

Part 2A of Form ADV: *Firm Brochure*



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This brochure provides information about Tilden, Loucks & Woodnorth, LLC, (sometimes referred to as “TLW”), including certain information about its qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at 630-600-0425 or vincerto@lasallest.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 TLW is also available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm’s CRD number is 106713. Tilden, Loucks & Woodnorth, LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training, or any particular expertise.

Item 2 Material Changes

In the past, we have offered and/or delivered information about our business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will send you a summary of any material changes to information we have provided you within 120 days of the close of our business' fiscal year end (December 31st of each year).

We will further provide you with a new Brochure, if necessary, based on changes and/or new information, at any time without charge.

You can receive a copy of our Brochure by requesting one from Vincent Incerto, our Chief Compliance Officer, by telephone at 630-600-0425 or via email at vincerto@lasallest.com. Our Brochure is available free of charge.

Additional information about Tilden, Loucks & Woodnorth, LLC is also available via the SEC's website www.adviserinfo.sec.gov.

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Item 4 Advisory Business

Tilden, Loucks & Woodnorth, LLC is a SEC-registered investment adviser with its principal place of business located in Chicago, Illinois. TLW began conducting business in its current form in 1991. We provide fee-based financial planning, investment management and other services to individuals, trusts, estates, charitable organizations and small businesses. In a typical situation, after consultation, an Investment Advisor Representative ("IAR") will provide financial advice to customers which may include: determination of financial objectives, cash flow management, tax planning, investment management, asset allocation, education funding, retirement planning, estate planning, bill paying and other services as agreed.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- McDermott-Holdings 1, LP ("MH1"), Sole Owner

Since 2016, TLW offers its services primarily via a subadvisor agreement with RCGO. In August 2016, after the death of TLW managing director Ann Woodnorth, TLW and RCGO entered into the subadvisory agreement. Pursuant to this agreement, RCGO provides non-discretionary investment advice to virtually all TLW clients.

Under the subadvisory agreement, RCGO and TLW have divided their responsibilities. RCGO provides recommendations and investment advice and order placement to TLW clients on a non-discretionary basis only. All recommendations must be in accordance with TLW's contract with each client. TLW and its sister company, LaSalle St. Securities, LLC ("LSS") supervise the investment advice rendered to clients by RCGO. At all times, TLW is responsible for its management and operational responsibilities. RCGO has no responsibilities in those areas. The subadvisor also places orders for trades to effectuate investment advice approved by clients.

TLW also currently manages one discretionary account through RCGO. All trades executed for this account are approved by TLW before execution through RCGO.

TLW monitors the performance of RCGO under its Subadvisor Agreement. It updates its due diligence of RCGO's performance by reviewing data on performance on a regular basis.

TLW offers the following advisory services to our clients:

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

The firm provides advice about investing assets based on the individual needs of the client. Through client discussions and communications, we help clients establish a personal investment strategy, as well as create, maintain and manage a portfolio based on that strategy. During our data-gathering process, TLW and RCGO determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition, background and other information.

We manage advisory accounts on a discretionary or non-discretionary basis, as the client elects, as discussed above. We invest and make recommendations based on the client's stated objectives (i.e., capital appreciation, growth, income, or growth and income), tax

considerations, and other criteria as agreed upon by the firm and the client.

Our investment recommendations are not limited to specific products or services and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Partnership interests investing in real estate
- Partnership interests investing in oil and gas interests

Every investment strategy involves varying degrees of risk, including the risk of loss of the entire investment. All strategies are recommended only when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

AMOUNT OF MANAGED ASSETS

As of 12/31/2019, we actively managed \$11,495,859.83 of clients' assets on a discretionary basis plus \$121,220,085.64 of clients' assets on a non-discretionary basis.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES

The annualized fee for Investment Supervisory Services is a percentage of assets under management, assessed according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
The first \$1,000,000	2.00%
\$1,000,001 and thereafter	1.00%

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Our fee percentage is factored against all assets in the client's account, including cash balances and money market assets. Assets held away from the account are not included in the fee. Fees are debited from the account by our

Fee Engine system on a quarterly basis. We may, in our sole discretion, charge an annual minimum assets under management fee of \$100.00. In addition to our fee, there are certain additional charges which customers shall incur. These are discussed further below.

Clients also incur various costs and/or brokerage fees which are charged separate and apart and in addition to the advisory fee of TLW. These are paid directly to various third parties from the account. They include, but are not limited to: transaction charges, brokerage commissions, custodial fees, charges imposed directly by a mutual fund or exchange-traded fund (including administration fees), fund management fees and expenses, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, as well as other fees and charges imposed by broker-dealers through which securities transactions occur. TLW does not share or receive any portion of these charges. The client is advised to review all fees and expenses assessed by third parties like mutual funds, exchange-traded funds, and others by carefully examining all disclosure documents which accompany an investment, i.e. a prospectus or brochure. In some instances, a mutual or exchange-traded fund charges costs and expenses for administration and distribution before reporting a "Net Asset Value" ("NAV") to us. Clients are strongly encouraged to review a fund prospectus or brochure, their advisor contract, and all periodic account statements received for all costs and expenses incurred and charged by TLW or third parties.

LSS Ticket Charges for Securities Transactions Executed Through LSS:
General Securities, Fixed Income & Mutual Funds - \$15.00/trade

As discussed further below, TLW is affiliated with a broker-dealer, LaSalle St. Securities, LLC ("LSS"). Both TLW and LSS are owned by the same entity, MH1. Clients, at all times, have the right to use any broker-dealer of their choice which they can instruct TLW use. Unless a client directs TLW to use a broker-dealer other than LSS, all transactions shall be executed through LSS by TLW without further consideration of whether LSS charges more or less than other broker-dealers for execution services. LSS will charge and retain a flat \$15.00 per trade "ticket charge" for all transactions executed through LSS. TLW does not receive any part of the ticket charge. This charge pays for order execution, exchange fees, postage and handling. This charge is separate from TLW's own fees.

This charge includes execution charges, exchange fees, postage and handling. This charge is over and above any other costs assessed as fees. This ticket charge does not reflect actual costs LaSalle St. Securities, LLC (LSS) incurs in arranging for execution. In other words, LSS's actual cost is less than the actual execution charge levied to the client. The above referenced fees are compensation of all services provided but do not cover certain charges, such as transfer fees, margin interest, IRA fees, check writing service fees, and those fees mandated by law with respect to execution of transactions, such as SEC fees.

Minimum: We require our clients to maintain a minimum of \$200,000.00 of assets under management. The account size is negotiable in certain circumstances. TLW will group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Negotiability of Advisory Fees: Although TLW has established the aforementioned fee

schedule(s), TLW retains the right, in its sole discretion, to negotiate fees on a client-by-client basis. The specific annual fee schedule is identified in the contract between the adviser and each client.

Advisor Affiliations: Adviser representatives of TLW may be licensed not only as adviser representatives of TLW, but also registered representatives of TLW's affiliated sister company, LSS, or as independent insurance agents or brokers. In these capacities, TLW advisers may make and implement recommendations for non-TLW customers.

TLW clients who receive investment advice from TLW representatives are under no obligation to implement such recommendations through LSS or any other particular broker-dealer.

GENERAL INFORMATION AND CONFLICT DISCLOSURE

Management Personnel: Registered persons of our firm ("IARs") including management personnel and other associated persons of TLW often are licensed in multiple capacities. This includes but is not limited to registration as representatives of TLW's sister company, LaSalle St. Securities, LLC ("LSS"). In addition to these registrations, IARs may participate and have licenses in other businesses including but not limited to insurance, accounting, law and/or tax preparation. By virtue of an IAR's registration with LSS, the IAR as a registered representative and/or LSS itself can receive, and sometimes does receive in connection with implementing investment recommendations, compensation (including but not limited to brokerage commissions, 12b-1 fees on mutual fund sales, Non-Transaction Fees ("NTF") mutual fund revenue sharing, variable annuity concessions and other sales-related forms of compensation) in addition to a share of the TLW investment advisory fee from activity as an TLW IAR. Non-TLW compensation is also received in connection with executing trades recommended by the IAR and TLW.

The possibility, expectation and/or actual receipt of non-TLW compensation by LSS or an IAR acting as a registered representative is a conflict of interest for TLW and the IAR when giving advice regarding investments, investment strategies and/or recommendations to TLW clients for asset management. For example, without limitation, the possibility and/or receipt of non-TLW compensation in connection with the recommendation of an investment or investment strategy, or the subsequent receipt of 12b-1 "trailer" fee or concession during the time an investment is owned by an TLW client, means the IAR of TLW is incentivized to make such recommendation because of the receipt by LSS of non-TLW compensation. Currently, IARs and Registered Representatives of TLW or LSS do not receive 12b-1 trailer fees. Instead, these are rebated back to the customers, if received by LSS. Receipt or the expectation of receipt of 12b-1 fees is a conflict with what may be in the TLW Client's best interests, and affects the judgment and objectivity of IARs who make recommendations to TLW customers.

TLW selects mutual funds for its clients. Except in the case of money market funds (discussed further below), TLW has a policy of soliciting the lowest share class mutual fund available. This usually means “adviser” or “institutional” shares. If such shares are unavailable, or if circumstances are such that more expensive shares are dictated, TLW will consult with its client before making such choices. In all cases, as discussed above, TLW will refund to its clients any 12b-1 compensation received from mutual funds.

LSS has an agreement with NFS whereby LSS receives a monthly distribution fee on all Fidelity Money Market Sweep Fund balances. (This is 25 basis points.) The payment of the distribution fee to LSS does impact the rate of return on the investor’s money market fund investment return. For example, if the distribution fee were not paid, the yield on the money market fund for the investor would be greater. The arrangement is a conflict of interest for TLW and LSS since the firms have an incentive to direct client assets to eligible Fidelity money market funds which pay LSS a distribution fee. The IAR/Registered Representative does not receive any of this distribution fee. There are other broker-dealers available who offer money market funds which do not pay the broker-dealer a distribution fee or pay a smaller distribution fee. This may enhance the investment return yield for the client. The client may elect to use such broker-dealers by notifying TLW’s Chief Compliance Officer identified in this ADV, or simply calling TLW at its home office.

TLW clients need not accept any advisory recommendations made by TLW or its advisor representatives. The Firm will fully disclose the fact of any compensation it receives, including any third party compensation it or LSS receives directly or indirectly as part of the transaction.

Termination of the Advisory Relationship: A client agreement may be canceled by a client or TLW for any reason or no reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. If the Agreement is terminated, any prepaid unearned fees will be promptly returned. Reimbursement of fees will be calculated according to the number of days remaining in a billing period.

Mutual Fund Charges: All fees paid to TLW for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are disclosed in each Fund’s prospectus and should be reviewed by the client. They generally include a fund management fee, other fund expenses and a distribution fee. If the fund also imposes a sales charge, a client may pay an initial or deferred sales charge. A client can avoid some of these charges by investing in a mutual fund directly without TLW’s services, if the client so chooses. A client should review the total sum of fees and expenses before determining how to proceed – whether to elect TLW’s services or select investments independent of TLW and without TLW’s services.

Additional Fees and Expenses: In addition to TLW advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by

broker dealers, including, but not limited to, transaction charges and commissions assessed by a broker-dealer, whether by LSS or independent of LSS, i.e. a third party independent broker-dealer.

Grandfathering of Minimum Account Requirements: Pre-existing advisory clients are subject to TLW's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

ERISA Accounts: TLW is deemed to be a fiduciary to advisory clients pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, TLW only charges fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees. When deciding to use TLW services, clients are urged to review TLW's fee and transaction structure and, if necessary, compare with other advisors before electing to employ TLW.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

Trade Errors: Any trading errors, profit or loss, will be assessed to the IAR which could be an inherent conflict of interest. Generally, TLW will always make the client whole if there is an IAR trade error that results in a client loss. The gain, however, in any trade error will be retained by the custodian, the error account of LSS, the affiliated broker-dealer, or TLW in order to offset future trade error losses. This is a benefit TLW derives from its trade error policy.

Fixed Income New Issues: Effective 05/01/2015, it is our firm's policy to no longer allow the purchase of fixed income new issues for the accounts of advisory clients.

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

TLW does not charge performance-based fees.

Item 7 Types of Clients

TLW provides advisory services to various clients, including the following:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Charitable organizations
- Trusts

- Estates
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided.

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

METHODS OF ANALYSIS

We use some or all of the following methods of analysis in formulating our investment advice and/or managing client assets. Although we discuss specific risk of loss that clients may bear in using these methods of analysis, this discussion is not intended to be all-inclusive of potential risks. Please note that investment advice from RCGO, acting as a subadvisor to TLW includes the analysis discussion below. Nonetheless, for additional information about RCGO's methods of analysis, investment strategies and risk of loss, please see RCGO's ADV Part 2 at Item 8. A copy will be furnished to all TLW investors.

A. General Discussion of Risk.

There is a risk of loss, including the risk of loss of an entire investment, for every investment strategy. There is no guarantee client investment goals can be met. Previous performance is never a guarantee of future results. Strategies in making recommendations for TLW clients by TLW itself or by RCGO may pose the additional following risks for client investment portfolios.

1. Active Manager Risk

When RCGO or TLW recommends an investment, the recommendation may evaluate timing, value, market volatility and direction incorrectly. This may lead to losses in a portfolio.

2. Correlation Risk

RCGO and TLW recommendations may attempt to allocate assets among various asset categories. This attempts to reduce reliance on individual asset classes. Regardless of financial market diversification, however, loss cannot always be avoided through allocation among asset classes.

3. Concentration Risk

Depending on client preferences, at times RCGO and TLW recommendations may lead to concentration in particular securities or asset classes. Based on these recommendations, clients may be subject to loss due to price changes of particular securities, which enhances risk because of concentrations.

4. Other Risks

TLW and RCGO recommendations may be subject to other risks peculiar to the type of investment. For common stocks this may include general market risks. For investments in foreign or emerging stock markets, it may also include foreign country, currency or emerging market volatility risk. Recommendations in small or even middle level capitalization markets may be vulnerable to liquidity risk as well as be more sensitive to economic downturns and loss of company capital.

Recommendations in fixed income and bond investments face specific risks regarding interest rates, rollover or reinvestment possibilities, call and credit risks, as well as the foreign market risks stated above. Defaults among issuers or insurers can result in risk of loss; so also if a bond is “called” by the issuer prior to its maturity. These factors can result in loss including the loss of the entire investment.

Recommendations of alternative investments can also result in loss. These may include illiquidity, valuation, manager and counterparty risk. Open and Closed end mutual fund recommendations also face risk from illiquidity, leverage, credit and manager risk. Below we discuss our major investment strategies and include additional discussion of risk in connection with each type of analysis.

B. Methods of Analysis and Investment Strategy

Fundamental Analysis. TLW and RGCO, in making recommendations, attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating a good time to buy) or overpriced (indicating a good time to sell).

Fundamental analysis does not attempt to anticipate day-to-day market movements. This presents a potential risk of loss to clients, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors we consider in evaluating the stock. Instead, the goal is to identify securities reasonably valued which offer potential growth over time.

Qualitative Analysis. TLW in conjunction with RGCO subjectively also evaluates non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A particular risk of loss to clients for recommendations based on qualitative analysis is that our subjective judgment may simply prove incorrect.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

One of many risks of loss which clients will have to bear even with asset allocation results from a client not participating in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Open Ended and Closed End Mutual Fund and/or Exchange Traded Fund (“ETF”) Analysis. We review the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

RGCO and TLW also look for funds which have reasonable expense ratios and offer broad diversification of the investments held in the funds or ETF.

A risk of loss to clients investing in mutual fund and/or ETF occurs because, like all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, since we do not control the underlying investments in a fund or ETF, managers of different funds held by the client can purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager can deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. The securities analysis methods both RGCO and TLW rely on assumes the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. There is a risk of loss which clients will bear if this proves to be untrue.

INVESTMENT STRATEGIES

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities usually intending to hold such securities for long periods, often a year or longer. We employ this strategy if:

- we believe the securities to be currently undervalued, and/or
- we seek exposure to a particular asset class over time, regardless of the current projection for this class.

A risk of loss which clients must bear when pursuing a long-term strategy arises since we may be unable to take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell. This could involve loss of some or all of a client's investment.

Margin transactions. We may purchase stocks for your portfolio on margin, i.e. with funds borrowed from a broker-dealer with whom a transaction is placed for execution. This allows the purchase of more securities than purchases with all cash, and allows us to purchase stock without selling other holdings. The purchase of securities on margin involves the use of leverage and also an interest charge from the broker-dealer lending the funds for a purchase. It increases the potential risk of loss to the client if prices move against the position held. It also may require the sale of securities to meet "margin calls" should the market decline, or the deposit of additional funds to meet margin requirements.

We do not use margin transactions as an investment strategy. However, we do recommend, where appropriate, that a client establish a margin account with the client's broker. In this situation, if we are selling one stock and purchasing another stock with the proceeds, we can use the margin account to make certain that you are not left out of the purchase if we have difficulty completing the sale.

Risk of Loss. Securities investments are not guaranteed and you may lose some or all of your investment should a strategy not succeed. We ask that you work with us to help us understand your tolerance for risk of loss.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events to client's or prospective clients for evaluation of our advisory business or the integrity of our management.

On March 11, 2019, LSIA TLW's Advisory Affiliate LSIA was subject to an Order and Cease and Desist Proceedings whereby it voluntarily consented to findings by the SEC that it had not fully disclosed certain conflicts of interest in its ADV and otherwise related to receipt of 12b-1 fees, its selection of mutual fund share classes that pay such fees, and the existence of other share classes that did not pay 12b-1 fees. The firm refunded fees to affected clients with interest in the amount of \$435,178.03, was censured and undertook to update its procedures. These findings resulted in certain findings of violations of the Advisers Act.

On October 29, 2012, the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to an Offer of Settlement proposed by TLW, LSS and TLW's former manager, Ralph Loucks ("Loucks"), entered an administrative order ("Order") against Tilden, Loucks & Woodnorth, LLC and Loucks. This Order requires payment of certain amounts, undertakings and other matters as discussed below.

In the Order, pursuant to an Offer of Settlement in which the Parties neither admitted nor denied the findings, the Commission found TLW willfully violated Section 206(2) of the Adviser's Act and Section 207 of the Adviser's Act by, among other things, failing adequately to disclose its compensation practices, charging excess compensation, not describing its true compensation relationship with LSS, not informing clients that the relationship with LSS resulted in increased commissions, failed to obtain "Best Execution" of trades and made inaccurate statements regarding its Best Execution policies and other matters.

The Order further found that Ralph Loucks, TLW's former and now retired Manager, caused TLW's violations of Section 206(2) of the Adviser's Act, as described above, and willfully caused TLW's violations of Section 207 of the Adviser's Act, also as described above. Finally, the Order also found LSS caused TLW's violations of Section 206(2) of the Adviser's Act, based on the conduct described above.

As a result of the Order, TLW was censured, required to pay a \$100,000 civil monetary penalty and jointly with LSS disgorgement to customers of \$170,319.94, plus jointly with LSS and Ralph Loucks \$16,288.18 disgorgement and interest on both amounts. TLW also agreed to a cease and desist order, and is required to undertake revisions to its ADV brochure and its practices. Ralph Loucks was censured, required to pay a \$25,000 civil monetary penalty and agreed to a cease and desist order as well. LSS was also required to pay a \$100,000 civil monetary penalty and agreed to a cease and desist order.

Item 10 Other Financial Industry Activities and Affiliations

Management personnel and other IARs of TLW may be separately licensed as registered representatives of LSS, an affiliated broker-dealer, and sister company of TLW. Both TLW and LSS are owned by the same entity, MH1. There is a conflict of interest in TLW recommending that its advisory clients establish accounts at LSS and otherwise direct compensation to this affiliate, or any other affiliated company for that matter. IARs, in their LSS capacity, effect securities transactions for which they receive separate compensation including commissions and trail concessions like 12b-1 fees for the sale of investment company products and variable annuity concessions. Receipt of this compensation also raises a conflict of interest affecting the advice rendered by the IAR in situations where commissions and trail concessions are paid.

Although TLW and its IARs endeavor at all times to put the interest of the clients first pursuant to our fiduciary duty, clients should be aware that the receipt of non-TLW compensation creates a conflict of interest, and may affect the judgment of these advisors when making recommendations to TLW customers about investments.

TLW is under common ownership with another investment advisor, LaSalle St. Investment Advisors, LLC ("LSIA"). LSIA is an independent investment advisor with whom TLW does not share accounts or account information. No TLW IAR is an advisor with LSIA. The advisory services delivered by LSIA are distinct from those provided by TLW and provide for separate form and independent of compensation to TLW's IARs. There are no referral fee arrangements between TLW and LSIA. The advice offered by LSIA's advisors to its clients can be different or actually conflict with advice offered to TLW clients by TLW's IARs. Similarly, advice offered to clients of TLW will vary from client-to-client and may conflict as well. This creates a conflict of interest for TLW advisors which TLW clients should consider when investing with us.

For example, without limitation, TLW IARs will recommend a specific investment strategy which is different or may be opposite the one recommended to a different client. This occurs, for instance, where investment objectives vary from client to client. Advice which is different for individual clients may create a conflict of interest for the investment adviser.

Certain members of our firm's management are also separately licensed as insurance agents of various insurance companies. In that capacity, these individuals provide insurance contracts through such company(ies). The services delivered by the insurance company are distinct from those provided by our firm and are provided for separate compensation to IARs acting in a capacity as insurance agents. There are no referral fee arrangements between our firm and any insurance companies.

As required, all affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.)

Clients may elect to purchase securities recommended by TLW through whatever broker-dealer they choose. TLW does not receive compensation for execution of trades through broker-dealers, whether from LSS or any other broker-dealer.

As previously disclosed in Item 5, the affiliated broker-dealer, LSS receives a "ticket charge" of \$15.00 for the execution of a client transaction, may charge for incidental services like

margin interest and account services. These do not reduce the fee TLW charges its clients.

TLW endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser. We take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics which sets forth ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

TLW and its personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere to the specific provisions of the Code of Ethics and the general principles of fair and honest business practices.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Our code also provides for oversight, enforcement and recordkeeping provisions.

TLW's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. Although we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. Clients may request a copy by email sent to vincerto@lasalle-st.com, or by calling us at 630-600-0425.

Our Code of Ethics is designed to assure that the personal securities transactions, activities

and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

No person employed by us may purchase or sell any security for their own account at a price more favorable than a price obtained for a TLW client. This prevents employees from benefiting from transactions placed on behalf of advisory accounts.

We aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations may represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. No person employed by us may purchase or sell any security that one of our advisory clients has also performed a transaction in and receive a better price, if there is a relationship between them. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. No employee of TLW is allowed to make a transaction in a "recommended security" for their personal or related accounts, until the recommendation is adequately disseminated to their clients.
5. Our firm does not allow for any IPO or private placement investments by related persons of the firm.
6. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
7. We have established procedures for the maintenance of all required books and records.
8. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions.
9. Clients can decline to implement any advice rendered, except in situations where our firm

is granted discretionary authority.

10. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
11. We require every supervised person of our firm to obtain and acknowledge receipt of our Code of Ethics.
12. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
13. Any individual who violates any of the above restrictions may be subject to termination.
14. TLW recommends certain clients invest in mutual funds. TLW selects mutual funds for its clients. TLW has a policy of selecting the lowest share class available. This usually means "adviser" or "institutional" shares. If such shares are unavailable, or if circumstances are such that more expensive shares are dictated, TLW will consult with its client before making such choices. In all cases, as discussed above, TLW will refund to its clients any 12b-1 compensation received from mutual funds, other than any distribution fee LSS receives from National Financial on money market sweep funds as discussed above in the "General Information" section of this ADV at Pages 6-8.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer. They may also be investment adviser representatives of another registered investment adviser, which is an affiliate of TLW. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

Item 12 Brokerage Practices

TLW does not have any "soft-dollar arrangements" and does not receive any soft-dollar benefits.

TLW will block trades when advantageous to clients and otherwise feasible. This permits the trading of aggregate blocks of securities composed of assets from multiple client accounts.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. TLW's block trading policy and procedures are as follows:

- 1) The portfolio manager must determine a purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 2) The portfolio manager must reasonably believe to obtain order aggregation will benefit, and will enable TLW best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 3) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 4) If the order cannot be executed in full at the same price or time, the securities actually

purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. Adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation is made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

5) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order.

6) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

7) TLW's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

8) Funds and securities for aggregated orders are clearly identified on TLW's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

9) No client or account will be favored over another.

National Financial Services, Inc., a unit of Fidelity Institutional Investment Brokerage, Inc., one of the Fidelity companies, will maintain physical custody of funds and securities.

Monthly brokerage statements will be received from the custodian. In addition, certain account charges are assessed by the custodian, including, but not limited to postage and handling, margin interest, IRA fees, check writing service fees and those fees mandated by law with respect to execution of transactions, such as SEC fees.

In instances where the client has not specified a broker-dealer to execute transactions, TLW shall effect all trades through its affiliate LSS. This may result in higher charges for execution of trades when executing through LSS. A client may be able to reduce such costs by designating a different broker-dealer for TLW to employ for its execution. At any time the client may elect to direct execution to a different broker-dealer upon notice to TLW. This may result in higher trade execution costs to customers of TLW than if the client used a broker-dealer other than LSS. When TLW uses LSS to execute trades, it will not determine whether the cost of execution by LSS is greater or lesser than what is charged by other broker-dealers for similar service. TLW advises its clients to decide which broker-dealer the client would like to execute the client's trades. If a client so designates a broker-dealer other than LSS, TLW will execute all trades through the designated broker-dealer. As stated, if the client elects not to make a broker-dealer designation, all trades shall be executed through LSS and LSS will assess the \$15.00 ticket charge as its payment for execution of each trade. TLW does not receive any part of the compensation paid LSS.

Any trading errors, profit or loss, will be assessed to the Investment Advisor Representative which could be an inherent conflict of interest. TLW shall absorb the cost of any trading loss due to its own error or that of LSS, for accounts trading through LSS. The gain, however, in any trade error is retained by the custodian, the error account of LSS, or TLW to offset future trade error losses. This is a benefit TLW derives from its trade error policy.

Item 13 Review of Accounts

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least monthly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews are triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by:

Roberts, Glore & Co.– Sub-Advisor
Vincent Incerto - Chief Compliance Officer

Item 14 Client Referrals and Other Compensation

TLW does not engage solicitors or pay related or non-related persons for referring potential clients to our firm.

TLW and its personnel do not accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

The SEC has determined that Standard Letters of Authorization or "SLOA's" result in custody. The SLOA provides written and signed instructions from the client. These instructions can also include authorization to direct transfers to a third party on a specified time frame. The Investment Adviser or Custodian has no authority or ability to alter the clients written instructions and records are maintained. The client is notified by the Custodian in writing upon the initial SLOA set up and annually thereafter, until the client terminates the SLOA

Item 16 Investment Discretion

Clients engage us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm provides investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement to our clients.

As an advisory firm that maintains discretionary authority for client accounts or is deemed to have custody, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. TLW has no such financial circumstances to report currently.

TLW has not been the subject of a bankruptcy petition at any time during the past ten years.