge an annual fee for financial planning maintenance in the amount of \$1,200 per year. This fee will be billed on an annual basis. If Advisor is managing client assets in a Program account, the annual maintenance fee will be waived.

As stated above, advisory representatives of the Advisor are also separately registered as licensed securities representatives of LPL. In this capacity, the advisory representatives can sell securities to clients and receive normal and customary compensation in the form of commissions and 12b-1 fees or trails. This presents a conflict of interest in that the advisory representatives have an incentive to recommend investments when providing financial planning services that are based on the compensation that may be received rather than client needs. To address this conflict, clients are advised that they are under no obligation to use an advisory representative of Advisor for implementation of financial planning recommendations; investment products and asset management services may be purchased through other brokers or agents not affiliated with advisory representatives. In addition, to the extent that client's do subsequently hire an advisory representative of Advisor for assistance in his/her capacity as a registered representative of LPL or as an advisory representative of Advisor, additional discussions take place regarding the relationship and, in the case of opening a Program account, the client would be required to enter into a written investment advisory agreement with Advisor.

### **Consultations**

Fees for consultations are charged at a non-negotiable hourly rate as follows:

Administrative Staff Time	\$ 75
Para-Planner Time	\$150
Wealth Advisor	\$375

Fees will be billed directly to the client upon completion of the consultation services and are due upon receipt of a billing statement.

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

We do not charge any 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**

We provide services to the following types of clients; individuals, high net worth individuals, trusts, and estates.

There is a \$500,000 minimum to establish a Program account, although exceptions may be granted to this minimum at Advisor's discretion. In addition, you can bundle household accounts (i.e., accounts of family members at the same residence) to meet the minimum account size requirement.

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

We predominantly use mutual funds as the investment vehicle within Program accounts. When constructing a portfolio of mutual funds, we generally use index strategies based on efficient market theories. Index management is a financial strategy that doesn't entail any forecasting or market timing. The goal is to minimize transaction costs, maximize diversification and avoid

adverse consequences of failing to correctly anticipate the future. We implement this strategy by constructing a portfolio of multiple mutual funds that are designed to track markets using an asset allocation mix based on your investment objective for the Program account. By tracking the market, a portfolio is highly diversified, has low turnover and low internal mutual fund management fees.

At this time we predominately use Dimensional Fund Advisors (DFA) mutual funds in constructing portfolios. There are a variety of different DFA mutual funds that are used including, but not necessarily limited to US equity funds, international equity funds (including emerging market funds), real estate funds, and fixed income funds. The particular DFA funds that your Program account will invest in depend upon your investment objectives, level of risk tolerance, sensitivity to taxes, and other factors. The overall portfolio composition will have a tilt to small company stocks and value stocks, as history tells us over long periods of time, these areas tend to perform better. Of course, past performance does not guarantee future success. As a result, this will expose the Program account to greater risk than an account invested in lesser amounts of small cap and value oriented mutual funds.

There are risks associated with investing in securities. The following highlights some of the risks associated with the types of investments that may be purchased for your account:

- Investing in international markets presents additional risks including currency fluctuations, the potential for diplomatic and political instability, regulatory and liquidity risks and foreign taxation among others. The risks of foreign investing are generally greater in emerging markets.
- High yield bonds carry greater risks than bonds rated as investment grade. For example, they are issued by organizations that do not qualify for an investment grade rating by one of the rating agencies because of the potential for higher default by the issuer. Another risk is that further financial difficulties by the issuer may result in a decrease in the market value, and this may make it impossible to liquidate the bond prior to maturity.

Although we do not typically recommend investing in individual equities within Program accounts, upon client request we may also assist clients with analyzing existing stock holdings to determine appropriate levels of concentration. When conducting such analysis we use a fundamental approach. This means that we review the business overall by reviewing its financial statements and financial health, its management and competitive advantages, and its competitors and markets.

We use a variety of sources of data to conduct our economic, investment and market analysis, such as financial newspapers and magazines, economic and market research materials prepared by others, corporate rating services, annual reports, prospectuses, and company press releases.

Investing in securities involves risk of loss that clients should be prepared to bear.

For information regarding the strategy used to develop financial planning advice, please refer to the discussion under Financial Planning in Item 4 of this brochure.

## **Item 9 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our advisory business or the integrity of our management. We have no information applicable to this Item.

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

Advisory representatives of the Advisor are separately registered as licensed securities representatives of LPL. In this capacity, the advisory representatives can sell securities to clients and receive compensation in the form of commissions. Client's purchasing securities from an advisory representative in his capacity as a licensed securities representative will receive certain disclosure documents (e.g., prospectus, brokerage account agreement) when conducting such transactions.

LPL's parent company, LPL Investment Holdings, Inc., is a publicly traded company with shares listed on The NASDAQ Global Select Market under the trading symbol "LPLA". Mr. Gensler is a shareholder of LPLA.

Advisory representatives of the Advisor are also licensed as independent insurance agents. In this capacity, the advisory representatives can sell insurance products to clients and receive compensation in the form of commissions. Client's purchasing insurance from advisory representatives will receive certain disclosure documents (e.g., prospectus) and complete an insurance application process when conducting such transactions.

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

All investment advisors are required to establish, maintain and enforce a Code of Ethics. We have established a Code of Ethics that will apply to all of our associated persons. An investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of its clients at all times. We have a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for our Code of Ethics, which also covers our insider-trading and personal securities transactions policies and procedures. We require all supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and when changes occur, all supervised persons will sign an acknowledgment that they have read, understand and agree to comply with our Code of Ethics. We have the responsibility to make sure that the interests of all clients are placed ahead of our interests or the supervised person's own investment interests. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. We must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect the duty of



complete loyalty to all clients. This disclosure is provided to give you a summary of our Code of Ethics. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

It is our policy not to affect any principal transactions for your account. Principal transactions are generally defined as transactions where an investment advisor, acting as principal for its own account, buys from or sells any security to any advisory client. We will also not cross trades between your account and the account of another client.

Advisor and its advisory representatives may buy or sell securities for our personal accounts identical to those recommended to clients. This creates a potential conflict of interest. It is our express policy that all persons associated in any manner with us must place the interests of clients ahead of their own when making personal investments. In addition, we require that client transactions be placed before our own transactions. We monitor trading by our associated persons.

## **Item 12 – Brokerage Practices**

Advisor requires that clients direct LPL as the sole and exclusive broker/dealer to execute transactions for Program accounts. LPL is not paid a commission for executing transactions. Because advisory representatives of Advisor are licensed with LPL, this presents a conflict of interest. Clients should understand that not all advisors require their clients to direct brokerage. By requiring the client to select LPL, clients may be unable to achieve the most favorable execution of client transactions. Therefore, directed brokerage may cost clients more money.

Advisor may receive support services and/or products from LPL, which assist Advisor to better monitor and service client accounts maintained at LPL. These support services and/or products may be received without cost, at a discount, and/or at another negotiated rate, and may include the following:

- investment-related research
- pricing information and market data
- software and other technology that provides access to client account data
- compliance and/or practice management-related publications
- consulting services
- attendance at conferences, meetings, and other educational and/or social events
- marketing support
- computer hardware and/or software
- other products used by Advisor in furtherance of its investment advisory business operations

Clients do not pay more for services as a result of this arrangement. Advisor makes no corresponding commitment to LPL or any other entity to invest any specific amount or percentage of a client's assets in any specific securities or programs as a result of this arrangement.

You are free to select any broker/dealer you wish in order to implement the financial planning of consulting advice we give you. If you wish to have one of our advisory representatives implement the advice in their separate capacity as registered representatives, LPL will be used. Certain advisory representatives are registered representatives of LPL and are required to use the services of LPL when acting in this capacity. LPL has a wide range of approved securities products for which it performs due diligence prior to selection. LPL's registered representatives are only permitted to sell these products. Commissions charged for these products may be higher or lower than commissions you may be charged if you purchased the investment products through another broker/dealer.

Given the individual nature of our asset management services, as well as the fact that we invest primarily in DFA mutual funds and not individual equities, we do not aggregate transactions in Program accounts for one client with other clients.

We are not involved in determining the broker/dealer that is used for executing trades within the OMP, MWP, MAS, or PWP program accounts. For more information, please refer to the disclosure brochure for the applicable program.

### **Item 13 – Review of Accounts**

If you have established Program accounts and have also received a financial plan, you can have your plan reviewed at any meeting with us and can receive an update to that plan at least annually. Reviews and updates are provided at no additional charge to you.

If you have not established Program accounts but have engaged Advisor for financial planning maintenance, you can have your plan reviewed throughout the year.

If you have not established Program accounts and have received a financial plan without financial planning maintenance, we suggest that you have your financial situation reviewed at least annually. If you elect to have this review and update, you will be required to sign a new client agreement and we may charge you additional fees.

All Program accounts are reviewed at least quarterly.

Advisory representatives will review client OMP, MWP, MAS, and PWP accounts on at least an annual basis to determine if changes are needed to the Portfolio Manager, Portfolio Strategist, PWP Advisor, Portfolio or Model, as applicable.

During any month that there is activity in the Program, OMP, MWP, MAS or PWP account, you will receive a monthly account statement from LPL showing account activity as well as positions held in the account at month end. Additionally, you will receive a confirmation of each transaction that occurs within the Program account unless the transaction is the result of a systematic purchase, redemption or exchange. You will also receive a detailed quarterly report showing performance, positions and activity from LPL. All account data and statements are also available on-line through the LPL Account View portal.

Program account reviews can also be triggered upon your request, a change in your circumstances, unusual market activity or unusual economic conditions. Advisory representatives each review their own accounts although we may also review accounts as a group. Absent specific instructions from you, account reviews include confirming account holdings, checking proper allocations and making sure investments are still working toward your goals and objectives.

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

We may also enter into agreements with solicitors (referring parties) to refer clients to us. If a client is referred to us by a solicitor, the solicitor will provide the client with a copy of this disclosure brochure. The client will also receive a copy of the solicitor disclosure statement as required.

If a referred client enters into an investment advisory agreement with us, a cash referral fee is paid to the referring party that is based upon a percentage of client advisory fees generated. This referral relationship will not result in clients being charged any fees over and above the normal fees charged for the advisory services provided.

As a result of our relationship with LPL, we may also receive production bonuses, stock options, and other things of value such as free or reduced-cost attendance at LPL's national sales conference or top producer forums and events. Production bonuses and awards for conference attendance are based on overall business produced by us and do not favor one product or program over others. The awarding of stock options is based on total production, recurring revenue and growth rate of production. Advisory fees for Program accounts are considered recurring revenue and, thus, there may be a financial incentive for us to recommend that you establish Program accounts so that we will receive recurring revenue and possibly receive stock options from LPL.

We have received a repayable loan from LPL to assist us in our overhead, business development and expansion efforts. Because of this economic benefit, we have a conflict of interest in recommending that you use LPL as a custodian. However, to the extent we recommend you use LPL for such services, it is because we believe that it is in your best interest to do so based on the quality and pricing of execution, benefits of an integrated platform for advisory and brokerage accounts, and other services provided by LPL.

#### **Item 15 – Custody**

We do not have custody of your funds or securities. Custody for all Program, OMP, MWP, MAS, and PWP accounts is maintained by LPL, a qualified custodian. You will receive account statements directly from LPL at least quarterly. We encourage you to carefully review these statements when you receive them. In addition, LPL will provide you with performance reports for your accounts on our behalf.

We may provide you with customized reporting of your account from time to time upon request. Please keep in mind that these reports do not take the place of or otherwise replace the official statements you receive from the custodian of your Program account assets.

## **Item 16 – Investment Discretion**

Upon receiving written authorization from you in our investment advisory agreement, we may provide discretionary investment advisory services for you in our Program accounts. Discretionary authority is limited in that we will only be given discretionary trading authority. This authority will allow us to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction.

Within MAS and other third party management programs, we do not have any discretionary authority with respect to your account. The Portfolio Manager is the party with discretion and responsibility for account management. Within MWP, our discretionary authority is limited to selecting one or more model portfolio of funds or Portfolio Strategists for your account. LPL is the party with discretion to rebalance your account as needed. Within PWP, our discretionary authority is limited to selecting the Portfolio for your account and then selecting from among the mutual funds, ETFs or Models available in the Portfolio. Again, LPL is the party with discretion. Finally, within OMP, our discretionary authority is limited to selecting a portfolio for you based on your investment objective for the account. LPL is the party with discretion to rebalance your account as needed. For further information about MAS, MWP, PWP or OMP, kindly refer to the disclosure brochure for the applicable program.

We will not have access to your funds and/or securities with the exception of having advisory fees deducted from your account and paid to us by the account custodian. Any fee deduction will be done pursuant to your prior written authorization provided to LPL.

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

We do not have the authority to and will not vote proxies on your behalf. Within a Program account, MWP account or OMP account, the client retains the right to vote all proxies. Proxy information for any securities which are held in your accounts will be sent to you by the custodian of your funds and securities. You will receive proxy related information directly from your account custodian or a third-party vendor hired by the custodian. We will not be providing you with this information. You should read through the information provided with the proxy-voting documents and make a determination based on the information provided. It is your ultimate responsibility for making all proxy-voting decisions.

Within a MAS account, the Portfolio Manager is responsible for voting proxies unless the client notifies the Portfolio Manager in writing that he/she wishes to be responsible for voting proxies. Within a PWP account, LPL is responsible for voting proxies.

## **Item 18 – Financial Information**

We are required in this Item to provide you with certain information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet our contractual or fiduciary commitments to clients, and we have not been the subject of a bankruptcy petition.