

# Main Street Financial Life Advisors, LLC<sup>®</sup>

SEC File Number: 801 – 60820

## **ADV Part 2A, Firm Brochure**

**Dated: March 30, 2020**

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This brochure provides information about the qualifications and business practices of Main Street Financial Life Advisors, LLC<sup>®</sup>. If you have any questions about the contents of this brochure, please contact us at (856) 234-3550 or [jroman@mainstreetfla.com](mailto:jroman@mainstreetfla.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.

References herein to Main Street Financial Life Advisors, LLC<sup>®</sup> as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Additional information about Main Street Financial Life Advisors, LLC<sup>®</sup> (“Registrant” or “Main Street”) is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Main Street who are required to be registered as an investment adviser representative with Main Street.

## Item 2 Material Changes

Since its last Annual Amendment filing on October 29, 2019, this Main Street Financial Life Advisors, LLC®'s (hereinafter referred to as “Main Street Financial Life Advisors” or the “Registrant”) Form ADVE 2A Disclosure Brochure has been materially amended as follows:

- To disclose the fact that United Capital Financial Advisers, LLC's name will be changed during the spring of 2020.
- To reflect the new agreement (effective 1/1/20) between FinLife Partners and Registrant, which eliminates the flat fee per clients, based on assets for use of FinLife Partners' technology platform.
- To disclose that Registrant's control persons will no longer receive warrants to purchase shares of *United Capital Financial Advisers, LLC's* parent company stock (United Capital Financial Partners, Inc.)
- To make clear that Independent Manager fees are paid separately and are in addition to the Registrant's annual advisory fee.

Additionally, although not material, certain disclosure statements have been enhanced throughout in Items 4, 5, 7, and 8.

**ANY QUESTIONS: Main Street Financial Life Advisors' Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that an existing or prospective client may have regarding this Brochure.**

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#### **Item 4            Advisory Business**

- A. The Registrant is a limited liability company formed on May 3, 1999 in the State of New Jersey. The Registrant became registered with the United States Securities and Exchange Commission as an Investment Adviser Firm on December 21, 2001. The Registrant is principally owned by J. Joseph Roman, who is the Registrant's Managing Member and Chief Compliance Officer.
- B. As discussed below, the Registrant offers to its clients (individuals, business entities, trusts, estates, and charitable organizations, etc.) investment management services, and, to the extent specifically engaged to do so, financial planning, tax, insurance, and accountancy consulting services.

#### **INVESTMENT MANAGEMENT SERVICES AND FINANCIAL GUIDANCE**

The Registrant may be engaged to provide discretionary and/or non-discretionary investment management services on a *fee-based* basis. Before Registrant provides investment management services, an investment adviser representative will ascertain each client's investment objectives and, for a separate initial fixed fee, develop a financial plan. The Registrant will then allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives, risk tolerance and financial plan. Once allocated, the Registrant provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives. The Registrant's annual investment management fee is based upon a percentage (%) of the market value of the assets placed under the Registrant's management. Prior to engaging Registrant to provide investment advisory services, clients are required to enter into an *Investment Advisory Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

As part of this service offering the Registrant utilizes a suite of digitally powered technology solutions offered by FinLife Partners, a division of United Capital Financial Advisers, LLC ("FinLife Partners"). FinLife Partners provides the Registrant with access to a technology platform that includes certain clerical document and data compilation services. FinLife Partners is not in any way involved in, or responsible for, the individual investment management or guidance provided to Registrant's clients. (*See* FinLife Partners Service Offering discussion and conflicts disclosure below).

#### **TAX RETURN PREPARATION SERVICES**

The Registrant may be engaged to provide tax preparation services in conjunction with its Investment Management and Financial Guidance services. The Registrant's *Investment Advisory Agreement* shall indicate if the client has determined to engage the Registrant to provide tax preparation services. Tax preparation services may also be provided by certain of Registrant's employees in their separate capacity as a CPA with the accounting firm, Roman & Kulpa, LLC ("R & K"), (See Item 10. C. below for additional details regarding this service and the potential conflicts of interest). The client is under no obligation to engage the services of any such recommended professional and retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. However, if the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

At all times, the engaged licensed professional[s] and **not** the Registrant, shall be responsible for the quality and competency of the services provided. **Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

### **INVESTMENT MANAGEMENT SERVICES ONLY**

The Registrant may be engaged to provide investment management services only for those clients who wish to engage the Registrant to provide discretionary and/or non-discretionary management services but **do not** want the Registrant's Financial Guidance service component. The Registrant's annual investment management fee is based upon a percentage (%) of the market value of the assets placed under the Registrant's management.

### **FINANCIAL GUIDANCE SERVICES ONLY**

The Registrant may provide Financial Guidance services (including investment and non-investment related matters, estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Registrant's Financial Guidance fees range from negotiable to 1.00%, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Before engaging the Registrant to provide planning or consulting services, clients are required to enter into a *Financial Guidance Service Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination) and describing the scope of the services to be provided. The Registrant will then ascertain each client's investment objectives, risk tolerance and, for a separate initial fixed fee, develop a financial plan.

The Registrant's Financial Guidance services are generally delivered through the Guidebook and utilize a suite of digitally powered technology solutions offered by FinLife Partners. FinLife Partners provides the Registrant with access to a technology platform that includes certain clerical document and data compilation services. FinLife Partners is not in any way involved in, or responsible for, the individual investment management or guidance provided to Registrant's clients.

The digital solutions mentioned above may include, but are not necessarily limited to, the following services (not all services are offered or applicable to all clients):

- Money Mind® Analyzer:  
Help to identify and understand your dominant Money Mind®.
- Honest Conversations®:  
Help to create a clearly defined set of priorities, in an effort to help improve financial life decisions.
- Financial Control Scorecard®:  
Assess if you are on track to meet your financial life goals.
- A net worth summary
- A portfolio snapshot
- Financial goals review and analysis
- Portfolio construction (recommending appropriate investment strategies)
- Asset allocation recommendations
- Consolidated financial summaries

## **FINANCIAL PLANNING AND CONSULTING SERVICES**

The Registrant may provide financial planning and/or consulting on a stand-alone separate fee basis. Registrant's planning and consulting fees are negotiable, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Before engaging the Registrant to provide planning or consulting services, clients are generally required to enter into a *Financial Planning Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client before Registrant commences services.

**Please note:** When engaged to provide either Financial Guidance Services or Financial Planning and Consulting Services, on a separate stand-alone basis, the Registrant may recommend the services of other professionals for implementation purposes, including J. Joseph Roman, in his separate and individual capacity as a Certified Public Accountant and/or as a licensed insurance agent, and/or Mark Sulpizio, in his separate and individual capacity as a licensed insurance agent (see disclosures at Item 10.C.). The client is under no obligation to engage the services of any such recommended professional and retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant.

However, if the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and **not** the Registrant, shall be responsible for the quality and competency of the services provided. **Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

## **COMPREHENSIVE REPORTING**

The Registrant may also provide comprehensive reporting services which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets managed by the Registrant (the "Excluded Assets"). The client and/or their other advisors, and not the Registrant, shall maintain trading authority and will be exclusively responsible for the investment performance of the Excluded Assets. The Registrant's service relative to the Excluded Assets is limited to reporting and non-discretionary consulting services only, which does not include investment implementation. The Registrant does not have trading authority for the Excluded Assets. As such, to the extent applicable to the nature of the Excluded Assets (assets over which the client maintains trading authority vs. trading authority designated to another investment professional), the client (and/or the other investment professional), and not the Registrant, shall be exclusively responsible for directly implementing any recommendations relative to the Excluded Assets. The Registrant shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that the Registrant provide non-discretionary investment management services (whereby the Registrant would have trading authority) with respect to the Excluded Assets, the client may engage the Registrant to do so pursuant to the terms and conditions of the *Investment Advisory Agreement* between the Registrant and the client.

### **United Capital Financial Advisers, LLC - Sub-Advisory Relationship**

For certain client assets, the Registrant may outsource a portion of its investment management responsibilities to United Capital Financial Advisers, LLC (“UC”)<sup>1</sup>, an unaffiliated investment adviser and a subsidiary of Goldman Sachs. As a sub-adviser, UC is granted limited discretionary investment authority over assets that the Registrant directs to UC. For the assets directed to UC for services, UC’s responsibility includes the authority to:

- exercise discretion to determine the types of securities bought and sold, along with the percentage allocation
- apply its discretion as to when to buy and sell
- apply its discretion as to the timing of transactions
- select the broker-dealer for execution of securities transactions, if appropriate, and
- take other portfolio management actions the Registrant delegates or deems appropriate

UC sub-advisory authority applies only to the specific assets within the client’s custodial account, for which UC has been appointed as the sub-adviser. UC shall not provide investment advice, or have any advisory responsibility to the client, beyond the assets for which it is appointed as sub-adviser. The terms of services provided by UC are directed in accordance with a separate written agreement entered into between the Registrant and UC. UC also provides separate services to the Registrant under its division FinLife Partners, as described below.

### **FinLife Partners Service Offering**

The Registrant utilizes a suite of digitally powered technology solutions offered by FinLife Partners, a division of United Capital Financial Advisers, LLC (“FinLife Partners”). FinLife Partners provides the Registrant with access to a technology platform that includes certain clerical document and data compilation services. FinLife Partners is not in any way involved in, or responsible for, the individual investment management or guidance provided to Registrant’s clients. The Registrant pays FinLife Partners a \$12,500 annual flat fee for an unlimited number of clients and for use by up to four of Registrant’s investment advisor representatives for using its technology platform. Pursuant to the agreement between FinLife Partners and the Registrant, FinLife Partners will provide Registrant with a \$6,250 credit for every \$50,000,000 of client assets in UC strategies on their platform. For example, if Registrant maintains \$100,000,000 in strategies, Registrant would receive a credit of \$12,500 and Registrant would not have pay a fee for their use of the FinLife Partners platform. The Registrant is financially incentivized to refer clients to UC, creating a conflict of interest.

**Conflict of Interest.** The Registrant has a financial incentive to engage UC as a sub-adviser and/or utilizing the services provided by FinLife Partners. When the Registrant refers clients to UC for sub-advisory services and/or utilizes the services provided by FinLife Partners it receives an incentives. Specifically, Registrant will receive credit towards the annual technology implementation fee in connection with the Registrant’s use of FinLife Partners’ technology solutions. For example, the technology may be waived if the Registrant maintains at least \$100,000,000 in client assets in UC strategies

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<sup>1</sup> United Capital Financial Advisers, LLC is Goldman Sachs Company. In the spring of 2020, Goldman Sachs intends to change the name to Goldman Sachs Personal Financial Management.

on the FinLife Partners platform. Please Note: Clients are not charged for Registrant's use of FinLife Partner's technology platform. When considering a sub-advisor for the client, Registrant has a fiduciary duty to select a sub-advisor in the best interests of the client. **No client is under any obligation to utilize UC's sub-advisory services or FinLife Partners' technology solutions.** If a client does not want to utilize UC for sub-advisory services or receive the Registrant's Financial Guidance Services that require access to the FinLife platform, the client may discuss alternative options with the Registrant.

## **MISCELLANEOUS**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** As indicated above, to the extent requested by a client, the Registrant may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. **Please Note:** We **do not** serve as an attorney and no portion of our services should be construed as legal services. Accordingly, we **do not** prepare estate planning document or tax returns, unless the client has specifically engaged us pursuant to an All Inclusive Investment Advisory Agreement. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc), including representatives of Registrant in their separate individual capacities as a licensed insurance agent or Certified Public Accountant. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant and/or its representatives. **Please Note:** If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and **not** the Registrant, shall be responsible for the quality and competency of the services provided. **Please Also Note-Conflict of Interest:** The recommendation by Registrant's representative that a client purchase an insurance commission product through Registrant's representative in his separate and individual capacity as an insurance agent, presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment or insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products through such a representative. Clients are reminded that they may purchase insurance products recommended by Registrant through other non-affiliated insurance agencies/agents and/or engage an unaffiliated Registrant to provide accounting services. **Registrant's Chief Compliance Officer, J. Joseph Roman remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Disclosure Statement.** A copy of the Registrant's written Privacy Notice and Disclosure Brochure as set forth on Parts 2A and 2B of Form ADV shall be provided to each prospective client or client before, or contemporaneously with, the execution of the *Investment Advisory Agreement*, the *All Inclusive Advisory Agreement* or *Financial Planning Agreement*. Any prospective client or client who has not received a copy of Registrant's written Brochure at least 48 hours prior to executing such agreement shall have five business days subsequent to executing the agreement to terminate Registrant's services without penalty.

**Use of Mutual Funds.** While the Registrant may recommend allocating investment assets to mutual funds that are not available directly to the public, the Registrant may also recommend that clients allocate investment assets to publically-available mutual funds that they could obtain without engaging Registrant as an investment advisor. However, if a client or prospective client determines to allocate investment assets to publically-available mutual funds without engaging Registrant as an investment advisor, they would not receive the benefit of Registrant's initial and ongoing investment advisory services. **Please Note:** In addition to Registrant's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

**Portfolio Activity.** Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by Registrant will be profitable or equal any specific performance level(s). Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

**Independent Managers.** The Registrant may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers ("Independent Manager(s)"), excluding Independent Managers affiliated with UC and in accordance with the client's designated investment objective(s). In such situations, the *Independent Manager(s)* shall have day-to-day responsibility for the active discretionary management of the allocated assets. The Registrant shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives, for which Registrant shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Manager(s)* (between negotiable and 2.25%). Registrant generally considers the following factors when considering its recommendation to allocate investment assets to Independent Manager(s): the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The Independent Managers fee is separate and in addition to the Registrant's annual advisory fee.

**Unaffiliated Private Investment Funds.** Registrant may recommend that certain qualified clients consider an investment in unaffiliated private investment funds. Registrant's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. Registrant's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

**Risk Factors:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike



liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

**Valuation:** In the event that Registrant references private investment funds owned by the client on any supplemental account reports prepared by Registrant, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. However, if subsequent to purchase, the fund has not provided an updated valuation, the valuation shall reflect the initial purchase price or the capital called to date. If subsequent to purchase, the fund provides an updated valuation, then the statement will reflect that updated value. The updated value will continue to be reflected on the report until the fund provides a further updated value. Please Also Note: As result of the valuation process, if the valuation reflects initial purchase price or an updated value subsequent to purchase price, the current value(s) of an investor's fund holding(s) could be significantly more or less than the value reflected on the report. Unless otherwise indicated, the client's advisory fee shall be based upon the value reflected on the report.

**Envestnet Asset Management, Inc.** Registrant has retained Envestnet Asset Management, Inc. ("Envestnet"), an unaffiliated registered investment advisor, to provide, either directly or indirectly, investment advisory and related online technology and program services to the Registrant and the Registrant's clients. Registrant has contracted with Envestnet to utilize the Envestnet technology platform to support performance reporting, fee calculation and billing, and other research and advisory services of Envestnet to assist Registrant in the screening, selecting and monitoring of investment managers, sub-advisers and funds available through the program.

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

**Use of Dimensional Fund Advisors Mutual Funds:** Many mutual funds are available directly to the public, without need to engage an investment professional. Other mutual funds, such as those issued by Dimensional Fund Advisors ("DFA"), are generally only available through registered investment advisers. Registrant utilizes DFA mutual funds. Thus, if the client was to terminate Registrant's services, restrictions regarding transferability and/or additional purchases of, or reallocation among, DFA funds will apply. **Registrant's Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the above**

**Option Overlay Strategy.** The Registrant may recommend that certain clients invest in an index option-based overlay strategy which seeks to generate incremental cash flow and improve risk-adjusted returns on existing portfolio holdings. The strategy seeks to

generate returns by “harvesting” the time decay of option premiums by actively managing a portfolio of index option spreads. This strategy involves writing options to generate premiums while simultaneously purchasing further out-of-the-money options to contain and quantify risk. The seller of an option, who has the obligation to deliver to the purchaser a security or other instrument at the agreed-upon “strike” price, under certain circumstances risks incurring substantial and immediate losses. Specifically, if the sellers’ options are “uncovered” (meaning the seller does not own the underlying security), the seller could suffer substantial losses to the extent the index moves substantially higher (when selling calls) or lower (when selling puts) than the agreed upon “strike” price. These risks are mitigated by the underlying equity portfolio holdings, but the value of client’s portfolio holdings will not fully correlate with movements in the index. Purchases of out-of-the-money options serve as further risk mitigation, but hedges sometimes fail, especially during periods of sudden and unanticipated market movements. Investing in this strategy is speculative and involves varying degrees of risk, including substantial degrees of risk in some cases. Assets tied to this strategy may be leveraged which may increase the risk of investment loss. The performance of this strategy may be volatile. Please see Item 8 below for additional information regarding the use of options.

**Retirement Plan Rollovers – No Obligation / Conflict of Interest.** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer’s plan, if permitted, (ii) roll over the assets to the new employer’s plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account (“IRA”), or (iv) cash out the account value (which could, depending upon the client’s age, result in adverse tax consequences). If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant will earn a new (or increase its current) advisory fee as a result of the rollover. **No client is under any obligation to roll over retirement plan assets to an account managed by Registrant. The Registrant’s Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such rollover recommendation.**

**eMoney Advisor Platform and Orion Advisor Services.** In conjunction with the services provided by *eMoney Advisor* (“eMoney”) and *Orion Advisor Services* (“Orion”), Registrant may also provide access to account aggregation services, which can incorporate all of the client’s investment assets,” including those investment assets that are not part of the assets that we manage (the “Excluded Assets”). **The client and/or their other advisors that maintain trading authority, and not us, shall be exclusively responsible for the investment performance of the Excluded Assets.** In addition, *eMoney* also provides access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice or recommendations provided by Registrant. The Registrant shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the eMoney platform without Registrant’s assistance or oversight. Registrant does not provide investment management, monitoring or implementation services for the Excluded Assets. If Registrant is asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and Registrant shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. The client

may engage Registrant to provide investment management services for the Excluded Assets pursuant to the terms and conditions of the *Investment Advisory Agreement* between Registrant and the client.

**Client Obligations.** In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, revising Registrant's previous recommendations and/or services.

**Consulting Services.** Registrant's investment management is generally inclusive of any investment-related consulting services. In limited situations (i.e., non-investment management clients, and investment management clients that require a disproportionate amount of consulting services), Registrant may charge a fixed fee or hourly fee for investment-related consulting services, which shall be agreed upon before rendering the consultation services.

**Cash Positions.** Registrant may maintain cash and cash equivalent positions (such as money market funds or certificates of deposit) for defensive and liquidity purposes. Unless otherwise agreed in writing, all cash and cash equivalent positions are included as part of assets under management for purposes of calculating Adviser's investment advisory fee.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.
- D. **Wrap / Separately Managed Account Programs**): In the event that Registrant is engaged to provide investment advisory services as part of an unaffiliated wrap-fee program, Registrant will be unable to negotiate commissions and/or transaction costs. Under a wrap program, the wrap program sponsor ("Program Sponsor") arranges for the investor participant to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participants in this wrap-fee program will enter into a separate agreement with the Program Sponsor, and pay their fees directly to the Program Sponsor. Participation in a wrap program may cost the participant more or less than purchasing such services separately. In the event that Registrant is engaged to provide investment advisory services as part of an unaffiliated managed account program, Registrant will likewise be unable to negotiate commissions and/or transaction costs. **Registrant's Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client may have regarding participation in a wrap fee program.** Client is advised to review the Program Sponsor's Form ADV Disclosure Brochure and Wrap Fee Brochure for detailed information on their wrap fee program and the related fees.
- E. As of December 31, 2019, the Registrant had \$144,964,862 in assets under management on a discretionary basis and \$3,827,978 in assets under management on a non-discretionary basis.

## Item 5 Fees and Compensation

A.

### **INVESTMENT MANAGEMENT AND FINANCIAL GUIDANCE SERVICES**

If a client determines to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a *fee-based* basis, Registrant's annual investment advisory fee shall be based upon a percentage of the market value and type of assets placed under Registrant's management (between negotiable and 2.85%) as follows:

<b>Fee Schedule</b>				
<b>Client Assets Under Management (AUM) or Assets Under Advisement (AUA)</b>	<b>Investment Management, Financial Guidance &amp; Tax Preparation (*)</b>	<b>Investment Management &amp; Financial Guidance (*)</b>	<b>Investment Management Services Only</b>	<b>Financial Guidance Only(*)</b>
First \$100,000	2.85%	2.75%	2.25%	1.00%
Next \$400,000	2.60%	2.50%	2.00%	1.00%
Next \$500,000	2.10%	2.00%	1.50%	1.00%
Next \$1,000,000	1.35%	1.25%	1.00%	0.50%
Next \$3,000,000	1.15%	1.05%	0.85%	0.40%
Next \$5,000,000	1.00%	0.90%	0.75%	0.30%
Greater than \$10,000,000	Negotiable			

The following information applies to the above Cost of Services Schedule:

1. The actual fee paid by each client is noted in an agreement executed between the Registrant and the client. As directed in the agreement, the costs agreed to may be higher or lower than the rates noted in the above schedule.
2. The client's total fee is a blended cost using these stepped rates.
3. Assets under Advisement (AUA) shall mean all assets that client wishes to have included in *Guidebook*. Such assets may include client's entire net worth, or a portion. Fees will be applied to AUA for Financial Guidance only or when AUM/AUA is less than 50%.
4. For those clients engaging the Registrant to provide Investment Management & Financial Guidance services or Financial Guidance only, the Registrant generally charges a one-time fixed fee of \$1,500 for the preparation of the client's initial Financial Plan.
5. The fee noted for Financial Guidance provides a general guideline used by the Registrant as a tiered rate multiplied by the client's assets for which the Registrant provides Financial Guidance. The client's assets may include their entire net worth, or a portion. The fee is negotiated individually with each client and therefore the actual rate charged may be higher than the amount noted in the schedule applied directly against the client's under management. This is not meant to represent the maximum rate a client may be assessed for Financial Guidance services, instead is it the typical starting rate from which the Registrant's fee is negotiated.

The Registrant imposes minimum costs as follows: Financial Guidance Only - \$2,500; Investment Management Only - \$5,000; Combined Discretionary Investment Management & Financial Guidance - \$6,500; and Combined Discretionary Investment Management, Financial Guidance & Tax Return Preparation - \$7,500. Minimum costs may be reduced or waived on a case-by-case basis depending on the

facts and circumstances of the services provided, at Registrant's sole determination. The Registrant's investment advisory fee is negotiable at Registrant's discretion, depending upon objective and subjective factors including but not limited to: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professional(s) rendering the service(s); prior relationships with the Registrant and/or its representatives, and negotiations with the client. As a result of these factors, similarly situated clients could pay different fees, the services to be provided by the Registrant to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above.

6. For those clients that require comprehensive wealth management, financial planning and administrative services, Registrant may be engaged to provide such services for an increased fee. Each client's needs will be assessed, and the Registrant and the client will come to an agreement as to the fee charged for these services as well as the method and frequency of payment. The fee charged may be on an hourly basis, a fixed fee basis charged by month or quarter, based on the amount of assets under management, or any other fee calculation method mutually agreed by the Registrant and the client.

\* In the alternative, the Registrant may offer to provide Financial Guidance Services on a flat fee basis, generally ranging between \$2,500 and \$5,000.

#### **Sub-Manager Costs (United Capital)**

When the Registrant refers client assets to a Sub-Manager, the client is assessed an additional cost. The Sub-Manger assesses a fee to the Registrant for their management services and that fee is passed through directly to the client. The fee is based on a percent of the client's assets and ranges from 0.10% to 0.75%, depending on the manger and services provided. Sub-Managers also impose minimum investment requirements. The minimum amounts vary. In addition to Sub-Manager costs, the investment vehicles that client assets are invested in may have their own associated cost. For instance, costs are charged to shareholders of mutual funds and exchange traded funds by the fund manager and deducted directly from the net asset value of the investment vehicle.

#### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

The Registrant may provide its clients with financial planning and consultation services, including general business consulting services. Registrant will charge a fee (fixed fee and/or hourly) for these services, in certain instances through the use of independent contractor parties with whom Registrant has entered into a contractual relationship. Registrant's financial planning fees are negotiable, but generally range from \$500 to \$5,000 on a fixed fee basis and \$175 to \$425 on an hourly basis, depending upon the level and scope of the services required.

#### **COMPREHENSIVE REPORTING**

Registrant's fee shall be an annual fee of 0.25% of the Excluded Assets being reported. In the event that the client seeks to transfer Excluded Assets under Registrant's management, Registrant's normal fee schedule for investment management services will be imposed with respect to those assets and Registration will cease charging the reporting

fee over those same assets. The Registrant, in its sole discretion, may charge a lesser fee for this Comprehensive Reporting service and/or waive or reduce this fee based upon certain criteria. See Item 5.D. below for a non-exhaustive list of potential reasons.

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that *Schwab* serve as the broker-dealer/custodian for client investment management assets. *Schwab* charges brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity/debt securities transactions). In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, the client will also incur, relative to all mutual fund purchases, charges imposed at the mutual fund level (e.g., management fees and other fund expenses).
- D. Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter.

The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

## **Item 7            Types of Clients**

The Registrant's clients shall generally include individuals, business entities, trusts, estates, pension and profit sharing plans and charitable organizations. Registrant generally imposes an annual minimum fee of \$1,500 per household. The Registrant's account minimum for investment management services is \$500,000. Additionally, Registrant imposes minimum annual fees as follows:

- Financial Guidance Only - \$2,500
- Investment Management Only - \$5,000
- Investment Management & Financial Guidance - \$6,500
- Investment Management & Financial Guidance & Tax Return Preparation - \$7,500

The Registrant, in its sole discretion, may charge a lesser management fee and/or waive or reduce its minimum annual fee and/or asset requirements based upon criteria (i.e., existing financial planning client, anticipated future earning capacity, anticipate future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

A. The Registrant shall utilize the following methods of security analysis:

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Registrant shall utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

**Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s). Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease and client account values could suffer a loss.

B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis, the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a

forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases and Short Term Purchases are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, the Registrant may also implement and/or recommend the use of option strategies. The use of options has a high level of inherent risk. Accordingly, the decision as to whether to employ the use of options is left to the discretion of client.

Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by the Registrant shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio.

Although the intent of the options-related transactions that may be implemented by the Registrant is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct the Registrant, in writing, not to employ any or all such strategies for their accounts.

For detailed information on the use of options and option strategies, please refer to the Option Clearing Corp.'s Option Disclosure Document, which can be found at: <http://www.optionsclearing.com/components/docs/riskstoc.pdf>  
Hard copies may be ordered by calling 1-888-678-4667 or writing OCC, 1 North Wacker Drive, Suite 500 Chicago, IL 60606.

- C. Currently, Registrant primarily allocates investment management assets of its client accounts among various individual debt and equity securities, mutual funds and exchange traded funds, individual equities and *Independent Manager(s)*, on a discretionary basis, in accordance with the investment objectives of the client. (See *Independent Manager(s)* above). With respect to the Program, the Program Disclosure Brochure includes a discussion of various risks associated with the Program, including: the risks of investing in ETFs; the risks related to the underlying securities in which ETFs invest; market/systemic risks; asset allocation/strategy/diversification risks; investment strategy risks; trading/liquidity risks; and large investment risks. Each type of security has its own unique set of risks associated with it. The following provides a short description of some of the underlying risks associated with investing in these types of securities:



Market Risk. The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors (such as economic or political factors), but may also be incurred because of a security's specific underlying investments. Additionally, each security's price can fluctuate based on market movement, which may or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.

Unsystematic Risk. Unsystematic risk is the company-specific or industry-specific risk in a portfolio that the investor bears. Unsystematic risk is typically addressed through diversification. However, as indicated above, diversification does not guarantee better performance and cannot eliminate the risk of investment losses.

Value Investment Risk. Value stocks may perform differently from the market as a whole and following a value-oriented investment strategy may cause a portfolio to underperform growth stocks.

Growth Investment Risk. Prices of growth stocks tend to be higher in relation to their companies' earnings and may be more sensitive to market, political and economic developments than other stocks, making their prices more volatile.

Small Company Risk. Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, small capitalization companies are more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

Interest Rate Risk. Fixed income securities and fixed income-based securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices tend to fall. When interest rates fall, fixed income security prices tend to rise. In general, fixed income securities with longer maturities are more sensitive to these price changes.

Inflation Risk. When any type of inflation is present, a dollar at present value will not carry the same purchasing power as a dollar in the future, because that purchasing power erodes at the rate of inflation.

Reinvestment Risk. Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate), which primarily relates to fixed income securities.

Credit Risk. The issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and impact performance. Credit risk is considered greater for fixed income securities with ratings below investment grade. Fixed income securities that are below investment grade involve higher credit risk and are considered speculative.

Call Risk. During periods of falling interest rates, a bond issuer will call or repay a higher-yielding bond before its maturity date, forcing the investment to reinvest in bonds with lower interest rates than the original obligations.

Regulatory Risk. Changes in laws and regulations from any government can change the market value of companies subject to such regulations. Certain industries are more susceptible to government regulation. For example, changes in zoning, tax structure or laws may impact the return on investments.

Mutual Fund Risk. Mutual funds are operated by investment companies that raise money from shareholders and invests it in stocks, bonds, and/or other types of securities. Each fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. Mutual funds charge a separate management fee for their services, so the returns on mutual funds are reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Mutual funds that are sold through brokers are called load funds, and those sold to investors directly from the fund companies are called no-load funds. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

Exchange Traded Fund Risk. ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) an ETF's shares may trade at a market price that is above or below its net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

D. Index Tracker Global Series (United Capital). The Registrant may also allocate investments pursuant to the Index Global Series as follows:

- Aggressive Growth – Seeks to maximize long-term growth potential. Investments will be allocated in 100% equity.
- Growth- Seeks to provide for long term growth. Investments will be allocated in 80% equity and 20% bonds.
- Moderate Growth (1) - Seeks to provide moderate long-term growth. Investments will be allocated in 70% equity and 30% bonds.
- Moderate Growth (2) – Seeks to provide some long-term growth by investing in both bonds (40%) and a greater allocation to stocks (60%).
- Moderate – Seeks to provide a balance between capital preservation and growth. Investments will allocated 50% equity and 50% bonds.

- Conservative Growth – Seeks to provide capital preservation and limited growth by investing in a portfolio of primarily bonds with some stocks. Investments will be allocated 40% equity and 60% bonds.
- Capital Preservation – Seeks to provide capital preservation by investing exclusively in bonds (100%)

## Item 9            Disciplinary Information

The Registrant has not been the subject of any disciplinary actions.

## Item 10           Other Financial Industry Activities and Affiliations

- Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- Other Investment Adviser.** One of Registrant's representatives, Mark Sulpizio, is a dually registered investment adviser representative of the Registrant and Innovative Investment Fiduciaries, LLC, a state-registered investment advisory firm ("*Innovative*"). Registrant or its representatives, including Mr. Sulpizio, may recommend that clients utilize *Innovative's* pension planning or pension consulting services.

**Conflict of Interest:** The recommendation by Registrant that a client or its participants use *Innovative's* services presents a **conflict of interest**, as the receipt of compensation by Registrant's representative may provide an incentive to recommend the services of *Innovative* rather than a particular client's need. Clients are reminded that they are not under any obligation to use *Innovative's* services. **The Registrant's Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Certified Public Accountant.** Registrant's Principal J. Joseph Roman, is the Managing Member of Roman & Kulpa, LLC ("*R & K*") a certified public accounting firm. To the extent that *R & K* provides accounting and/or tax preparation services to any clients, including clients of the Registrant, all such services shall be performed by *R & K*, in its individual professional capacity, independent of the Registrant, for which services Registrant shall not receive any portion of the fees charged by *R & K*, referral or otherwise. It is expected that the members of *R & K*, solely incidental to their respective practices as Certified Public Accountants with *R & K*, shall recommend the Registrant's services to certain of *R & K's* clients. *R & K* is not involved in providing investment advice on behalf of the Registrant, nor does *R & K* hold itself out as providing advisory services on behalf of the Registrant.

**Conflict of Interest.** The recommendation by Registrant's representatives that a client engage *R & K* presents a **conflict of interest**, as Registrant's representatives could have the incentive to make such a recommendation based on fees received, rather than a particular client's need. No client is under any obligation to engage *R & K* or its

representatives in such a capacity and clients are reminded that they may engage other non-affiliated Certified Public Accountants. **The Registrant's Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest.**

**Licensed Insurance Agency.** Registrant is under common control with Lifetime Insurance Strategy Advisors, LLC ("*Lifetime*"), which is a licensed insurance agency that provides insurance services. J. Joseph Roman provides insurance services as a licensed insurance agent of *Lifetime*.

**Conflict of Interest.** *Lifetime* has entered into a producer agreement with United Capital Risk Management, LLC, an affiliate of United Capital Financial Advisors, LLC, ("UCRM") whereby *Lifetime* shall receive compensation for insurance products sold as a result of *Lifetime*'s use of UCRM's insurance sales and marketing resources. The recommendation by Registrant or its representatives that a client seek insurance services through *Lifetime* presents a **conflict of interest**, as there may be an incentive to recommend such services based on fees generated, rather than on a particular client's need. No client is under any obligation to utilize services offered through *Lifetime*. Clients are reminded that they acquire similar services through other non-affiliated insurance agencies. **The Registrant's Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Licensed Insurance Agent.** Certain of Registrant's representatives, in their separate and individual capacities, are licensed insurance agents and may recommend the purchase of certain insurance-related products on a commission basis. Clients may therefore engage these individuals to purchase insurance products on a commission basis.

**Conflict of Interest.** The recommendation by Registrant or its representatives that a client purchase an insurance commission product through a related person presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than a particular client's need. No client is under any obligation to purchase any insurance commission products from Registrant's related persons. Clients are reminded that they may purchase insurance products recommended by the Registrant and its representatives through other non-affiliated insurance agents. **The Registrant's Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of

which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed before those of the Registrant’s clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant’s “Access Persons.” The Registrant’s securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11 C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant’s Access Persons.

## **Item 12 Brokerage Practices**

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at *Schwab*. Before engaging Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets,

and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Non-Soft Dollar Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant can receive from *Schwab* (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, vendor, and/or product/fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis travel expenses and attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

There is no corresponding commitment made by the Registrant to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**The Registrant's Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest such arrangement may create.**

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**The Registrant's Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to seek best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

## **Item 13      Review of Accounts**

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.

- B. The Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Items 4 and 12.A.1 above, the Registrant receives an economic benefit from *Schwab*. The Registrant, without cost (and/or at a discount), can receive support services and/or products from *Schwab*. There is no corresponding commitment made by the Registrant to *Schwab* to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

However, as discussed above in Item 4, the Registrant has an incentive to direct client assets to be managed by *UC* as well as to utilize the services provided by FinLife Partners based upon the following financial incentives. Also discussed above in Item 4:

- Certain technology implementation fees incurred by the Registrant in connection with the Registrant's use of FinLife Partners' technology solutions may be waived if Registrant maintains a certain amount of assets on the FinLife Partners platform utilizing UC's sub-advisory services.

**The Registrant's Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest any such arrangement may create.**

#### **B. Compensation to Unaffiliated or Affiliated Solicitors**

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

#### **Item 15            Custody**

- A. The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written



transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

**Please Note: Custody Situations:** The Registrant engages in other practices and/or services on behalf of its clients that require disclosure at ADV Part 1, Item 9 (the "Custody" section), which practices and/or services are subject to an annual surprise CPA examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940. **The Registrant's Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

## **Item 16 Investment Discretion**

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Before the Registrant assumes discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming the Registrant as client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, **in writing**, on the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

## **Item 17 Voting Client Securities**

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

## **Item 18 Financial Information**

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.

- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: The Registrant's Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**