

**Gray Wealth Management, Inc.**  
**d/b/a VanceGray Wealth Management**

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**Firm CRD#: 142613**

**Date: March 30, 2020**

**This brochure provides information about the qualifications and business practices of Gray Wealth Management, Inc. d/b/a VanceGray Wealth Management. If you have any questions about the contents of this brochure, please contact us at the phone number listed above.**

**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. Please note, where this brochure may use the terms "registered investment adviser" and/or "registered", registration itself does not imply a certain level of skill or training.**

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

## Item 2 Material Changes

This Firm Brochure, dated March 30, 2020, provides you with a summary of Gray Wealth Management, Inc.'s ("VanceGray Wealth Management", "VanceGray", " " or "Firm") advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our Firm's fiscal year end (FYE) of December 31, 2019. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.

2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following material change was made since our last annual amendment of our Firm Brochure dated March 29, 2019.

VanceGray has updated its fee schedule, provided additional clarification on how its management fee is calculated, and how it is applied to a terminated account. Please see "Item 5 – Fees and Compensation" below for further information.

### Full Brochure Availability

The Firm Brochure for VanceGray is available by contacting Vance Gray, Chief Compliance Officer, by telephone at (207) 992-2819, or by email at [vgray@vancegray.com](mailto:vgray@vancegray.com).

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## **Item 4 Advisory Business**

Established in 2007 by sole owner, President and Chief Compliance Officer, Vance Gray, Gray Wealth Management, Inc. d/b/a VanceGray Wealth Management, Inc. ("VanceGray Wealth Management", "VanceGray" or "Firm"), provides asset management, financial planning and consultation, pension consulting services, and educational seminars and workshops. Each of these services is offered separately under contract and there are separate fee schedules for each type of service offered.

### **Asset Management Services**

The Firm practices custom management of client assets according to the client's stated goals and objectives. Client assets are generally managed on a discretionary basis. Discretionary authorization is granted in writing by the client in the Investment Advisory Contract; however, clients have the option to have their accounts managed on a non-discretionary basis, as specified in the Contract.

If authorized by the client in writing, VanceGray has discretion over the securities, securities amounts, broker or dealer to be used, and the commission rates to be paid in client transactions. Client accounts are generally held at Charles Schwab & Co.; however, a client account may be established with another broker at the client's request and as specified in the Investment Advisory Contract. If accounts are managed on a non-discretionary basis, VanceGray will obtain client consent before executing transactions on behalf of the client.

Clients who enter into an Investment Advisory Contract for Asset Management Services will complete a Client Profile Form which requests information about the client's goals, investment objectives, tax status, and risk tolerance to assist VanceGray in managing the client's assets. All accounts are managed separately, tailored to the individual needs of clients. At the client's request, the client may impose restrictions on investing in certain securities or types of securities.

The Firm's primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. The Firm uses exchange listed securities, over-the-counter securities, foreign securities, corporate debt securities, CDs, fixed life insurance and annuities, municipal securities, mutual funds, and United States government securities to accomplish this objective.

The Firm measures and selects mutual funds by using various criteria such as the fund manager's tenure, and/or overall career performance. The Firm may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The Firm may recommend specific stocks to increase sector weighting and/or dividend potential. The Firm may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The Firm may also recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of the client, or any risk deemed unacceptable for the client's risk tolerance.

### **Financial Planning and Consultation Services**

The Firm also furnishes investment advice through comprehensive financial planning and consultative services.

Clients who enter into an Investment Advisory Contract for Financial Planning services will receive comprehensive financial planning services, including review of the client's overall financial situation, personal and financial goals, and risk tolerance and objectives. The service provided to the client will

include a written financial plan delivered to the client, and the client will be asked to acknowledge receipt of the plan.

Clients who enter into an Investment Advisory Contract for Consultative services will receive a review that focuses on the client's personal and/or financial goals and objectives as they apply to a particular area of concern for the client, generally estate planning, education planning, retirement planning, or some other specific area of concentration requested by the client.

### **Pension Consulting Services & Educational Seminars and Workshops**

VanceGray may offer pension consulting services to corporations and businesses on a non-discretionary basis. In providing this service, VanceGray will assist the client/plan sponsor with implementation of the employer's defined benefit or defined contribution plan and may also offer educational seminars and workshops to plan participants. In conducting such educational seminars, VanceGray provides general instruction regarding the structure of the plan and discusses overall investment strategies, including asset allocation and diversification among various asset classes. VanceGray does not provide product-specific advice to plan participants.

As of December 31, 2019, VanceGray had \$169,202,855 in discretionary regulatory assets under management and \$2,945,279 in non-discretionary regulatory assets under management, representing a total of \$172,148,134 in regulatory assets under management.

## **Item 5 Fees and Compensation**

### **Asset Management Services**

VanceGray charges a management fee based on a percentage of assets under management for managing client portfolios. Fees are charged monthly in arrears based on the fair market value of assets at the close of business on the last day of that month, with any cash flows in or out of the portfolio prorated based on the date of occurrence. For any partial month period on new and closed accounts, fees will be pro-rated based on the number of days in which the account is open during the month. The fee schedule is highlighted in the table below.

#### **Investment Management Fee Schedule**

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$0.00 - \$1,000,000	1.00%
\$1,000,001 - \$3,000,000	0.75%
\$3,000,000.01 and over	0.50%

These fees may be negotiated by the advisor under unusual circumstances, at the sole discretion of the Firm. Asset management fees will be automatically deducted from the client account on a monthly basis by the custodian, as authorized by the client in writing.

If a client so elects, the client may be billed hourly, rather than charged a fee based on the client's total assets under management. The hourly fee will be billed monthly at a rate of \$300 per hour, although this amount may be negotiated in advance.

Most asset management accounts are held at Charles Schwab & Co., Inc., unless the client requests

that assets be held with another firm. As client assets are held on a brokerage platform, clients may incur additional expense from brokerage-based activities. Clients should be aware that all custodial and execution fees remain separate and distinct from those fees charged by the Firm for its asset management services.

All fees paid to the Firm for asset management services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders (our clients). These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

Accordingly, clients should review both the fees charged by the mutual funds and the advisory fees charged by the Firm to fully appreciate the total amount of fees to be paid by the client.

### **Financial Planning and Consultation Services**

Clients who enter into an Investment Advisory Contract for financial planning or consultative services will be charged an hourly fee for such services. The hourly fee will be billed at a rate of \$300 per hour but may be negotiated in advance. Hourly fee-based clients are billed upon completion of work performed. The Firm may provide an estimate of expected charges in advance of commencement of services.

### **Pension Consulting Services & Educational Seminars and Workshops**

Fees for pension consulting services are negotiable, based on the amount and level of service to be provided as well as other factors, including the number of participants and assets, or expected assets, in the plan. The annual rate charged will range from 0.35% - 1.50% of total plan assets.

The Firm does not charge fees for the educational seminars and workshops it may provide.

### **Investment Advisory Contract Termination**

VanceGray and/or its clients may terminate the Investment Advisory Contract, for any reason upon receipt of 30 days written notice. As disclosed above, upon termination of any account, our fee will be pro-rated based on the number of days in which the account is open during the month, plus the required 30-day written notice, unless waived in writing by the party receiving such notice. The Investment Advisory Contract may not be transferred without the client's written consent.

### **Conflicts of Interest**

The advisory representatives of VanceGray also act as insurance agents for various insurance companies through affiliate, GrayStone Insurance. As insurance agents, these individuals may sell insurance related products to clients of VanceGray for commission. The offer and sale of any insurance-related product, and the receipt of any commissions on such sale, is made in the representative's capacity as an insurance agent, and not as an advisory representative of VanceGray. However, the ability to earn commission on the sale of product gives the representatives of VanceGray an incentive to recommend investment products based on the compensation received, rather than on the client's needs.

Clients are under no obligation to purchase product or implement recommendations made through the representatives of VanceGray. Clients have the option to purchase investment products through brokers or agents that are not affiliated with VanceGray. Should a planning client purchase an

insurance product when implementing the recommendations made in the plan, the client will pay a fee to VanceGray for financial planning and will subsequently pay commissions to an insurance carrier on the purchased product. The Firm does not reduce or waive advisory fees based upon implementation of advisory recommendations.

Certain advisory representatives of VanceGray are also accountants/tax preparers, offering services through the firm under the business name VanceGray Wealth Management Tax Strategies, a d/b/a of Gray Wealth Management, Inc. VanceGray may recommend the services of VanceGray Wealth Management Tax Strategies to advisory clients in need of tax or accounting services. All services provided by VanceGray Wealth Management Tax Strategies are offered under separate contract, for a separate fee.

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

As the Firm's advisory services do not incorporate performance fees or the offering of any additional investment services, side-by-side management does not apply to those services rendered by the Firm.

## **Item 7 Types of Clients**

The Firm provides investment advisory services to individuals, including high net worth individuals, pension and profit-sharing plans, trusts, charitable organizations, businesses and corporations.

The Firm requires clients to maintain a minimum account size of \$1,000 for asset management clients. This minimum account size remains negotiable, under certain circumstances, and at the sole discretion of the Firm.

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

The Firm's research methods include fundamental and technical analysis. Fundamental analysis is an assessment of various factors including, but not limited to security price, book value, industry and market outlook and other characteristics of the security.

Technical analysis employs the use of advanced data aggregation techniques to define certain trends of progressions in market place activity. Risks are controlled through asset allocation strategies and procedures to monitor account performance on an ongoing basis.

The Firm's primary approach to asset management utilizes a tactical allocation strategy which has been designed to reduce risk and increase performance. In order to accomplish this objective, the Firm primarily invests in exchange-listed securities, OTC securities, foreign issuers, corporate debt, CD's, municipal securities (bonds), treasury securities (bonds), life insurance, annuities and mutual fund shares over the long term.

The Firm may recommend, on occasion, redistributing investment allocations to diversify the portfolio. The Firm may make similar recommendations on specific stocks to increase sector weighting and/or dividend potential.

Additionally, the Firm may recommend employing cash positions as a possible hedge against market movement, where such movements may adversely affect the portfolio. The Firm may also recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed

unacceptable for the client's risk tolerance.

The Firm's main sources of research information include financial newspapers and magazines, annual reports, prospectuses, filings with the United States Securities and Exchange Commission, company press releases, and research materials prepared by others.

Investing in securities involves a certain amount of risk of loss that clients should be prepared to bear. Where short term trading methods are employed, the cost of more frequent trades can often incur more expense than that of a more conservative or long term purchase approach. Questions regarding these risks and/or increased costs may be directed to the Firm and its representatives.

## **Item 9 Disciplinary Information**

Rule 206(4)-4 of the Investment Advisers Act of 1940 requires investment advisers to provide clients with disclosures as to any legal or disciplinary activities deemed material to the client's evaluation of the adviser. Please note, neither the Firm nor its personnel have any disciplinary, regulatory, criminal, civil, or otherwise reportable history to disclose at this time.

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

Vance Gray, President, is also an owner and insurance agent of GrayStone Insurance, an affiliated insurance agency of which the advisory representatives of VanceGray are agents. In their capacity as insurance agents, the Firm's representatives are appointed with various insurance carriers whose products they may sell to advisory clients and earn commissions on the sale of such products. These commissions are in addition to advisory fees received for services rendered on behalf of VanceGray Wealth Management, Inc.

The Firm acknowledges a fiduciary obligation to place its clients' interests first. However, clients should be aware that the receipt of additional compensation and VanceGray's interest in the success of the affiliated insurance agency can create a conflict of interest, providing its representatives with an incentive to make recommendations that may not be in the client's best interest. All representatives of the Firm understand their obligation to act in the best interest of the Firm's clients. In order to properly handle these potential conflicts of interest, the Firm has adopted a Code of Ethics (see below).

The Firm also offers tax and accounting services under the name VanceGray Wealth Management Tax Strategies. VanceGray may recommend the services of VanceGray Wealth Management Tax Strategies, a d/b/a of Gray Wealth Management, Inc., to advisory clients in need of tax or accounting services. All services provided by VanceGray Wealth Management Tax Strategies are offered under separate contract, for a separate fee.

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

### **Description of Our Code of Ethics**

VanceGray strives to comply with applicable laws and regulations governing our practices. Therefore, the Firm's Code of Ethics includes guidelines for professional standards of conduct for its associated persons. VanceGray's goal is to protect client interests at all times and to demonstrate commitment to its fiduciary duties of honesty, good faith, and fair dealing. All associated persons are expected to adhere strictly to these guidelines and are required to report any violations of the firm's Code of Ethics to the CCO. Additionally, VanceGray maintains and enforces written policies reasonably designed to



prevent the misuse or dissemination of material, non-public information about clients, client account holdings.

Clients or prospective clients may obtain a copy of VanceGray's Code of Ethics by contacting the Firm at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither VanceGray nor any associated person has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

VanceGray or its associated persons may buy or sell the same securities that the Firm recommends to clients or securities in which clients are already invested. A conflict of interest exists in such cases because the Firm's associated persons have the ability to trade ahead of clients and potentially receive more favorable prices than clients will receive. To mitigate this conflict of interest, it is VanceGray's policy that neither the Firm nor its associated persons shall have priority over client purchases or sales of securities.

## **Item 12 Brokerage Practices**

The Firm has investment discretion to place transactions and select brokers without prior approval of clients. Such authority is subject to the terms and conditions of a written Investment Advisory Contract signed by the client. The Firm seeks to obtain the most favorable net results for client's price, execution quality, services and commissions.

In evaluating whether to use a particular brokerage firm for execution of client transactions, VanceGray may take into account the availability of services other than execution that are offered by the firm, including, but not limited to, research, pricing and other market data, facilitation of payment of our Firm's fees from client accounts, assistance with back-office functions, recordkeeping and client reporting, compliance, legal and business consulting, and publications and conferences on practice management and business succession. These services are considered benefits because VanceGray does not have to produce or pay for such research, products or services. VanceGray considers these services in addition to the cost and quality of the brokerage firm's services, which may create a potential conflict of interest. All client accounts are deemed to benefit from these services equally.

The Firm acknowledges a fiduciary duty to seek best execution pricing for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client.

The Firm's primary objective when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as price, size of order, difficulty of execution, confidentiality and skill required of the broker.

The Firm executes its transactions generally through Charles Schwab and Co., Inc. The Firm may also use other broker-dealers, which it chooses based on a variety of factors, including capital depth, market access, nature and character of the markets, execution, clearance and settlement capabilities and reasonableness of commissions.

Based on the above criteria, the Firm may not necessarily pay the lowest commission or commission equivalent as specific transactions can involve specialized services on the part of the broker. This would justify higher commissions (or their equivalent) than other transactions requiring routine services.

The client may also request that assets be held with another firm of his or her choosing. If the Firm is requested by a client to direct trades to a specific broker dealer other than the custodian typically used by the Firm for trade execution, it must be noted that the Firm's ability to negotiate commissions (where applicable), obtain volume discounts, or otherwise obtain best execution may not be as favorable as might otherwise be obtained.

VanceGray may combine orders into block trades to reduce commission and execution pricing. Allocations of such trades are performed in a timely and efficient order to ensure fairness to each account participating in the trade. Each account will then receive the same execution price (average share price) for the securities sold/purchased during that period (daily). In certain cases, orders may not filled within the given time period. However such orders are actively traded until the entire trade is completed, which may take several days. Clients should note that the timing of such trades may place a secondary role in consideration of the overall price afforded to those participating accounts.

While VanceGray does not participate in any formal soft dollar arrangements, the Firm may receive services other than execution from Schwab or other firms when client trades are placed with such firms. These services, as described below, are provided as a benefit to working with the brokerage firm and VanceGray does not use client brokerage commissions to obtain these services. VanceGray may receive, without cost to the Firm, online access to client accounts, which may include account analysis tools and research. These services allow VanceGray to better monitor client accounts maintained at the custodial firm. Clients should be aware; however, that VanceGray's receipt of these services from a brokerage firm creates a conflict of interest since these benefits may influence VanceGray's recommendation of one broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services. Additionally, VanceGray may also receive duplicate client confirmations, bundled duplicate statements, and access to a trading desk that exclusively services advisory firms who place client transactions through these brokerage firms. These research products and services are provided to all investment advisers that utilize Schwab, and are not considered to be paid for with soft dollars. However, clients should be aware that the commissions charged by Schwab for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

### **Schwab - Client Custody and Brokerage Costs**

For clients' accounts it maintains, Schwab generally does not charge separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the client's Schwab account. For some accounts, Schwab may charge a percentage of the dollar amount of assets in the account in lieu of commissions. Schwab's commission rates and/or asset-based fees applicable to client accounts were negotiated based on VanceGray's commitment to maintain \$10,000,000 of client assets in accounts at Schwab. This commitment benefits clients because the overall commission rates and/or asset-based fees clients pay are lower than they would be if VanceGray had not made the commitment. In addition to commission rates and/or asset-based fees, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that is executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the clients' Schwab account. These fees are in addition to the commissions or other compensation clients pay the executing broker-dealer. Because of this, in order to minimize trading costs, VanceGray has Schwab execute most trades for client accounts.

## **Schwab Advisor Services**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like VanceGray. They provide VanceGray and the Firm's clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help VanceGray manage or administer the Firm's clients' accounts while others help the firm manage and grow VanceGray's business. Schwab's support services generally are available on an unsolicited basis (VanceGray does not have to request them) and at no charge to the firm as long as the Firm keeps a total of at least \$10 million of our clients' assets in accounts at Schwab. Following is a more detailed description of Schwab's support services:

### Services that Benefit the Client

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which VanceGray might not otherwise have access or that would require a significantly higher minimum initial investment by the firm's clients. Schwab's services described in this paragraph generally benefit the client and the clients' account.

### Services that May Not Directly Benefit the Client

Schwab also makes available to VanceGray other products and services that benefit the Firm but may not directly benefit the client or the clients' account. These products and services assist VanceGray in managing and administering the Firm's clients' accounts. They include investment research, both Schwab's own and that of third parties. VanceGray may use this research to service all or some substantial number of the Firm's clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data; to facilitate payment of VanceGray's fees from the firm's clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

### Services that Generally Benefit Only VanceGray

Schwab also offers other services intended to help VanceGray manage and further develop the Firm's business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession;
- access to employee benefits providers, human capital consultants and insurance providers;
- discount of up to \$4,250 on PortfolioCenter® software.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to VanceGray. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide VanceGray with other benefits such as occasional business entertainment of the Firm's personnel.

## **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits VanceGray because the Firm does not have to produce or purchase them. VanceGray does not have to pay for Schwab's services so long as the Firm keeps a total of at least \$10 million of client assets in accounts at Schwab. Beyond that, these services are not contingent upon VanceGray committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give VanceGray an incentive to recommend that the client maintain the clients' account with Schwab based on the Firm's interest in receiving Schwab's services that benefit the Firm's business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of the clients' transactions. This is a potential conflict of interest. VanceGray believes, however, that the Firm's selection of Schwab as custodian and broker is in the best interests of the Firm's clients. It is primarily supported by the scope, quality and price of Schwab's services and not Schwab's services that benefit only VanceGray. VanceGray does not believe that maintaining at least \$10 million of assets under management at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

## **Item 13 Review of Accounts**

Accounts will be monitored on an on-going basis by the investment adviser representative on the account. Accounts will be addressed more frequently as necessary to respond to significant changes in client circumstances or changes in market conditions. Triggering factors to warrant more in-depth review could include the following:

- awareness of a change in the client's investment objective
- change in market conditions
- change in financial status
- re-balancing of assets to maintain proper asset allocation
- other activity discovered as the account is normally reviewed.

The client will receive monthly brokerage or custodial statements from the broker or custodian. The client is encouraged to notify the firm of changes in personal finances, especially those changes that might adversely affect the client's investment plan.

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

### **Client Referrals**

VanceGray does not compensate third parties for client referrals; however, it may compensate its own employees for bringing in clients. The Firm will only compensate employees for referrals under written agreement which requires the employee to disclose his/her relationship with the Firm at the time of solicitation.

### **Other Compensation**

VanceGray receives an economic benefit from Schwab in the form of the support products and services. These products and services, how they benefit the Firm, and the related conflicts of interest are described above (see *Item 12 - Brokerage Practices*). The availability of Schwab's products and services is not based on VanceGray giving particular investment advice, such as buying particular securities for clients.

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of VanceGray Firm are licensed insurance agents. For information on the conflicts of

interest this presents, and how the Firm addresses these conflicts, refer to the *Fees and Compensation* section.

## **Item 15 Custody**

VanceGray has limited custody of some of our clients' funds or securities when the clients authorize us to deduct our management fees directly from the client's account. VanceGray is also deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and under that SLOA authorize us to designate the amount or timing of transfers with the custodian. An independent qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution) holds clients' funds and securities – VanceGray does not act as custodian for any client.

The Firm is also deemed to have custody over assets in an account on which an investment adviser representative of the Firm serves in a conservator/trustee capacity, and when VanceGray has a client's password to an account (e.g. an employer 401k account), or when a client grants VanceGray check writing authority or general power of attorney on accounts as part of its bill pay service. The Firm complies with SEC Rule 206(4)-2 regarding requirements to ensure third-party verification of such client assets on an annual basis.

## **Item 16 Investment Discretion**

The Firm maintains discretionary authority over the broker-dealer to be used for a client's account, the commission rates to be paid to a broker or dealer, and the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from clients. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by the Firm.

Discretionary authority will only be authorized upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an agreement containing all applicable limitations to such authority.

## **Item 17 Voting Client Securities**

The Firm does not maintain any voting or proxy rights with respect to corporate actions related to client assets. Clients must vote their own proxies, which are sent directly to clients from the custodian or broker dealer of record. Clients may contact the Firm if they have any questions.

## **Item 18 Financial Information**

VanceGray does not require or solicit prepayment of fees six months or more in advance and thus a balance sheet is not included in this ADV Part 2A. The Firm does not have any financial conditions that are reasonably likely to impair its ability to meet contractual commitments to clients.