

# TCI FOUNDATION INC.

ADV Part 2A, Firm Brochure  
Dated: March 16, 2020

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This Brochure provides information about the qualifications and business practices of TCI Foundation Inc. If you have any questions about the contents of this Brochure, please contact us at (877) 733-1859 or [catherine.nichols@tciwealth.com](mailto:catherine.nichols@tciwealth.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

References herein to TCI Foundation Inc. as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

## Item 2            Material Changes

There have been no material changes made to TCI Foundation Inc.'s Brochure since our last Annual Amendment filing made on March 25, 2019.

**TCI Foundation Inc.'s Chief Compliance Officer, Catherine Nichols, Esq., remains available to address any questions about these amendments, or any other aspect of this Firm Brochure.**

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#### Item 4            Advisory Business

- A. TCI Foundation Inc. (the “Registrant”) is a non-profit corporation formed in the state of Arizona on October 3, 2013, which became an SEC registered investment adviser on February 7, 2014. The Registrant is a 501(c)(3) charitable organization, and therefore does not have any “owners.” However, the Registrant is controlled through its Board of Directors, comprised of the following individuals: Sam Swift, Catherine Nichols and Robert Swift. The Registrant is under common control with TCI Wealth Advisors, Inc., an affiliated SEC registered investment adviser (“TCI Wealth”). Both the Registrant and TCI Wealth share the same principal office and place of business.
- B. As discussed below, the Registrant offers education, budget counseling, and personal finance counseling to individuals of modest means (“Participants”) on a pro bono basis. Registrant **does not** provide investment implementation, investment management, or investment supervisory services. Rather, the Registrant intends to educate Participants about financial planning, banking, and finance in general through blogs, classes, forums, meetings, podcasts, PowerPoint, presentations, speakers, videos, online materials, written materials, and other various instructional and training activities.

#### **BUDGET COUNSELING AND PERSONAL FINANCIAL CONSULTING SERVICES**

Registrant provides budget counseling, and personal finance counseling services (including tax planning, estate planning, and other non-investment related matters) to Participants who qualify for pro bono services as described in Item 7 below. Prior to engaging the Registrant to provide education, budget counseling, and personal finance counseling services, the Participant will be required to enter into a *Non-Discretionary Limited Consulting Agreement* with Registrant setting forth the terms and conditions of the engagement, and describing the scope of the services to be provided.

In performing its services, Registrant shall not be required to verify any information received from the Participant or from other professionals who provide services to Participant, and is expressly authorized to rely thereon. To the extent requested by a Participant, Registrant shall recommend the services of other professionals for implementation purposes. The Participant is under no obligation to engage the services of any such recommended professional. The Participant retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant.

If the Participant engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the Participant agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and **not** the Registrant, shall be responsible for the quality and competency of the services provided.

It remains the Participant’s responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant’s previous recommendations and/or services.

## MISCELLANEOUS

**No Investment Implementation/Independent Managers.** The Registrant **does not** provide investment implementation, investment management, or investment supervisory services. Rather, in the event the Participant desires investment supervisory or management services, the Registrant may recommend that the Participant allocate their assets among other investment adviser(s) (the “*Independent Manager(s)*”), based upon the stated investment objectives of the Participant. The terms and conditions under which the Participant shall engage the *Independent Manager(s)* shall be set forth in a separate written agreement between the Participant and the designated *Independent Manager(s)*. Upon engagement of an *Independent Manager(s)* by the Participant, the Registrant shall be relieved of all monitoring and reviewing of *Independent Manager(s)* performance. Factors which the Registrant shall consider in recommending *Independent Manager(s)* include the Participant’s stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The Registrant may recommend that the Participant allocate his or her assets entirely to TCI Wealth.

**Conflict of Interest:** The Registrant is under common control with TCI Wealth. The Registrant’s representatives may refer certain Participants to TCI Wealth for advisory, discretionary management services or individualized financial planning advice. Neither the Registrant nor any of its representatives shall receive direct compensation for any referral made to TCI Wealth. However, the recommendation by the Registrant’s representatives that a Participant engage the services of TCI Wealth presents a **conflict of interest** as Registrant representatives may receive an indirect economic benefit from any such referral. No Participant is under any obligation to engage the services of TCI Wealth. **The Registrant’s Chief Compliance Officer, Catherine Nichols, Esq., remains available to address any questions that a Participant or prospective Participant may have regarding the above conflict of interest.**

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

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

**Disclosure Statement.** A copy of the Registrant's disclosure statement as set forth on Part 2 of Form ADV shall be provided to each Participant prior to, or contemporaneously with, the execution of the *Non-Discretionary Limited Consulting Agreement*.

- C. Although the Registrant **does not** provide investment supervisory or management services, the Registrant shall provide education, budget counseling, and personal finance counseling services specific to the needs of each Participant based on an analysis of the Participant's economic, biographic, familial, and employment status.
- D. The Registrant does not participate in a wrap fee program.
- E. The Registrant does not manage Participant assets.

## **Item 5 Fees and Compensation**

- A. The Registrant **does not** provide investment supervisory or management services.

### **BUDGET COUNSELING AND PERSONAL FINANCIAL CONSULTING SERVICES**

The Registrant may provide Participants with budget counseling and personal finance counseling services (including tax planning, tax preparation and other non-investment related matters). The Registrant is a non-profit corporation providing its education, budget counseling, and personal finance counseling services on a pro bono basis.

- B. At this time, Registrant does not charge fees for its services. Therefore, no fees are deducted from Participants' assets and Registrant does not bill Participants for services rendered.
- C. Registrant **does not** provide investment supervisory or management services. As such, the Registrant does not typically recommend a broker-dealer/custodian. However, if a Participant requests that the Registrant recommend a broker-dealer/custodian, the Registrant may recommend that Charles Schwab and Co., Inc. ("Schwab") serve as the broker-dealer/custodian for Participant investment management assets. Broker-dealers such as *Schwab* charge brokerage commissions and/or transaction fees for effecting certain securities transactions.
- D. The Registrant does not charge fees for its services. The *Non-Discretionary Limited Consulting Agreement* between the Registrant and the Participant will continue in effect until terminated by either party by written notice in accordance with the terms of the *Agreement*.
- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

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

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

## **Item 7           Types of Clients**

Participants will generally include low to moderate income individuals. Although the Registrant may serve Participants outside these parameters, the Registrant is committed to serving the following individuals:

- Individuals with less than \$100,000 in household income;
- Individuals with less than \$2,000 in savings per month;
- Individuals with less than \$150,000 in total investable assets or net worth; and
- Individuals under forty (40) years old.

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

- A. As set forth in Item 4.B above, the Registrant may provide education, budget counseling, and personal finance counseling services that utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

The Registrant may provide education, budget counseling, and personal finance counseling services that utilize the following investment strategies:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

**Investment Risk.** Investing in securities involves risk of loss that Participants should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's recommended methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

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

investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

- C. Currently, the Registrant may recommend that Participants invest among various individual equity (stocks), debt (bonds), and fixed income securities, mutual funds and/or exchange traded funds (“ETFs”).

## **Item 9           Disciplinary Information**

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

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

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. The Registrant has a relationship or arrangement with a related person that is material to its advisory business. The Registrant is under common control with TCI Wealth Advisors, Inc., an affiliated SEC registered investment adviser. As discussed more fully in Item 10.D below, this relationship presents a conflict of interest.
- D. The Registrant **does not** provide investment supervisory or management services. Rather, in the event the Participant desires investment supervisory or management services, the Registrant may recommend that the Participant allocate their assets among other investment adviser(s) (the “*Independent Manager(s)*”), based upon the stated investment objectives of the Participant. The Registrant may recommend that the Participant allocate his or her assets to TCI Wealth, an affiliated SEC registered investment adviser.

**Conflict of Interest.** The Registrant is under common control with TCI Wealth. The Registrant’s representatives may refer certain Participants to TCI Wealth for advisory/discretionary management services or financial planning advice. Neither the Registrant nor any of its representatives shall receive direct compensation for any referral made to TCI Wealth. However, the recommendation by the Registrant’s representatives that a Participant engage the services of TCI Wealth, presents a conflict of interest as Registrant’s representatives may receive an indirect economic benefit from any such referral. No Participant is under any obligation to engage the services of TCI Wealth. **The Registrant’s Chief Compliance Officer, Catherine Nichols, Esq., remains available to address any questions that a Participant or prospective Participant may have regarding the above conflict of interest.**

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

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

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

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

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

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



## Item 12 Brokerage Practices

- A. Registrant **does not** provide investment supervisory or management services. As such, the Registrant does not typically recommend a broker-dealer/custodian. However, if a Participant requests that the Registrant recommend a broker-dealer/custodian, the Registrant may recommend a broker-dealer/custodian for execution and/or custodial services. Registrant generally recommends that investment management accounts be maintained at *Schwab*.

Factors that the Registrant considers in recommending *Schwab* (or any other broker-dealer/custodian to Participants) include historical relationship with the Registrant, TCI Wealth Advisors, Inc.'s relationship with *Schwab*, financial strength, reputation, execution capabilities, pricing, research, and service.

1. Research and Additional Benefits

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

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

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

**The Registrant's Chief Compliance Officer, Catherine Nichols, Esq., remains available to address any questions that a Participant or prospective Participant may have regarding the above arrangement and any corresponding conflict of interest.**

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not accept directed brokerage arrangements (when a Participant requires that account transactions be effected through a specific broker-dealer) because the Registrant **does not** provide investment supervisory or management services

- B. Registrant **does not** provide investment supervisory or management services. Therefore, the Registrant does not aggregate the purchase or sale of securities for various Participant accounts.

### **Item 13          Review of Accounts**

- A. Registrant provides education, budget counseling, and personal finance counseling services on a pro bono basis and therefore generally does not periodically review Participant accounts or financial plans. Registrant advises Participants that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All Participants (in person or via telephone) are encouraged to review financial planning issues, with the Registrant on an annual basis, as applicable.
- B. The Registrant may conduct account reviews upon Participant request or the occurrence of a triggering event, such as a change in Participant investment objectives and/or financial situation.
- C. Registrant typically provides Participants with a one-time financial planning report but does not provide Participants with transaction confirmation notices or regular summary account statements because Registrant does not provide investment supervisory or management services.

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

- A. As referenced in Item 12.A.1 above, the Registrant **does not** provide investment supervisory or management services. However, the Registrant receives indirect economic benefits from *Schwab* through its relationship with TCI Wealth. The Registrant, without cost (and/or at a discount), receives support services and/or products from *Schwab*.

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

- B. Neither the Registrant nor any of its representatives or related persons compensates any person other than its supervised persons for referrals.

### **Item 15          Custody**

The Registrant does not have custody of Participant funds or securities. Therefore, the Registrant does not send account statements directly to Participants. Participants should expect to receive account statements directly from the broker-dealer, bank or other qualified custodian if applicable. Participants are encouraged to carefully review those statements.

**Item 16          Investment Discretion**

The Registrant **does not** provide investment management services and, therefore, does not maintain discretion over Participant accounts.

**Item 17          Voting Client Securities**

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

**Item 18          Financial Information**

- A. The Registrant does not charge Participants for services, and therefore does not solicit fees of more than \$1,200, per Participant, six months or more in advance.
- B. The Registrant **does not** provide investment management services and, therefore, does not maintain discretion over Participant accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

**The Registrant's Chief Compliance Officer, Catherine Nichols, Esq., remains available to address any questions that a Participant or prospective Participant may have regarding the above disclosures and arrangements.**