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**Form ADV Part 2A****Firm Brochure**

(Retirement Plan Clients)

March 24, 2020

This brochure provides information about the qualifications and business practices of the advisory Firm Retirement Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (615) 890-1000.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities authority. Additional information about Retirement Capital Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the Firm's IARD number, which is 166609.

While the Firm may be registered with the SEC, registration in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the Firm or an associated person.

**Item 2 - Material Changes**

There were no material changes to the business since our last annual amendment filing on March 28, 2019.

In the future, this section of the Brochure will discuss only the specific material changes that were made to the Brochure and will provide you with a summary of all material changes that have occurred since the last filing of this Brochure. This section will also identify the date of our last annual Brochure update.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year end which is December 31. We will provide other ongoing disclosure information about material changes as they occur. We will also provide you with information on how to obtain the complete brochure. Currently, our Brochure may be requested at any time, without charge, by contacting Larry Crocker at 615-890-1000.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

**Item 3 – Table of Contents**

**Form ADV – Part 2A (Retirement Services)**

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**Important Information:** Throughout this document, Retirement Capital Management, LLC shall also be referred to as the “firm,” “our,” “we” or “us.” The client or prospective client may also be referred to as “you,” “your,” etc., and refers to a client engagement involving a single *person* as well as two or more *persons*.

Our firm maintains a business continuity and succession contingency plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available under separate cover.

## **Item 4 - Advisory Business**

### **Description of the Firm**

Retirement Capital Management, LLC (“Adviser” or “Firm”) provides investment management, advisory and fiduciary compliance consulting services to foundations, various types of trusts (e.g. post-retirement healthcare trusts, private trusts, etc.), brokers and advisers, industry service providers, and organizations that sponsor retirement plans (e.g. 401(a), 401(k), 403(b), 457, defined benefit/pension plans, etc.) as well as endowments. The businesses or entities are herein collectively referred to as “Client” or “Plan”. Prior to engaging the Firm to provide services, the Plan is required to enter into one or more written agreements with Adviser setting forth the terms and conditions under which Adviser renders its services (collectively the “Agreement”).

Retirement Capital Management, LLC is a Tennessee domiciled limited liability company formed in 2012. We are not a subsidiary of, nor do we control another financial services industry entity. Our firm had been previously registered as an investment advisor with the State of Tennessee prior to our present registration with the SEC beginning in 2015. Our majority shareholder is Larry E. Crocker, Chairman, Chief Executive Officer and Chief Compliance Officer.

### **Description of the Firm’s Services**

The Adviser provides consulting services that are intended to assist Plans in understanding the scope of their fiduciary duties and responsibilities, develop prudent practices and procedures to enable them to effectively discharge those duties and responsibilities, and document their actions and decisions. The Adviser will accept certain retirement plan administrative and operational responsibilities and serve as a fiduciary as defined in Section 3(21)(A)(i) and/or Section 3(21)(A)(iii) of the Employee Retirement Income Security Act of 1974 (ERISA). The Adviser also provides investment advisory services on either a “non-discretionary” basis serving as a fiduciary as defined in §3(21) of ERISA or on a “discretionary” basis and thus serving as an Investment Manager as defined in §3(38) of ERISA.

The prospective client will be provided with a current Form ADV Part 2A Firm brochure and our privacy policy statement as well as disclosure of any material conflicts of interest that could be reasonably expected to impair the rendering of unbiased and objective advice. Should the Plan wish to engage Retirement Capital Management, LLC for its services, we must first enter into a written agreement (our client services agreement). It is important that the information and documents provided to the Adviser are accurate. Our Firm may, but is not obligated to, verify information provided to us, which will then be used in the advisory, consulting or management process. The prospective client is under no obligation to act upon any of the recommendations made by Adviser.

### **Fiduciary Governance**

The Adviser may assist administrative, operational and/or investment fiduciaries in the development of prudent practices and supporting documentation designed to enhance the fiduciary role, or Clients may engage the Adviser to perform such duties and responsibilities and Client deems prudent and appropriate. Our Firm assists fiduciaries in the development of committee charters, fiduciary eligibility documentation, and committee meeting documentation (e.g. agendas and minutes), investment policy and other activities that generally relate to prudent plan governance. Also included is assistance in preparing an annual report to the board of director or trustees as the Client deems prudent and appropriate. These services are generally provided for Clients on a retainer basis.

### **Assessment and Benchmarking**

The Firm may provide a fiduciary review or process assessment on the practices currently in place to manage the fiduciary duties and responsibilities. Our assessment would be to improve the effectiveness of the Client’s current practices.

Due to the changing regulatory environment, plan sponsors are now required to document all of the plan's fiduciaries and if they are service providers, document the reasonableness of their fees for the services and responsibilities. We assist Plans in benchmarking their providers by evaluating existing service providers and their expenses incurred for their services rendered. As needed, we prepare a vendor request for information and complete an analysis of the vendor responses. These services may be provided for on an hourly fee, fixed fee or retainer basis.

#### Fiduciary Oversight

We may provide ongoing fiduciary oversight services and vendor relationship management to assist the Client in the effective management of their plan and fiduciary responsibilities. These services are generally provided for on a retainer basis.

#### Investment Advisory Services

Our Firm also offers investment advisory services to qualified retirement plans under the Employee Retirement Income Security Act of 1974 (ERISA). The scope of such engagements can range from a limited review and analysis of the retirement plan investment menu, due diligence services of providers, to the continuous exercise of discretionary authority as an investment manager under § 3(38) of ERISA. Retirement plan advisory and consulting services include, but are not limited to:

- Initial plan assessment and analysis
- Plan mid-year and year-end reviews with trustee(s)
- Fiduciary / Trustee education
- Plan asset-class and investment menu recommendations and due diligence
- Investment monitoring reports, due diligence and substitution recommendations
- Plan level advice
- Ongoing due diligence
- Investment Policy Statement development
- Help define plan goals and objectives
- Fee and expense benchmarking
- Asset Allocation Models
- Vendor review and benchmarking
- Periodic participant surveying
- On-site visits each year to the plan's US-based locations

We will gather key information from the Client about the current or intended retirement plan, including any reasonable restrictions to impose on the management of the plan or accounts. Our Firm will manage the plan assets on either a discretionary or non-discretionary basis (defined in Item 16) per the Plan's choosing. The services listed above may be provided on an hourly fee, fixed fee, asset-based fee or retainer basis.

#### **Client-Tailored Services and Client-Imposed Restrictions**

In all instances involving our services, our Clients retain full discretion over all implementation decisions and are free to accept or reject any recommendation we make.

#### **Wrap Fee Programs**

Our Firm does not sponsor or serve as a portfolio manager in any investment program involving wrapped (bundled) fees.

**Client Assets under Management**

As of December 31, 2019, our firm had over \$90 million of reportable client assets<sup>1</sup> under its management.

**General Information**

Retirement Capital Management, LLC does not provide legal or accounting services. With the Plan's consent, we will work with other professionals, such as an accountant or attorney, to assist with coordination and implementation of accepted strategies. The Plan is hereby informed that these other advisers will charge separately for their services and these fees will be in addition to our own advisory fees.

Our Firm will use its best judgment and good faith effort in rendering its services. Retirement Capital Management, LLC cannot warrant or guarantee the achievement of a planning goal or any particular level of account performance or that your account will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, our Firm will not be liable to the Client, heirs, or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by our Firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from our adherence to the Plan or an account holder's direction or that of their legal agent; any act or failure to act by a service provider maintaining an account. Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith; therefore, nothing contained in this document shall constitute a waiver of any rights that a Client may have under federal and state securities laws.

**Item 5 - Fees and Compensation****Method of Compensation and Fee Schedule**

Depending upon the engagement, Retirement Capital Management, LLC offers its services to its Clients on a fee basis which may include hourly and/or fixed or flat fees as well as fees based upon the assets under management. Prior to engaging Retirement Capital Management, LLC to provide any of the aforementioned services, Clients are required to enter into one or more written agreements with the Firm setting forth the terms and conditions under which the Firm shall render its services.

**Hourly Fees**

Retirement Capital Management, LLC may be engaged for its investment management, advisory and consulting services under an hourly fee arrangement. The Firm's hourly rate ranges from \$250 to \$550 per hour billed in fifteen-minute increments and a partial increment will be treated as a whole increment. The rate will take into consideration such factors as the expertise dedicated to the engagement and any special services the Client may require. Prior to entering into an agreement with the Firm the Client will receive an estimate of the overall cost based on the requirements of the engagement and the time involved.

**Fixed Fees**

Retirement Capital Management, LLC may also be engaged under a fixed fee arrangement for its investment management, advisory and consulting services that typically ranges from \$2,500 to \$45,000. Fixed fees are based on the complexity of the Client's issues and the anticipated number of hours estimated to provide the requested services.

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<sup>1</sup> The term "assets under management" and rounding as defined by the SEC's *General Instructions for Part 2 of Form ADV*.

### Retainer Fees

Retirement Capital Management, LLC may also be engaged under a retainer fee arrangement. The Firm offers investment management, advisory and consulting and analysis services on a prepaid or "retainer fee" basis. This type of engagement may include any of the client types identified in the first paragraph of this section including endowments, foundations or retirement plan engagements, which may or may not include assets in accounts "held away." Retainer fees generally range from \$2,500 to \$10,000 per quarter; paid in equal installments and in advance of each period. The fee is based on the complexity of the Client's issues and the anticipated number of hours estimated to provide the requested services.

### Asset-Based Fees

Retirement Capital Management, LLC may also be engaged for investment management or supervisory services, on either a non-discretionary or discretionary basis. Investment management or supervisory and third-party investment manager programs are assessed an annualized asset-based fee that will be calculated based on the reporting period ending value of the account. These fees are billed in advance and may be billed monthly or quarterly.

Our investment management or supervisory services engagement fees are based on the value of the account at the end of the reporting period. Our annual investment services fees are based upon a percentage of the assets under management and generally range from 0.25% to 1.50% (25 to 150 basis points) of the assets supervised and will be determined by the investment strategy selected by the Client.

The Firm's annual engagement fee is exclusive of, and in addition to brokerage costs, transaction fees and other related costs and expenses that may be incurred by a Client. Our Firm does not receive any portion of these fees or costs.

Fees for Clients that elect a passive (non-managed) investment strategy or require less time involvement due to simplified investment supervisory needs may be discounted. In some cases, engaging the Firm on a retainer basis may be in the Client's best interest.

### Aggregating Account Fees

For the benefit of discounting the asset-based fee, our Firm may aggregate investment supervisory services accounts for the same plan sponsor or entity. Should investment objectives or services provided be substantially different for any two or more plans or entities, requiring different investment approaches or operational requirements, we reserve the right to apply our fee schedule separately to each engagement.

### Discounting Advisory Fees

The services to be provided and their specific fees will be detailed in the engagement agreement with our Firm. Our published fees may be discounted at the Firm's discretion; however, they are not negotiable. We strive to offer fees that are fair and reasonable in light of the experience of the Firm and the services to be rendered to our Clients.

### **Client Payment of Fees**

#### Hourly and Fixed Fees

Fees may be paid by check or teller's draft from US-based banks, as well as through automated payment processing through a qualified unaffiliated third-party processor. Upon Client written approval, we may also direct-bill the custodian of record or record keeper.



We do not accept cash, money orders, or similar forms of payment for our engagements. Fees are due as stated in the engagement agreement with our Firm, which is typically quarterly or upon delivery of the completed project, analysis of findings or report.

#### Asset-Based Fees

Annualized asset-based fees will be billed quarterly in advance. The first billing cycle will begin once the agreement is executed with our Firm. Fees for partial months will be prorated based on the remaining days in the reporting period in which the Firm provides services. Fee payments will generally be assessed *within* 10 days of the beginning of each billing cycle.

Accounts will be valued in accordance with the values disclosed on the statement the Client receives from the custodian or record keeper for the purpose of verifying the computation of the advisory fee. In the absence of a reportable market value, our Firm may seek an independent third-party opinion or a good faith determination by a qualified associate. Please note that the Client shares in the responsibility of verifying the accuracy of the fee calculation; the custodian or record keeper may not verify the fee calculation.

By signing our Firm's engagement agreement, as well as the custodian or record keeper account opening documents, the Client will be authorizing the withdrawal of transactional (see following section) and advisory or management fees from account(s). All fees will be clearly noted on account statements that will be provided by the custodian of record or record keeper. The withdrawal of these fees will be accomplished by the custodian or record keeper of record, not by our Firm, and the custodian or record keeper will remit advisory fees directly to our Firm.

#### Additional Client Fees

Any transactional or service fees (sometimes termed *brokerage fees*) assessed by a selected service provider [i.e., a custodian or record keeper], or other qualified retirement plan and/or account termination fees will be borne by the account holder per the current, separate fee schedules of any selected service provider.

Fees paid by our Clients to our Firm for our advisory services are separate from any transactional charges a Client may pay, as well as those for mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other investments of this type.

Per annum interest at the current maximum statutory rate may be assessed on fee balances due more than 30 days, and our Firm will refer past due accounts to collections or legal counsel for processing. Our Firm reserves the right to suspend some or all of its advisory services once an account is deemed past due.

Additional information about Firm fees in relationship to our business practices is noted in Items 12 and 14 of this document.

#### Charged Prepayment of Client Fees

##### Advance Payment for Certain Services

The Firm reserves the right to require an initial deposit for advisory or consultation services engagements in the amount of two-thirds (2/3) of the estimated fee, and this deposit will be defined in the engagement agreement. Retainer fees and asset-based fees are paid in advance.

### **Termination of Services**

Either party may terminate the service agreement at any time, which will typically be in writing. If the Client verbally notifies the Firm of the termination and, if in three business days following this notification the Firm has not received a notice in writing, the Firm will make a written notice of the termination in our records and send the Client its own termination notice as a substitute.

If the Firm's Form ADV Part 2A brochure was not delivered to the Client prior to entering into the advisory or consulting contract, then the Client has the right to terminate the engagement without fee or penalty within five business days after entering into the agreement. Should a Client terminate an engagement after this time period, the Client may be assessed fees for any time or charges incurred by our Firm in the preparation of a plan or investment allocation. Our Firm will promptly return any prepaid, unearned amount upon receipt of termination notice.

For those Clients who utilize our investment management and advisory services, our Firm will not be responsible for future allocations, investment advice or transactional services upon receipt of a termination notice. Upon termination, it will also be necessary that our Firm inform the custodian of record and record keeper, and any service provider serving the plan or account, that the relationship between the Firm and the Client has been terminated.

### **External Compensation for the Sale of Securities to Clients**

Our Firm is engaged for fee-only services. We do not charge or receive a commission or mark-up on securities transactions, nor will the Firm or an associate be paid a commission on the purchase of a securities holding that the Firm has recommended.

The Firm does not receive "trailer" or SEC Rule 12b-1 fees from an investment company that we may recommend. Fees charged by issuers are detailed in prospectuses or product descriptions and each investor is encouraged to read these documents in advance. Our Firm and its associates receive none of these described or similar fees or charges.

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

Retirement Capital Management, LLC's fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as "performance-based fees." Performance-based compensation creates an incentive for a Firm or their representatives to recommend an investment that may carry a higher degree of risk to a client. We do not use a performance-based fee structure because of the conflict of interest this type of fee structure poses.

Our fees will not be based on side-by-side management, which refers to a Firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not; this type of arrangement, and the conflict of interest it may pose, does not conform to our Firm's practices.

### **Item 7 - Types of Clients**

Our Firm provides investment management, advisory and consulting services to foundations, various types of trusts (e.g. post-retirement healthcare trusts, private trusts, etc.), brokers and advisers, industry service providers, and organizations that sponsor retirement plans (e.g. 401(a), 401(k), 403(b), 457, defined benefit/pension plans, etc.) as well as endowments.

Retirement Capital Management, LLC does not require a minimum level of assets or other conditions for its services, and we will inform you in advance of any account minimums or other restrictions. We reserve the right to waive or reduce certain fees based on unique individual circumstances, special arrangements, or pre-existing relationships. We reserve the right to decline services to any prospective Client for any non-discriminatory reason.

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

### **Methods of Analysis and Investment Strategies**

#### **Method of Analysis**

When we are engaged to provide investment advice, we will first gather and consider several factors, including:

- current financial situation of plan and participants
- current and long-term cash-flow needs
- investment goals and objectives
- level of investment knowledge of the plan trustees
- tolerance or appetite for risk
- restrictions, if any, on the management of the plan's assets

We employ what we believe to be an appropriate blend of fundamental, charting, technical, and cyclical analyses. For example, fundamental analysis may involve evaluating economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. Technical and cyclical analysis may involve studying the historical patterns and trends of securities, markets, or economies as a whole in an effort to determine potential future behaviors, the estimation of price movement, and an evaluation of a transaction before entry into the market in terms of risk and profit potential. The resulting data may then be applied to graphing charts, which is then used to assist in the prediction of future price movements based on price patterns and trends.

Our research is drawn from sources that include financial periodicals, inspections of corporate activities, reports from economists and other industry professionals; industry rating and research services, market timing services, annual reports, company press releases, prospectuses and regulatory filings.

#### **Investment Strategies**

Generally, our investment advice is based on a globally diversified strategy involving a long-term, disciplined approach that manages risk through appropriate asset allocation. We recognize that each Client and plan participant's needs and goals are different; subsequently, portfolio strategies and underlying investment vehicles may vary. The following are common strategies utilized within our Client's and plan's portfolios, *in alphabetical order*:

##### *Active Asset Management*

A portfolio manager engaging in an active asset management strategy believes it is possible to create a profit from identifying or leveraging mispriced securities, or producing similar returns with less risk, or producing returns greater than a stated benchmark, such as a well-known index. For example, a "large cap stock" fund manager might attempt to outperform the Standard & Poor's 500 Index by purchasing underpriced stocks or derivative instruments representing these positions.

Our active management strategy, and certain third-party investment managers we may recommend, may attempt to preserve capital during times of high risk through the use of cash and cash equivalents, options, and the percentage of account holdings invested in the market may vary substantially based on what they believe is the prevailing risk in the market. For example, if they feel risk in the stock market is low, they will increase exposure

to equities to attempt to take advantage of growth opportunities. When risk in the stock market is considered high, all or a portion of the portfolio's equity exposure may be moved to more stable short-term fixed income instruments and cash equivalent alternatives in order to preserve capital.

### *Modern Portfolio Theory*

This theory is based on the belief that proper diversification and risk management will provide an investor with a more stable and consistent return over time. It has been statistically determined that, on a risk adjusted basis, individual asset classes will generally outperform most asset classes over time. The practice of Modern Portfolio Theory does not employ market timing or stock selection methods of investing but rather a long term buy-and-hold strategy with periodic rebalancing of the account to maintain desired risk levels.

### Investment Vehicles Generally Recommended

We will strive to create portfolios that contain investment vehicles that are diversified, tax-efficient, and low-cost investments whenever practical. Although it is common to find a broad range of index mutual funds, ETFs and ETNs within a portfolio (including leveraged and inverse ETFs), certain accounts may necessitate holding actively-managed mutual funds, individual equity and fixed income holdings, certificates of deposit (CDs) and money markets<sup>3</sup>, certain listed and unlisted real estate investment trusts (REITs), master limited partnerships, managed futures, among others, to create as broad a diversification as necessary to meet demands of the portfolio or to effectively employ pre-existing holdings. We make asset allocation and investment policy decisions based on these and other factors. We will discuss with the Client how, in our judgment, to meet account objectives while at the same time seeking a prudent level of risk exposure.

### Investment Strategy and Method of Analysis Material Risks

The Firm believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, we cannot guarantee that an investment objective or planning goal will be achieved. Each account holder must be able to bear the risk of loss that is associated with investing, which may include the loss of some or their entire principal. Examples include:

Active Management Strategy Risks – A portfolio that employs active management strategies may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or "turnover." This may result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the Client, thereby potentially reducing or negating certain benefits of active asset management.

Charting and Technical Analysis - The risk of investing based on technical analyses and their supporting charts is that they may not consistently predict a future price movement; the current price of a security may reflect all known information. Further, a particular change in the market price of a security may follow a random pattern and may not be as predictable as desired.

Company Risk - When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is referred to as *unsystematic risk* and may be reduced through appropriate diversification.

Cyclical Analysis - An economic cycle may not be as predictable as preferred; many fluctuations may occur between long term expansions and contractions. The length of an economic cycle may be difficult to predict with accuracy and therefore the risk of cyclical analyses is the difficulty in predicting economic trends. Consequently, the changing value of securities is affected.

Financial Risk - Excessive borrowing to finance a business operation increases profitability risk because the company must meet the terms of its obligations in good and bad times. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Fundamental Analysis - The challenge with fundamental analyses is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value. If a security's price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

Inflation Risk - When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

Management Risk - An investment with a Firm varies with the success and failure of its investment strategies, research, analysis and determination of its portfolio. If an investment strategy were not to produce expected returns, the value of the investment would decrease.

Market Risk - When the stock market as a whole or an industry as a whole falls, it can cause the prices of individual stocks to fall indiscriminately. This is also called systemic or systematic risk.

Options Risks - Risks involving options trading are detailed in the Chicago Board Options Exchange's "The Characteristics and Risks of Standardized Options" brochure that we will provide to the client upon request or may be found at their website at: <http://www.cboe.com>.

Passive Markets Theory - A portfolio that employs a passive, efficient markets approach (representative of Modern Portfolio Theory) has the potential risk that at times the broader allocation may generate lower than expected returns than those from a specific, more narrowly focused asset, and that the return on each type of asset is a deviation from the average return for the asset class. We believe this variance from the "expected return" is generally low under normal market conditions when a portfolio is made up of diverse, non-correlated assets.

Research Data - When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a Firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves.

While our Firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

Socially Conscious Investing -If you require your portfolio to be invested according to socially conscious principles, you should note that returns on investments of this type may be limited and because of this limitation you may not be able to be as well diversified among various asset classes. The number of publicly traded companies that meet socially conscious investment parameters is also limited, and due to this limitation, there is a probability of similarity or overlap of holdings, especially among socially conscious mutual funds or ETFs. Therefore, there could be a more pronounced positive or negative impact on a socially conscious portfolio, which could be more volatile than a fully diversified portfolio.

Third-Party Manager Strategies - We will review with the Client the Form ADV Part 2 of any recommended third-party investment manager to ensure the Client is familiar with the investment strategy and types of investment vehicles they employ so that they align with stated investment policy, as well as discuss the risks these may impose on the account.

## **Security-Specific Material Risks**

**ETF/Mutual Fund Risk/Managed Futures** - ETFs, mutual funds and managed futures may carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. The risk of owning these types of holdings also reflects the risks of their underlying securities.

**Fixed Income Risks**- Various forms of fixed income instruments, such as bonds, money market funds, bond funds, and certificates of deposit, may be affected by various forms of risk, including:

**Credit Risk** - The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as "default risk." Credit risk may also occur when an issuer's ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF/ETN share values that hold these issues. Bondholders are creditors of an issuer and typically have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

**Duration Risk** - Duration is a measure of a bond's volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

**Interest Rate Risk** - The risk that the value of the fixed income holding will decrease because of an increase in interest rates.

**Liquidity Risk** - The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

**Reinvestment Risk** - With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

**Index Investing** – Investment vehicles such as certain ETFs and indexed funds have the potential to be affected by "tracking error risk" (see earlier paragraph under *Core + Satellite Strategies*).

**QDI Ratios** - While many ETFs/ETNs and index mutual funds are known for their potential tax-efficiency and higher "qualified dividend income" (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be part of an ETF/ETN or mutual fund portfolio), may be considered "non-qualified" under certain tax code provisions. We consider a holding's QDI when tax-efficiency is an important aspect of the Client's portfolio.

**REITs** - Risks involved in REIT investing may include:

- following the sale or distribution of assets an investor may receive less than their principal invested
- a lack of a public market in certain issues
- limited liquidity and transferability
- a fluctuation of value of the assets within the REIT
- reliance on the investment manager to select and manage assets
- changes in interest rates, laws, operating expenses, and insurance costs
- tenant turnover
- current market conditions

### **Item 9 - Disciplinary Information**

Neither the Firm nor its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our offering advisory business or its integrity.

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

Firm policies require associated persons to conduct business activities in a manner that avoids conflicts of interest between the Firm and its Clients, or that may be contrary to law. Retirement Capital Management, LLC will provide disclosure to each Client prior to and throughout the term of an engagement regarding any conflicts of interest which might reasonably compromise its impartiality or independence.

Neither the Firm, management, nor its associates, are registered or have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) introducing broker/dealer, or as a futures commission merchant, commodity pool operator, commodity trading adviser, or an associated person of the foregoing entities.

### **Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Neither, Retirement Capital Management, LLC nor its management, is or has a material relationship with any of the following types of entities:

- municipal securities dealer, or government securities dealer or broker
- bank, credit union or thrift institution or their separately identifiable departments or divisions
- lawyer or law firm
- accountant or accounting firm
- real estate broker or dealer
- sponsor or syndicator of limited partnerships
- investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)

Upon Client request, we may be provided a referral to various professionals, such as an accountant, banker, insurance agent or an attorney. While these referrals are based on our best information, we do not guarantee the quality or adequacy of the work provided by these referred professionals.

We do not have an agreement with or receive fees from these professionals for these informal referrals. Any fees charged by these other entities for their services are completely separate from fees charged by our Firm.

Our Firm is under common control with a pension consultant affiliate operating under the name of Fiduciary Consulting Group, Inc.; an ERISA compliance consulting firm. A Plan may maintain an agreement with both our Firm and its affiliate under separate engagements. Information with regard to these activities are found in Item 4 of the associates' brochure supplement. Whether an associate is serving a Client in one or more capacities, they will disclose in advance how they are compensated and if there is a conflict of interest involving any service they may provide. At no time will there be tying between business practices and/or services; a condition where a Client or prospective Client would be required to accept one product or service which is conditional upon the selection of a second distinctive tied product or service.

## **Recommendation or Selection of Other Investment Advisers and Conflicts of Interest**

As noted in Item 4 of this brochure, our Firm may provide recommendation to pre-screened, third-party investment managers (who are also required to be registered as investment advisers) or plan advisers (registered representatives) to service part of or the entire portfolio or retirement plan and/or plan participants' accounts. When engaged, these firms will invoice separately for their services.

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

Retirement Capital Management, LLC believes that its business methodologies, ethics rules, and adopted policies are appropriate to eliminate or at least minimize potential material conflicts of interest and to appropriately manage any material conflicts of interest that may remain. Clients should be aware that no set of rules can possibly anticipate or relieve all potential material conflicts of interest. In any event, our Firm will disclose to its Clients any material conflict of interest relating to the Firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

### **Code of Ethics Description**

Retirement Capital Management, LLC has adopted a Code of Ethics that establishes policies for ethical conduct for our personnel. Our Firm accepts the obligation not only to comply with all applicable laws and regulations but to also act in an ethical and professionally responsible manner in all professional services and activities. Firm policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others. Our Firm periodically reviews and amends its Code of Ethics to ensure that it remains current and requires Firm personnel to annually attest to their understanding of and adherence to the Firm's Code of Ethics. A copy of the Firm's Code of Ethics is made available to any Client or prospective Client upon request.

### **Privacy Policy Statement**

We respect the privacy of all Clients and prospective Clients ("Customers"), both past and present. It is recognized that you have entrusted our Firm with non-public personal information, and it is important that both access persons and customers are aware of Firm policy concerning what may be done with that information.

The Firm collects personal information about Customers from the following sources:

- Information Customers provide in plan documents, service agreements, account applications, and other documents completed in connection with the opening and maintenance of their accounts
- Information Customers provide verbally
- Information received from service providers, such as custodians, about account transactions

The Firm does not disclose non-public personal information about its Customers to anyone, except in the following circumstances:

- When required to provide services our Customers have requested
- When our Customers have specifically authorized us to do so
- When required during the course of a Firm assessment (i.e., independent audit)
- When permitted or required by law (i.e., periodic regulatory examination)

To ensure security and confidentiality, the Firm maintains physical, electronic, and procedural safeguards to protect the privacy of Customer information. Within the Firm, access to Customer information is restricted to personnel that need to know that information. All access persons and service providers understand that everything handled in Firm offices are confidential and they are instructed to not discuss Customer information with someone else that may request information about an account unless they are specifically authorized in



writing by the Customer to do so. This includes providing information about a spouse's IRA or parents' accounts, etc.

The Firm will provide its Customers with its privacy policy at any time, in advance, if Firm privacy policies are expected to change.

### **Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Neither the Firm nor an associate is authorized to recommend to a Client, or effect a transaction for a Client, involving any security in which the Firm or a "related person" (e.g., associate, an immediate family member, etc.) has a material financial interest, such as in the capacity as an underwriter or adviser to an issuer of securities, etc.

An associate is prohibited from borrowing from or lending to a Client unless the Client is an approved lending institution.

### **Firm/Personnel Purchases of Same Securities Recommended to Clients and Conflicts of Interest**

Retirement Capital Management, LLC does not trade for its own account (e.g., proprietary trading). The Firm's related persons may buy or sell securities that are the same as, similar to, or different from, those recommended to Clients for their accounts. A recommendation made to one Client may be different in nature or in timing from a recommendation made to a different Client; Clients often have different objectives and risk tolerances. At no time will the Firm or a related person receive preferential treatment over a Client.

In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of a Client's order, etc.), Firm policy requires the restriction or prohibition of related parties' transactions in specific securities. Any exceptions or trading pre-clearance must be approved by the Firm's Chief Compliance Officer in advance of the transaction in a related person's account, and the Firm maintains required personal securities transaction records per regulation.

## **Item 12 - Brokerage Practices**

### **Factors Used to Select Broker-Dealers for Client Transactions**

Retirement Capital Management, LLC does not maintain physical custody of plan assets (see Item 15 for further information). Accounts must be maintained by a qualified custodian (generally a broker/dealer, bank or trust company) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority. Our Firm is not a custodian nor is there an affiliate that is a custodian.

When engaged to provide investment consultation services, we may recommend the service provider with whom account assets are currently maintained. Should the Client prefer a new service provider, our recommendation of another service provider would be based on Client need, overall cost, and ease of use.

If we have been engaged to provide investment management services, we may recommend the services of TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC. As stated earlier, our Firm is independently owned and operated and is not legally affiliated with TD Ameritrade, Inc. ("TD Ameritrade"). While recommend TD Ameritrade as service provider, the Client will decide whether to do so and accounts will be opened by the account holder with TD Ameritrade by entering into an account agreement directly with them. Although we may assist you in doing so, we do not technically open the account.

TD Ameritrade offer independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. Our Firm receives some benefits from TD Ameritrade through participation in their programs (please refer Item 14).

We periodically conduct an assessment of any service provider we recommend, including TD Ameritrade, which generally includes a review of their range of services, reasonableness of fees, among other items, in comparison to their industry peers.

### **Best Execution**

"Best execution" means the most favorable terms for a transaction based on all relevant factors, including those listed in the paragraph titled *Factors Used to Select Broker-Dealers for Client Transactions* and within Item 14. We recognize our obligation in seeking best execution for our Clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected service provider's transactions represent the best "qualitative execution" while taking into consideration the full range of services provided. Therefore, we will seek services involving competitive rates, but it may not necessarily correlate into the lowest possible rate for each transaction. We have determined that having account trades executed through TD Ameritrade is consistent with our duty to seek best execution. We periodically review our policies regarding recommending custodians to our Clients in light of our duty to seek best execution.

### **Directed Brokerage**

Our internal policy and operational relationship with our preferred custodians require Client accounts custodied with them to have trades executed per their order routing requirements. We do not direct which executing broker should be selected for account trades; whether that is an affiliate of a preferred custodian or another executing broker of that custodian's choice. As a result, an account holder may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions than might otherwise be the case. In addition, since we routinely recommend a custodian for our advisory Clients, and that custodian may choose to use the execution services of its broker affiliate for some or all of our Client account transactions, there is an inherent conflict of interest involving our recommendation since our advisory Firm receives various products or services described in this section from that custodian. Note that we are not compensated for trade routing/order flow, nor are we paid commissions on such trades; we do not receive interest on our Client accounts' cash balances.

Our Clients may direct the custodian of record to use a particular broker to execute some or all account transactions. In these circumstances the Client will be responsible for negotiating, in advance of each trade, the terms and/or arrangements involving the account with that broker, and whether the selected broker is affiliated with our custodian of record or not. We will not be obligated to seek better execution services or prices from these other brokers, and we may be unable to aggregate transactions for execution via our recommended custodian with other orders for accounts managed by our Firm. As a result, an account holder may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case.

### **Aggregating Securities Transactions**

Trade aggregation involves the purchase or sale of the same security for several Clients/accounts at approximately the same time. This is also termed "blocked," "bunched" or "batched" orders. Aggregated orders are effected in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among multiple Client accounts should there be differences in prices, brokerage commissions or other transactional costs that might otherwise be unobtainable through separately placed orders. Our Firm may but is not obligated to aggregate orders, and the Firm does not receive additional compensation or remuneration as a result of aggregated transactions.

Transaction charges and/or prices may vary due to account size and/or method of receipt. To the extent that the Firm determines to aggregate Client orders for the purchase or sale of securities, including securities in which a

related person may invest, the Firm will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.*

Please note that when trade aggregation is not allowed or infeasible and necessitates individual transactions (e.g., withdrawal or liquidation requests, odd-lot trades, non-discretionary accounts, etc.), an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred. We review Firm trading processes on a periodic basis to ensure they remain within stated policies and regulation. Clients will be informed, in advance, should trading practices change at any point in the future.

### **Trade Errors**

The Firm corrects its trade errors through an account maintained by its custodian, and the Firm may be responsible for trading error losses that occur within a Client account. Clients should be aware that trading gains in accounts maintained at our preferred custodian is swept to a designated account and donated to a 501(c)(3) charity of the custodian's choice, and the custodian is obligated to disclose in their own literature to account holders whether such recipients' receipt of such donations presents a material conflict of interest.

### **Client Referrals from Custodians**

We do not receive referrals from our preferred custodian; nor are Client referrals a factor in our selection of a custodian.

## **Item 13 – Review of Accounts**

### **Schedule for Periodic Review of Client Plans and Advisory Persons Involved**

#### **Investment Consultation Services**

The Client should contact our Firm for additional reviews when there is an anticipated or experienced change in the goals or objectives of the plan or its accounts or a change in the persons responsible for managing the plan and/or making investment decisions. A thorough review will be conducted, and report of findings will be provided upon request. Unless provided for in the engagement agreement, reviews are generally conducted under a new or amended agreement and will be assessed at our current fee rate.

#### **Investment Management Services**

For accounts served by a recommended third-party investment manager, we will periodically review reports provided to the Client by the third-party investment manager and we will contact the Client at least annually to review their financial situation and objectives. We will communicate information to the third-party investment manager as warranted and assist the Client in understanding and evaluating the services provided. In certain instances, the Client may be able to communicate directly with their selected third-party investment manager.

#### **Investment Supervisory Services**

Investment supervisory services accounts are reviewed on a frequent basis by the assigned portfolio manager as well as our supervisory personnel. Client-level reviews are completed by the Client's assigned investment adviser representative, and we recommend that they occur on at least an annual basis. A copy of a revised IPS or asset allocation reports will be provided to the Client upon request.

## **Review of Client Accounts on Non-Periodic Basis**

### **Investment Consultation Services**

Clients are free to contact our Firm for additional reviews when there are material changes that occur or if there is a change to their plan/account. Non-periodic reviews are conducted by the assigned investment adviser representative, which may occur under a new or amended agreement, and will be assessed at our published rate. A copy of revised plans or asset allocation reports will be provided to the Client upon request.

### **Investment Management and Investment Supervisory Services**

Additional reviews by portfolio manager(s) and/or Firm supervisory personnel may be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector.

Accounts may be reviewed for an additional holding or when an increase in a current position is under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the Client's stated tolerance for risk and investment objectives, may also trigger a review.

## **Content of Client Provided Reports and Frequency**

Clients and plan participants will receive account statements sent directly from mutual fund companies, transfer agents, custodians, record keeper or brokerage companies where accounts are held. We urge Clients to carefully review these statements for accuracy and clarity, and to ask questions when something is not clear.

Our Firm may provide portfolio "snapshot" reports if we are engaged to provide periodic asset allocation or investment advice; however, we do not provide ongoing performance reporting under an investment consultation services engagement. For investment supervisory services accounts, our Firm may provide written account performance summary reports upon the Client's request. Such reports will be in prepared via our custodian of record's systems; not a separate reporting system or internally created report by our advisory Firm. Clients may also receive quarterly portfolio or performance reports directly from their selected third-party investment manager.

Clients are urged to carefully review and compare account statements that they have received directly from their custodian of record with any report received from our advisory Firm that contains portfolio performance information.

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

### **Economic Benefit from External Sources and Potential Conflicts of Interest**

We may receive an economic benefit from external sources in the form of the support products and services they make available to us and other independent investment advisers. As disclosed under Item 12, our Firm participates in TD Ameritrade's institutional program and we may recommend TD Ameritrade to our Clients for custody and brokerage services.

There is no direct link between our participation in the program and the investment advice we give our Clients, although our Firm receives economic benefits through its participation in the program that are typically not available to "retail investors." These benefits include the following products and services (provided either without cost or at a discount):

- receipt of duplicate client statements and confirmations
- research related products and tools
- consulting services

- access to a trading desk serving our Clients
- access to block trading (which provides our ability to aggregate securities transactions for execution and then allocate the appropriate shares to our Client's accounts)
- the ability to have advisory fees deducted directly from our Client's accounts per our written agreement
- access to an electronic communications network for Client order entry and account information
- access to mutual funds with no transaction fees, and to certain institutional money managers; and
- discounts on research, technology, and practice management products or services provided to our Firm by third party vendors

Some of the noted products and services made available to our Firm by a custodian benefit our Firm but may not directly benefit a Client account, and certain research and other previously referenced services qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934. The availability of these services benefits our Firm because we do not have to produce or purchase them as long as Client assets are maintained at our recommended custodian. There is a conflict of interest since our Firm has an incentive to select or recommend a custodian based on our Firm's interest in receiving these benefits rather than in the interest of receiving favorable trade execution. It is also important to mention that the benefit received by our Firm through participation in any custodian's program does not depend on the amount of brokerage transactions directed to that custodian, and our selection of a custodian is primarily supported by the scope, quality, and cost of services provided as a whole -- not just those services that benefit only our Firm. We will act in the best interest of our Clients regardless of the custodian we may select.

#### **Advisory Firm Payments for Client Referrals**

We do not engage in solicitation activities involving unregistered persons. A Firm associate may hold individual membership or serve on boards or committees of professional industry associations. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements.

A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective Clients) to search for individual participants within a selected state or region. These passive websites may provide means for interested persons to contact a participant via electronic mail, telephone number, or other contact information, in order to interview the participating member. The public may also choose to telephone association staff to inquire about an individual within their area and would receive the same or similar information. A portion of these participant's membership fees may be used so that their name will be listed in some or all of these entities' websites (or other listings). Prospective Clients locating our Firm or an associate via these methods are not actively marketed by the noted associations. Clients who find us in this way do not pay more for their services than Clients referred to us in another fashion, such as by another Client. We do not pay these entities for prospective Client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

#### **Item 15 - Custody**

Account assets will be maintained by an unaffiliated, qualified custodian, such as a bank, broker/dealer, insurance company, mutual fund companies, or transfer agent. Assets are not held by our Firm or any associate. In keeping with this policy involving Client funds or securities, Retirement Capital Management, LLC:

- Restricts the Firm or an associate from serving as trustee or having general power of attorney over a Client account;
- Prohibits an associate from having authority to directly withdraw securities or cash assets from a Client account. Although the Firm may be deemed to have "constructive custody" of accounts since we may request the withdrawal of advisory fees from an account, we will only do so through engagement of a qualified custodian maintaining Client account assets, via prior written Client approval;
- Does not accept or forward Client securities (i.e., stock certificates) erroneously delivered to our Firm;

- Will not collect advance fees of \$1,200 or more for services that are to be performed six months or more into the future;
- Will not authorize an associate to have knowledge of a Client's account access information (i.e., online 401(k), brokerage or bank accounts) if such access would result in physical control of assets.

Clients will be provided with transaction confirmations and summary account statements sent by the custodian of record. Typically, statements are provided on at least a quarterly basis or as transactions occur within an account. Retirement Capital Management, LLC will not create a statement for an account holder or serve as the sole recipient of account statements.

Should a Client receive periodic reports from our Firm that includes investment performance information, they are urged to carefully review and compare account statements that have been received directly from the custodian of record with any report from our Firm.

## **Item 16 - Investment Discretion**

### ***Investment Consultation Services***

Should you ask us to assist you in any trade execution (including account rebalancing) it will only be done with your selected service provider and following your approval.

### ***Investment Management Services***

Third-party investment managers typically provide their services under *discretionary account* authority. Similar to a limited power of attorney, discretionary authority allows the third-party investment manager to implement investment strategies and trading decisions, such as the purchase or sale of a security on behalf of an account, without requiring prior account holder authorization for each transaction in order to meet stated investment objectives. This authority will be granted through the execution of the third-party manager agreement. The custodian of record will specifically limit their authority in an account to the placement of trade orders and the request for the deduction of advisory fees. If a Client requires the account be managed in a non-discretionary manner, most third-party investment managers retain the right to either refuse or terminate an account or continue to manage the account under a higher asset-based fee due to increased operational costs. In light of the requirement for pre-approval for a non-discretionary investment management account (if accepted), the Client must also make themselves available and keep both our Firm and each selected third-party investment manager updated on contact information so that instructions can be efficiently effected.

### ***Investment Supervisory Services***

Retirement Capital Management, LLC typically provides its investment supervisory services on a *discretionary* basis as described above. In addition to our Firm's Client services agreement that describes our account authority, as well as the custodian of record's account opening documents, the Client will be required to complete their limited power of attorney form. This document will allow our Firm to implement investment or distribution decisions in order to meet Client requests. The Client may amend account authority by providing our Firm with revised written instructions. As noted in Item 4, our Firm will allow for reasonable restrictions involving the management of a Client account. It remains the Client's responsibility to notify the Firm if there are changes in investment objectives so that the Firm may evaluate previous investment recommendations or portfolio holdings.

## **Item 17 - Voting Client Securities**

The Client may receive voting proxies or other similar solicitations sent directly from the custodian of record or transfer agent. Should we receive a duplicate copy please note that we do not forward these or any correspondence relating to the voting of securities, class action litigation, or other corporate actions.

Our Firm does not vote proxies on an account's behalf nor do we offer guidance on how to vote proxies, to include those accounts we serve on a discretionary basis. The Client will maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by the account holder shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to their holdings.

Accounts managed through a selected third-party investment manager may have proxy voting executed by the portfolio manager or another qualified industry entity. It is important for the Client to review the selected third-party investment manager's Form ADV Part 2A to determine their proxy voting policies. A Client may also obtain copies of their written proxy voting policies and procedures as well as information on how proxies were voted for an account by requesting such information directly from that entity. They will generally not disclose proxy votes to other clients or third parties unless specifically requested, in writing, by the Client or their legal representative.

We do not offer guidance on or have the power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a Client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving Client assets.

#### **Item 18 - Financial Information**

Our Firm will not take physical custody of account assets, nor do we have the type of discretionary authority to have such control over account assets. Fee withdrawals must be done through a qualified intermediary (e.g., account custodian of record), per the Client's prior written agreement (termed "constructive custody").

Our engagements do not require we collect fees of \$1,200 or more for advisory services that will be performed six months or more in advance.

Neither our Firm nor its management serve as general partner for a partnership or trustee for a trust in which the Firm's Clients are either partners of the partnership or beneficiaries of the trust.

The Firm and its management do not have a financial condition likely to impair its ability to meet commitments to Clients, nor has the Firm and its management been the subject of a bankruptcy petition. Due to the nature of our Firm's advisory services and operational practices, an audited balance sheet is not required nor included in this brochure.