

BROCHURE



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March 30, 2020

This Brochure provides you with information about the qualifications and business practices of LRN Associates, Ltd. It contains information that you should consider before becoming a client of our firm.

The information contained herein has not been approved or verified by any government authority. Our firm is an Investment Adviser Firm registered pursuant regulations of the United States Securities Commission. Registration of an Investment Adviser does not imply a certain level of skill or training, only that we have filed the appropriate registration documents in the appropriate jurisdictions and with the respective governmental entities.

Additional information about LRN Associates, Ltd. can be found on the Investment Adviser Public Disclosure Website at www.adviserinfo.sec.gov. LRN Associates' CRD/IARD No. is 121231.

MATERIAL CHANGES (Item 2)

Material Changes Since Last Update

This version of our Brochure dated March 30, 2020 is our annual update. The following are the material changes since our last annual update in March of 2019:

Advisory Services (Item 4)

Assets under Management

We have updated our assets under management figure as required by regulations. As of December 31, 2019, our assets under management totaled \$42,380,718. Of this total \$17,037,663 is managed on a discretionary basis and \$ 25,343,055 is managed on a non-discretionary basis.

Methods of Analysis, Investment Strategies, and Risk of Loss (Item 8)

We have added additional details regarding our method of analysis and investment strategies and the material risks associated with our investment strategies.

General Revisions

We have included additional disclosures regarding the conflicts of interests associated with our business practices. We have also revised some language and content herein to ensure that our disclosures are clear and concise.

Full Brochure is Available

The foregoing is a summary of the material changes in the annual amendment to our Brochure. If you have any questions, or would like a full copy of our Brochure, please contact us by phone at (516) 883-7113 or by email to lnajman@lrnassociates.com.

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ADVISORY SERVICES (Item 4)

About Our Business

LRN Associates, Ltd. (also referred to herein as “we,” “us,” or “our”) is an investment advisory firm that provides comprehensive financial planning advisement, modular planning consultations, and portfolio management services. Our firm is a state of New York corporation that was formed in 1999.

Lynn R. Najman is the principal owner. Our firm is registered pursuant to the laws and regulations of the U.S. Securities and Exchange Commission.

Types of Advisory Services

We provide customized, comprehensive, goals-based financial plans, planning consultations regarding modular financial matters and portfolio management strategies, which are based on a client’s specific financial goals, objectives, and liquidity needs. A detailed explanation of our services is as follows:

1. Comprehensive Financial Planning Services

We construct comprehensive financial plans to assist clients in reaching their financial goals. Our plans are developed by evaluating data relative to a client’s financial circumstances, investment goals and objectives, and tax status. Our comprehensive financial planning report may include but is not limited to information relative to cash flow analysis, budgeting (consumption and debt management), retirement planning, estate planning, and business planning issues.

We will not be responsible for implementing any recommendations contained in the written financial plan prepared by our firm or supervising the implementation of such advice unless a client enters into a separate agreement for investment management services.

Clients who agree to enter into a separate engagement for investment management services are advised that our receipt of fees for financial planning services and portfolio management services creates a conflict of interest due to receipt of fees for both services. We mitigate this conflict by waiving the fees for financial planning services when a client engages us for portfolio management services.

Please note that clients are not obligated to implement our financial planning recommendations. Moreover, if a client elects to implement our financial planning recommendations, there is no obligation to implement the recommendations through our firm. Clients may implement recommendations with a professional adviser of personal choosing or own their own.

2. Financial Consultation Services

We provide one-time (or ongoing) consultation sessions regarding modular financial topics. Our consultation services may include but are not limited to matters such as a review and analysis of investment assets, retirement benefits optimization, appraisal of current asset allocation strategy, net worth analysis, and establishing financial goals. Clients may present any financial matter for consultation. If any topic extends beyond our scope, we will advise clients accordingly.

3. Portfolio Management Services

We offer investment management, personalized asset allocations, and portfolio construction strategies to meet our clients’ investment goals and objectives. Our portfolio management strategies encompass recommendations that align with a value-based investment philosophy. As a result, we generally recommend equities, bonds, fixed income securities, mutual funds, exchange-traded funds, foreign securities, publicly traded REITS, certificates of deposits, as well as other securities as investment vehicles for client portfolios.

4. Financial Education Seminars

We conduct financial education seminars that focus on several modular financial planning matters. Our seminar topics may include education regarding retirement planning, estate and tax planning, cash flow and debt management, asset protection, and other general topics related to investments or insurance.

Tailored Services

Our advice and services are based on the individual needs and situation of a client, after analyzing and thoroughly evaluating each client’s goals, objectives, investment horizon, and risk tolerance. Clients may impose restrictions on investing in certain asset classes by advising their investment advisor representative of such restrictions.

Wrap Fee Programs

We are not a sponsor of any wrap fee program.

Assets under Management

As of December 31, 2019, our assets under management totaled \$42,380,718. Of this total \$17,037,663 is managed on a discretionary basis and \$25,343,055 is managed on a non-discretionary basis.

FEES AND COMPENSATION (Item 5)

Advisory Fees

We earn fees and compensation by providing comprehensive financial plans, advising regarding modular financial topics, and managing investment portfolios. Our fees for services are as follows:

1. Fees for Comprehensive Financial Planning Services

Our fees for financial planning services are assessed at an hourly rate that ranges from \$275 to \$300. A review of each client's particular financial situation will be conducted to determine the complexity of the financial plan. Fees are assessed at the most beneficial structure based on the needs of the client, scope of services, or complexity of the financial plan. Upon engagement, clients will be provided a best-efforts fee estimate based on anticipated services and planning hours to be extended. Our hourly rate is negotiable, and the final rate, as agreed upon, will be outlined in our financial planning agreement.

2. Fees for Financial Consultation Services

Our fees for financial consultations are assessed at an hourly rate of \$300 (min. 2 hours). Fees are based on the needs of the client, scope of services, or frequency of the consultative sessions. Upon engagement, clients will be provided a best-efforts estimate of the hours to be extended. Unless agreed to otherwise, upon the conclusion of the consultation session(s), the terms of our financial consulting services engagement are complete. Supplemental services or special reviews are provided at an hourly rate of \$250 (min. 2 hours).

3. Fees for Portfolio Management Services

LRN Associates, Ltd – Portfolio Management Fee Schedule

Assets Under Management	Maximum Annual Rate
\$1,000,000 to \$2,000,000	1.50%
Over \$2,000,000 to \$3,000,000	.75%
Over \$3,000,000	.50%

Sample Fee Calculation:

Investments of \$2,500,000 | \$2,500,000 @ .75%
Quarterly fee of \$4,687.50 or Annual fee of \$18,750

Our fee schedule for portfolio management services is negotiable, and the final fee is outlined in our investment management agreement.

4. Fees for Financial Education Seminars

There are no fees for financial education seminars.

Billing Procedures

The specific details of our billing procedures are as follows:

1. Billing for Comprehensive Financial Planning Services

Prior to engagement for comprehensive financial planning services, we will provide client a best-efforts estimate for review and approval. Fees for financial planning services are paid upon delivery of the comprehensive financial plan. Financial plans are delivered within four (4) months of commencing services. Upon delivery of the financial plan, we will provide a final fee invoice that delineates total planning hours expended and balance due for services. Invoices are transmitted to clients, either in person, electronically or by mail and payment is due upon receipt. Clients may pay invoice by mailing a check to our address listed herein or any electronic funds transfer method.

2. Billing for Financial Consultation Services

Prior to engagement for financial consultation services, we will provide client a best-efforts estimate for review and approval. Fees for one-time consultations are due upon completion of the consultative session. Fees for ongoing financial consultations are billed and due quarterly in arrears. Quarterly fee invoices are based on the actual consultative hours expended. Invoices are transmitted to clients, either in person, electronically, or by mail and payment is due upon receipt. Clients may pay invoice by mailing a check to our address listed herein or any electronic funds transfer method.

3. Billing for Portfolio Management Services

Fees for portfolio management services are billed and due quarterly in arrears. Fee calculations are based on the value of the account(s) as listed on a national securities exchange or the principal market where the securities are traded, at the closing price, as of the last business day of each calendar quarter. Also, with respect to fixed income securities, valuations for billing often include accrued interest. Margin interest, if any, will accrue monthly.

4. Billing for Financial Education Seminars

As indicated, there are no fees for financial education seminars.

Other Fees & Expenses

Clients will also incur additional third-party fees and expenses ("third party fees") related to the management of investments and advisory service provisions. These fees may include but are not limited to no-load mutual fund ticket charges, brokerage transaction costs, deferred sales charges on previously purchased mutual funds, IRA maintenance fees, and other legal or transfer fees. The account custodians, broker-dealers, mutual fund companies, and others who provide account services charge these fees, and clients are responsible for payment of all third-party fees and expenses. Please note that as of the date of this Brochure, our account custodian does not assess transaction costs for trades in equity securities (i.e., stocks, exchange-traded funds, etc.). Also, clients whose assets are invested in mutual funds, exchange-traded funds, money market mutual funds, closed-end funds, and other investment company securities will incur additional expenses. These are direct expenses of the investment company that issues the security but a cost that is borne by investors (clients). The specific fees and expenses are outlined in the prospectus for each investment company security.

It is important to note that the advisory fees paid to our firm are separate and distinct from the maintenance fees and transaction expenses charged by these third parties. Please also refer to Item 12, Brokerage Practices, for information regarding our account custodian.

Refund Policy

Either party may terminate the advisory agreement at any time by providing thirty (30) days advance written notice to the other party. For financial planning services, upon delivery of the financial plan, the terms of our financial planning engagement are complete. Clients are required to enter into a new agreement for supplemental services. Likewise, upon completion of the session(s) for financial consultations, terms of the consultative engagement are complete. With respect to portfolio management services, upon receipt of a termination request, we will assess fees pro-rata, if applicable, to the date of termination, and any unearned portion of prepaid fees will be refunded within fourteen (14) business days. Any balances for unpaid fees due to us will be collected prior to the disbursement of funds, if applicable. In the event we are unable to deduct final fees from the account(s), in the case of transfer, we will transmit a final invoice to the client, which is due upon receipt. Clients pay final invoices by mailing a check to our address herein.

Other Compensation

Neither our firm nor investment advisor representative accepts any compensation for the sale of securities or other investment products. Our investment advisor representative is not registered in any investment sales capacity.

PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT (Item 6)

We do not charge performance-based fees, or conduct side-by-side investment product management.

TYPES OF CLIENTS (Item 7)

We generally provide investment advice to individuals, high net-worth individuals, corporations, other businesses, and pension and profit-sharing plans.

Our firm requires a minimum investment account value of \$1,000,000 to provide portfolio management services. We reserve the right to reduce or waive the initial minimum investment value based on the anticipation of additional funds to meet minimum accounts value within a reasonable period or other factors that we may deem in our sole discretion to be pertinent.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS (Item 8)

Methods of Analysis and Investment Strategies

We generally utilize fundamental analysis methods to analyze investments. Our primary sources of information include but are not limited to financial newspapers and magazines, the inspection of corporate activities, research materials prepared by others, and annual reports, prospectuses, and corporate press releases.

Fundamental analysis consists of analyzing financial statements of companies, calculating financial ratios, and reviewing cyclical trends of industries in conjunction with monetary policy indicators to assess the overall performance and profitability of companies.

We may also employ technical analysis to analyze securities. Technical analysis relies on the appraisal of trends in current market conditions to make interpretations about future price trends of a company's securities or stock market composites. We use charts, moving averages, and trading volumes to formulate and implement investment strategies based on this type of analysis.

We also evaluate the non-quantifiable factors of companies subjectively. Such factors may include quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and we analyze anticipated changes to company share price based on such data.

Our value-based philosophy encompasses a strategy that utilizes long-term growth goals and objectives, suitable asset allocation, and downside risk management. Accordingly, we will typically hold all or a portion of a security for more than a year. Nonetheless, tax management matters or client funding needs may dictate shorter holding periods.

Material Risks of Methods of Analysis and Investment Strategies

Although we utilize conventional investment analysis methods and strategies, there remains some level of material risk. We primarily use fundamental analysis methods that measure the risks of companies by formulating assumptions based on historical financial representations. Even though we use valid data sources, examine expense ratios, review return and risk ratings extensively, refer to economic indicators, review the implications of monetary policy, and consider management team tenure, our strategies are implemented as a result of the assumptions derived from the analysis of historical data. The results of investment strategies derived from this method of analysis are not guaranteed, and the past performance of an investment is not indicative of future financial returns.

Analogous risks exist with respect to analyzing securities and implementing advice and strategies based on technical analysis. Although technical analysis is not our primary method of analysis, we utilize it to evaluate the future profitability of holdings. Technical analysis relies on the appraisal of trends in current market conditions to make interpretations about future price trends of a company's securities or stock market composites. We may use charts, moving averages, and trading volumes to formulate and implement investment strategies. Due to the different trends in the market, technical analysis may not always yield a productive investment strategy. Furthermore, the results of investment strategies derived from this method of analysis are not guaranteed, and the material risk involves inaccuracy in future performance predictions.

All investments have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Clients typically face the following investment risks:

- **General Market Risks.** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a

security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

- **Interest-rate Risks.** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing market values to decline.
- **Inflation Risks.** When any type of inflation is present, a dollar will be worth more today than a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Financial Risks.** All companies have exposure to financial risks. Excessive borrowing to finance business operations decreases profitability because the company must meet the terms of its obligations in good and bad economic times. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or declining market value of a company's securities. All businesses are susceptible to financial risks at some point in a business cycle. When we invest in companies that have excessive debt, the financial risk of that company could negatively affect a client's portfolio holdings.
- **Currency Risks.** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risks.** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risks.** These risks are associated with a particular industry or a specific company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which produces its income from a steady stream of customers who buy electricity no matter what the economic environment.
- **Liquidity Risks.** Liquidity is the ability to convert an investment into cash readily. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Equity Securities Risks.** Equity securities such as common stocks are subject to changes in value that may be attributable to market perception of a particular issuer or general stock market fluctuations that affect all issuers. Investments in equity securities may be more volatile than other types of investments.
- **ETF Risks.** There are risks associated with investing in exchange-traded funds (ETFs) that may be unrecognized. ETFs are registered investment companies whose shares represent an interest in a portfolio of securities that are designed to track an underlying benchmark or index. Although ETFs seek to track an underlying benchmark or index, the ETF may or may not hold all of the securities in the underlying benchmark or index. ETFs are also subject to price variations. ETFs trade throughout the day and market prices are generally at or near the most recent net asset value (NAV). However, certain market inefficiencies may cause the shares to trade at a premium or discount to the stated NAV. For example, a high volume of market sales may cause ETFs to trade below the value of the underlying NAV. Moreover, as with any security, there is also no guarantee that an active secondary market for such ETF shares will continue to exist. Also, the redemption of ETFs can be limited. Only an authorized participant (generally broker-dealers that act as liquidity providers) may engage in creation or redemption transactions of an ETF. Furthermore, ETFs typically have a limited number of broker-dealers that may act as authorized participants. To the extent that authorized participants exit the business or are unable to proceed with creation or redemption orders, and no other authorized participant can step forward, the liquidity of an ETF is likely to be impacted and could face trading halts or delisting.
- **Asset Allocation Risks.** The asset classes represented in a client's portfolio holdings can perform differently from each other at any given time, as well as over the long term. A client's portfolio holdings will be affected by the allocation among equity securities (stocks) and fixed income securities (bonds), cash equivalents and occasionally, publicly traded REITs. If any asset class that comprises a client's holdings underperforms, the performance of other asset classes may suffer.
- **Time Horizon Risks.** A client may require the liquidation of portfolio holdings at a time earlier than the anticipated stated time horizon. If liquidations occur during a period that portfolio values are low,

the client will not realize as much value as he/she would have, had the portfolio holdings had the opportunity to gain value (or regain its value) as investments frequently do.

- **Regulatory and Governmental Risks.** Changes in laws and regulations can change the value of securities. Certain industries are more susceptible to government regulation. If portfolio holdings are invested heavily in a particular sector or industry, correlating changes in zoning, tax structure, or specific industry regulations could have an impact on returns or holdings.
- **Reliance on Advisor.** The performance of clients' portfolio holdings depends on the skill and expertise of our firm's staff to make appropriate investment decisions. The success of client portfolios depends upon our firm's ability to develop and implement investment strategies and to apply investment techniques and risk analyses that achieve a client's investment objectives. Subjective decisions made by us may cause portfolios to incur losses or to miss profit opportunities on which it may otherwise have capitalized. For example, our portfolios may include customized investment features that may impact the specific investment strategies implemented, including the allocation to fixed-income securities.

Notwithstanding the method of analysis or investment strategy employed by our firm, the assets within portfolios are subject to the risk of devaluation or loss. There is no guarantee that portfolio holdings or investment assets will achieve the desired investment objectives. Please be aware that many different events can affect the value of assets or portfolio holdings, including, but not limited to, changes in the financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters. While this information provides a synopsis of the events that may affect the value of investments, this listing is not exhaustive.

INVESTING IN SECURITIES INVOLVES A RISK OF LOSS THAT CLIENTS SHOULD BE PREPARED TO BEAR. CLIENTS MAY LOSE ALL OR A SUBSTANTIAL AMOUNT OF THEIR INVESTMENT.

Recommendation of Specific Types of Securities

We do not focus our advice on or make recommendations relative to any particular type of security. Our advice encompasses an array of securities and investment vehicles.

DISCIPLINARY INFORMATION (Item 9)

Neither our firm nor management personnel has been involved in any industry-related legal or disciplinary event.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS (Item 10)

Financial Industry Activities

We are not a registered broker-dealer and we do not have an application pending for registration as a broker-dealer. Additionally, neither our management personnel nor investment advisor representative is registered as or has any application pending to register as a registered representative of a broker-dealer.

Financial Industry Affiliations

Neither our management personnel nor investment advisor representative is registered as a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor, nor has an application pending to register as the foregoing or an associated person thereof.

Other Affiliations

We do not have an affiliated entity. Further, we do not have arrangements with a related person that is a broker-dealer, municipal securities dealer, government securities dealer or broker, investment company or other pooled investment vehicle (including mutual fund, closed-end investment company, unit investment trust, private investment company, or "hedge fund," and offshore fund), other investment advisor or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, pension consultant, real estate broker or dealer, sponsor or syndicator of limited partnerships not already disclosed herein.

Other Investment Advisers

We do not recommend other investment advisors to our clients.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING (Item 11)

Code of Ethics

We require that all employees of LRN Associates act ethically and professionally. Our management persons, investment advisor representatives, and other employees (collectively, “personnel”) subscribe to a strict code of ethics. Our Code of Ethics is constructed to comply with the investment advisory laws and regulations that require firms to act as fiduciaries in transactions with their clients. Our inherent fiduciary duty requires that we act solely in our clients’ best interests and adhere to standards of utmost integrity in our communications and transactions. These standards ensure that clients’ interests are given precedence.

Accordingly, we have implemented extensive policies, guidelines, and procedures that promote ethical conduct and practices by all of our personnel. The foregoing has been compiled and is collectively referred to as our Code of Ethics. We adopted our Code of Ethics to specify and prohibit certain types of transactions deemed to create conflicts of interest (or perceived conflicts of interest), as well as to establish reporting requirements and enforcement procedures relating to personal transactions by our personnel.

Our Code of Ethics, which deals specifically with our fiduciary duty, professional standards, insider trading, personal trading, and gifts and entertainment, establishes our ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust.

We will provide a copy of our complete Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

We do not recommend that clients buy or sell securities related persons may have a material financial interest.

Personal Trading

Proprietary Trading

We will, at times, buy or sell securities for our employees that we have also recommended to clients. We will always document any transactions that could be construed as a conflict of interest. Conflicts of interest relative to trades for our employees (“personal accounts”) may present in many different contexts. Some conflicts of interest related to personal trades include trading ahead to obtain a better transaction execution price than clients, recommendations or trades based on financial interest, trading on information that is not available to the public, or structuring transactions in a manner so that the results are profitable for employees’ accounts. To mitigate or remedy any conflicts of interest or perceived conflicts, we monitor internal trading reports for adherence to our Code of Ethics.

Simultaneous Trading

We are likely, from time to time, to buy or sell investments for the personal accounts of our employees at or around the same time as clients. As summarized above, our Code of Ethics requires us to (1) act in accordance with all applicable federal and state regulations, (2) act in the best interest of clients, (3) pre-clear transactions in private placements, or initial public offerings, and (4) review of personal securities transactions by employees to confirm adherence. Our chief compliance officer performs this review. In any instance where similar securities are purchased or sold, we will uphold our fiduciary duty by ensuring that transactions are beneficial to the interest of our clients.

BROKERAGE PRACTICES (Item 12)

Selection and Recommendation

We recommend account custodians after evaluating several factors. The factors include but are not limited to, relatively low fees and expenses, execution capabilities, reputation, access to securities markets, and expertise in handling brokerage support processes. We may also consider the availability of other products and services that benefit our clients, many of which are not typically available to retail (non-advisory) clients.

Our firm maintains a custodial services agreement with TD Ameritrade Institutional, (hereinafter, “TDAI”). TDAI is a registered broker-dealer, member of FINRA and SIPC. We are participants of TDAI’s institutional services platform for independent investment advisors.

Our firm is independently owned and operated and is not affiliated with TDAI. TDAI provides brokerage, operational support, and other custodial services to our firm and may also offer other services that assist us in managing or growing our advisory business. These services are available to our firm at no cost. Therefore, as a result of our established service agreement, cost implications, operational support, and custodial and other services provided, TDAI receives preferential status in the recommendation of custodians to our clients for our advisory transactions.

As a participant of the TDAI institutional services platform, we do receive ancillary benefits to support operational processes such as duplicate client confirmations and bundled duplicate statements; access to a trading desk serving platform participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; mechanisms to facilitate the deduction of advisory fees directly from client accounts; access to an electronic communication network for order entry and account information; receipt of compliance publications; and access to other products and services that are generally available only to institutional platform participants. These benefits are received solely through the institutional advisory platform, and do not necessarily depend upon the proportion of transactions directed to TDAI.

While we recommend that clients use TDAI as an account custodian, clients ultimately decide whether to do so. Clients will open an account by entering into an account agreement directly with TDAI. We do not open the account, although we may assist clients in doing so. As outlined in Item 5, Other Fees & Expenses, there are other costs and expenses related to the management of the investments and advisory service provisions.

Although TDAI generally does not charge clients separately for custody services, it is usually compensated by charging transaction fees on trades and assessing account maintenance fees. TDAI is also compensated by the interest it earns on the uninvested cash (i.e., investments in money market mutual funds) in client accounts and may be compensated by our clients’ investments in other products and services offered through TDAI.

Notwithstanding our agreement with and recommendation of TDAI, we reserve the right to use other or additional firms for custodial services.

1. Soft Dollar Benefits

We have not entered into any arrangement to receive research or other products or services (i.e., soft dollar benefits) other than execution from an account custodian, broker-dealer or any other third party.

2. Brokerage for Client Referrals

We do not receive client referrals from broker-dealers or other third parties in exchange for using any particular broker-dealer.

3. Directed Brokerage

(a) We routinely recommend that clients utilize TDAI. Our arrangement with TDAI is designed to maximize trading efficiencies and cost-effectiveness for our clients. By recommending that clients use our specific custodian, we seek to achieve the most favorable results relative to costs, trade allocation, and rebalancing client assets.

(b) We also permit clients to direct brokerage. If a client prefers a particular account custodian or broker-dealer, we will notify the custodian of our advisor-client relationship and proceed accordingly. Clients are advised that there may be higher costs associated with brokerage transactions pursuant to a directed arrangement.

Order Aggregation

In the normal course of business, we may (but are not obligated to) block or aggregate orders for all advisory accounts, including our personal accounts to execute transactions in a more timely, equitable, cost-effective, and efficient manner. When we block or aggregate trades, purchase and sale orders are averaged as to price and allocated among accounts proportionally. This practice is reasonably likely to result in an administrative convenience for our firm and an overall economic benefit to clients. Clients benefit relatively

with an averaged purchase or sell execution prices, lower transaction expenses, beneficial timing of transactions, or a combination of these and other factors.

If we decide that order aggregation is in the best interest of clients, before aggregating trades, we will prepare a written allocation statement specifying each advisory account that will participate in the aggregated order and the anticipated allocation among the accounts if the order is filled in its entirety. If the order is partially filled, allocations will be made according to our judgment of the best interest for each client, and such allocation decisions will be documented. For example, if an order is filled partially, client orders will be allocated before any personal account allocations. Each account participating in a block trade will pay or receive the average price for all shares included in the transactions for such securities on that day, to include applicable transaction costs.

Any change to an allocation must treat each client fairly and equitably and must be explained in writing and approved by our chief compliance officer promptly (generally no later than one hour) after the opening of the markets on the trading day following the day the order was executed.

Our firm does not receive any additional compensation or remuneration as a result of order aggregation. The chief compliance officer will review transactions periodically to detect and prevent inefficiencies that result from non-compliance with our order aggregation policies and procedures.

REVIEW OF ACCOUNTS (Item 13)

Periodic Reviews

Our criteria for reviewing client accounts are as follows:

1. Review of Financial Plans

Comprehensive financial planning services are performed through several meetings prior to the delivery of the financial planning report. After delivery of the comprehensive financial plan, additional updates to planning reports are provided on an ad hoc basis for an additional fee. *(Please review Item 5, Fees and Compensation for details regarding additional fees)*. In that financial plans are prepared based on the financial data that clients provide to our firm, clients are responsible for ensuring that we have the most up to date financial data for use in confidential questionnaires, planning reports and comprehensive financial plans.

2. Consultative Reviews

There are no continual reviews for consultation services. Upon the conclusion of services, the engagement is complete. Updates to reports that result from consultative services are provided for an additional fee. *(Please review Item 5, Fees and Compensation for additional details regarding fees)*

3. Review of Portfolio Assets

We monitor client portfolios daily. Our firm also provides formal portfolio performance reviews of client accounts no less than annually. Additionally, a performance review may be employed more frequently at the request of any client. Lynn Najman reviews the accounts, and our reviews consist of on-going monitoring and analysis to determine whether clients' portfolios and strategies continue to align with stated investment goals and objectives. If reallocation of investments is necessary, we may buy or sell investments that align with a client's investment goals and objectives.

Intermittent Review Factors

Periodic reviews may be triggered by substantial market fluctuation, economic, business, or political events, or by changes in a client's financial status (such as retirement, termination of employment, relocation, or inheritance).

Clients are responsible for contacting us to initiate a review upon the occurrence of any of the foregoing events.

Client Reports

We do not issue separate reports to clients. Clients will receive transaction confirmations from the account custodian shortly after executing buys or sells. Additionally, the account custodian will send monthly statements for each month in which there is trading activity. If there is no trading activity during any month, clients will receive account statements quarterly.

CLIENT REFERRALS AND OTHER COMPENSATION (Item 14)

Economic Benefits for Advisory Services

We do not have any arrangement to receive economic benefits from any third party for providing advisory services to our clients.

Compensation for Client Referrals

When the need arises, we may refer clients to other professionals such as accountants, attorneys, private bankers, and insurance brokers, etc. Our firm does not accept referral fees or other forms of remuneration for client referrals. Moreover, we do not compensate any person for referrals.

CUSTODY (Item 15)

Custodian of Assets

Our firm does not hold physical custody of client funds or securities. We require that qualified custodians hold client assets. For more information regarding the account custodian that services our accounts, please review Item 12, Brokerage Practices. Our firm has indirect custody of client funds and securities because of our authorization and ability to deduct advisory fees directly from clients' accounts; nonetheless, we have implemented the safeguard requirements by ensuring safekeeping of clients' funds and securities by a qualified custodian. We also have indirect custody of client funds and securities due to utilizing asset movement authorizations to process account disbursements at a client's request. Nonetheless, in all instances of indirect custody as a result of asset movement authorizations, we have implemented the internal control procedures of our account custodian.

Account Statements

Clients who receive account statements electronically will receive monthly or quarterly notifications regarding the availability of account statements. Clients who have requested physical copies of statements will receive such account statements by mail either monthly or quarterly based on account activity. In both instances, clients are advised to review account statements carefully, comparing asset values, activity, holdings, allocations, performance, and advisory fees on current statements to that in previously received account statements and confirmations.

INVESTMENT DISCRETION (Item 16)

Discretionary Authority

It is customary for our firm to exercise discretionary authority to manage and direct the investments of clients' accounts. This authority is granted upon the execution of our investment management agreement. Discretionary authority is to make and implement investment decisions without prior consultation with clients. Such investment decisions include determining the types and dollar amounts or percentages of securities to be bought or sold for an account and are made in accordance with the client's stated investment objectives. Clients may, at any time during our engagement, advise us in writing of any limitations on our authority. Clients may impose restrictions on investing in securities of specific industries or countries, etc., and dollar amounts or percentages of investments in the foregoing.

Non-discretionary Authority

If a client who engages us for portfolio management services, prefers non-discretionary authority, we will implement advice accordingly. Under non-discretionary authority, we will seek our client's consultation and approval before implementing an investment strategy. Correspondingly, we will only make investment decisions that are in accordance with a client's written investment policy statement and collaborative advisor-client decisions.

More importantly, clients who engage us on a non-discretionary basis must be willing to accept that we cannot make account transactions without obtaining prior oral or written consent to such transactions. Thus, if a client is unavailable during a market correction event, and we do not have oral or written instructions, we may be limited in our ability to effect account transactions.

VOTING CLIENT SECURITIES (Item 17)

Our firm does not participate in proxy voting on behalf of portfolio management clients. We may provide information for clarification of the issues presented in proxy solicitation materials; however, our clients are responsible for casting proxy votes. Clients are also responsible for directing shareholder action items relative to mergers, acquisitions, tender offers, bankruptcy proceedings, and other type events about the securities held in accounts managed by us. Clients receive proxy solicitation and information regarding shareholder action items by mail or electronically from the account custodian or issuer's transfer agent. Clients must follow the instructions for voting or take action as directed in the mailing or electronic delivery.

FINANCIAL INFORMATION (Item 18)

Balance Sheet Requirement

We do not require or solicit prepayment of more than \$1,200 in advisory fees per client, six (6) months or more in advance. Moreover, we do not meet any custody requirements that would require submitting our balance sheet.

Discretionary Authority, Custody of Client Funds or Securities and Financial Condition

We typically exercise discretionary authority with respect to supervising and directing the investments of clients' accounts. Upon a client's request, we will employ non-discretionary authority. Additionally, we have indirect custody of client funds and securities because of our authorization and ability to deduct advisory fees directly from clients' accounts. More importantly, we do not have any financial condition that will impair our ability to meet contractual commitments to clients.

Bankruptcy Petition Filings

Our firm has not been the subject of a bankruptcy petition at any time during the past ten (10) years.

ADDITIONAL DISCLOSURES

This section covers other matters and conflicts of interest related to our business, not specifically mentioned previously. If you have any questions regarding the disclosures and/or conflicts of interest listed below, please do not hesitate to request additional details or clarification.

CFP Board Disclosures

Our firm employs a Certified Financial Planner TM professional, Lynn R. Najman. See Lynn R. Najman's Brochure Supplement, for details regarding the conferment of her CFP[®] professional designation. Accordingly, we also adhere to the CFP Board's Standards of Professional Conduct.

We encourage clients to review all of the information outlined in this Brochure, which serves as our disclosure document. We welcome any questions that clients may have regarding our services (see Item 4, Advisory Services) and compensation (see Item 5, Fees and Compensation).

Should any material changes occur to the information outlined in this Brochure, updates will be provided to clients in a reasonable time frame, generally within thirty (30) days as required by advisory regulations. We acknowledge our responsibility to adhere to the standards established by the CFP Board's Standards of Professional Conduct, including the duty of care of a fiduciary, as defined by the CFP Board.

Retirement Plan Rollovers

Existing clients or prospective clients leaving an employer typically have four (4) options regarding assets in an existing retirement plan:

1. roll over the assets to the new employer's plan, if available, and rollovers are permitted;
2. leave the assets in the former employer's plan if allowed;
3. roll over the assets to an Individual Retirement Account ("IRA"); or
4. cash out the account value (adverse tax consequences may be applicable).

If we recommend that a client roll over retirement plan assets into an account to be managed by our firm, such a recommendation creates a conflict of interest because we will earn an advisory fee as a result of the rollover. As a fiduciary, we are required to ensure that such a recommendation is in a client's best interest.