

Part 2A of Form ADV: *Firm Brochure*

# RIVERPLACE • CAPITAL •

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## **Item 1 - Cover Page**

This brochure provides information about the qualifications and business practices of Riverplace Capital Management, Inc. (Riverplace Capital) an investment adviser registered with the U.S. Securities & Exchange Commission (SEC). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Riverplace Capital is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The firm's CRD number is 109079. Our website is [www.riverplacecapital.com](http://www.riverplacecapital.com). If you have any questions about the contents of this Brochure, please contact us at (904) 346-3460 or [tkimball@riverplacecapital.com](mailto:tkimball@riverplacecapital.com)

## **Item 2 - Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

This section includes a summary of material changes to our brochure since the last annual update to our brochure.

- Brokerage Practices, Selecting Brokerage Firms was updated.
  - Review of Accounts was updated.
  - Fee Billing was updated.
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### **Full Brochure Available**

You may request a complete copy of our current Form ADV, Part 2A Brochure by contacting Terri Kimball at 904-346-3460 or by email at [tkimball@riverplacecapital.com](mailto:tkimball@riverplacecapital.com).

## **Item 3 Table of Contents**

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## **Item 4 Advisory Business**

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### **Firm Description**

Riverplace Capital Management, Inc. (Riverplace Capital) is an SEC registered advisor firm with its principal place of business in Jacksonville, FL.

Riverplace Capital provides personalized confidential financial planning and investment management to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations and businesses. Advice is provided through consultation with the client and may include determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

Riverplace Capital is strictly a fee-only investment management firm. The firm does not receive commissions for purchasing or selling stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

A written Client Profile evaluation of each client's initial situation is discussed with the client. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone or in person, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

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### **Principal Owner**

Peter E. Bower is the 100% stockholder.

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### **Types of Advisory Services**

Riverplace Capital provides investment supervisory services, also known as asset management services, and manages investment advisory accounts. On an occasional basis, Riverplace Capital furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

As of December 31, 2019, Riverplace Capital managed approximately \$154,798,670 in assets for approximately 150 clients. There are no non-discretionary client assets under management.

The goals and objectives for each client are documented on our Client Profile forms. Investment policy is created that reflects these stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

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**Types of Agreements**

The following describes our Agreement typically used with most client relationships.

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**Discretionary Investment Advisory Service Agreement**

Clients choose to have Riverplace Capital manage their assets to obtain ongoing in-depth advice and planning. All aspects of the client's financial affairs are reviewed. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing before the start of the relationship. This Discretionary Management Agreement includes establishing investment guidelines; compliance with ERISA (if applicable); explanation of Execution of Investment Transactions; reporting; risk acknowledgement; management fees with schedule; proxy voting; termination and arbitration.

Although the Discretionary Investment Management Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or Riverplace Capital may terminate an Agreement by written 30-day notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter before termination.

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**Termination of Agreement**

A Client may terminate the investment management agreement at any time by notifying Riverplace Capital in writing with 30 days' notice and paying the rate for the time spent on the investment advisory engagement before notification of termination. If the client made an advance payment, Riverplace Capital will refund any unearned portion of the advance payment.

Riverplace Capital may terminate the investment management agreement at any time by notifying the client in writing. If the client made an advance payment, Riverplace Capital will refund any unearned portion of the advance payment.

## Item 5 Fees and Compensation

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### Description

Riverplace Capital bases its fees on a percentage of assets under management. Fees are negotiable.

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### Fee Billing

The annual fee as stated in the Discretionary Investment Management Agreement is based on a percentage of the investable assets according to the following schedule:

1.25% on the first \$2,000,000

1.00% on assets above \$2,000,000.

The minimum annual fee is \$1,250 and is negotiable. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Investment management fees are billed quarterly, in advance, meaning that we invoice you at the beginning of the three-month billing period (calendar quarter). Payment in full is expected within ten days of invoice presentation. With Client's authorization to account custodian and as agreed upon in the Discretionary Investment Management Agreement, fees are usually deducted from a designated client account to facilitate billing. Client is provided an itemized invoice showing amount of assets under management on which fee is based and the formula and percentages of management fees charged.

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### Other Fees

Custodians may charge transaction fees on purchases or sales of securities. These transaction charges or commissions are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Riverplace Capital, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g. historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

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### Expense Ratios

When mutual funds are used in a portfolio, generally there can be a management fee charge for the services of the fund investment managers. The management fee is called an *expense ratio*. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees you pay to Riverplace Capital.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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**Past Due Accounts and Termination of Agreement**

Riverplace Capital reserves the right to stop work on any account that is more than 30 days overdue.

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

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Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Riverplace Capital does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

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**Item 7 Types of Clients**

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**Description**

Riverplace Capital generally provides investment advice to individuals, banks or thrift institutions, investment companies, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations or municipalities.

Client relationships vary in scope and length of service.

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**Account Minimums**

The minimum account size is \$100,000 of assets under management, which equates to an annual fee of \$1250.

Riverplace Capital has the discretion to waive the account minimum. Accounts of less than \$100,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$100,000 within a reasonable time. Other exceptions will apply to employees of Riverplace Capital and their relatives, or relatives of existing clients.

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

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**Methods of Analysis**

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that Riverplace Capital may use include Morningstar, Inc. stock reports, Charles Schwab Equity Ratings and Earnings Reports, Argus Analyst, Ned Davis Research, Credit Suisse Research and the World Wide Web.

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### **Investment Strategies**

The primary investment strategy used on client accounts is dynamic asset allocation meaning that we use an extensive internal watch list, individual as well as sector weightings proactively adjusted to anticipate market conditions, and rebalancing position weightings as necessary.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes a Client Profile that documents their objectives and desired investment strategy.

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### **Risk of Loss**

All investment programs have certain risks to the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **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.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of

return (i.e. interest rate). This primarily relates to fixed income securities.

- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Item 9 Disciplinary Information**

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### **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## **Item 10 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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### **Code of Ethics**

The employees of Riverplace Capital have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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

Riverplace Capital and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employee trades are placed 3:45 PM or later or after client trading has been completed for the day. Employees comply with the provisions of the *Riverplace Capital Management, Inc. Compliance Manual*.

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**Personal Trading**

The Chief Compliance Officer for Riverplace Capital is Terri Kimball. She reviews all employee trades each quarter. Her trades are reviewed by Peter Bower. Personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small trades, the trades do not affect the securities markets.

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**Item 11 Brokerage Practices**

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**Selecting Brokerage Firms**

Riverplace Capital does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account. (see Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We are independently owned and operated and not affiliated with any broker-dealers.

Riverplace Capital routinely recommends Charles Schwab & Co., Inc. (“Schwab”) a registered broker-dealer and member of SIPC. While we may recommend a brokerage firm, you will decide where to open your account by entering into an account agreement directly with the broker-dealer. We are not affiliated with any broker-dealer/custodian and will work with any custodian you choose. Your custodian will hold your assets in a brokerage account and buy and sell securities when we instruct them. Even though your account is maintained at a particular broker-dealer, we can still use other brokers to execute trades (“trade away”) for your account as described below.

**How We Recommend Broker Dealers/Custodians**

We seek to recommend a broker/custodian that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.)
- Reputation, financial strength, security and stability
- Prior service to us and our clients

Riverplace Capital **does not** receive fees or commissions from any of these arrangements.

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**Best Execution**

To minimize trading costs, Riverplace Capital has most trades done by client's custodial broker. We have determined that having the custodian execute most trades is consistent with seeking "*best execution*."

Trading away from the custodial broker can incur commission costs by the executing broker as well as charges by the custodial broker settling the trades. "*Best execution*" means the most favorable terms for a transaction based on all relevant factors, including price, commissions/trading costs.

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**Soft Dollars**

Riverplace Capital does not participate in any soft dollar arrangements.

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**Order Aggregation**

Where possible, trades are aggregated, or block traded when advantageous to clients. Block trading permits the execution of aggregate blocks of securities composed of assets from multiple client accounts. Block trading may allow execution of equity trades in a timelier, more equitable manner, at an average share price. Aggregation of mutual funds does not garner any client benefit.

## **Item 12 Review of Accounts**

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**Periodic Reviews**

Account reviews are performed at least weekly by the Portfolio Managers and reviews are performed more frequently as market conditions dictate.

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**Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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**Regular Reports**

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on a quarterly basis. Clients are encouraged to meet at least annually with a portfolio manager or staff and more often if needed. Clients receive written quarterly portfolio reports. The written updates may include a portfolio statement and performance.

## **Item 13 Client Referrals and Other Compensation**

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### **Incoming Referrals**

We will accept client referrals from independent marketing representatives (IMRs). The IMR will provide certain ongoing services to the referrals, including responding to questions and other services to be agreed upon by the IMR and our firm. Each IMR shall enter into an agreement with our firm in accordance and compliance with the provisions of the Rule 206(4)-3 of the Investment Advisors Act of 1940.

A Referral Agreement is prepared and executed by the IMR and a principal of our firm before receiving compensation. The agreement specifies the duties of the IMR including providing each person solicited on behalf of our firm a current copy of this document (our Firm brochure), as well as a separate document entitled "IMR Disclosure Statement" at the time of solicitation. IMR will deliver a duly executed copy of the Disclosure as soon as practical. MR's compensation will be a percentage of our normal and customary fee as indicated in our fee schedule. Client's fee will not be increased to cover the IMR's referral fee. The percentage of compensation shall be determined by our firm and the IMR based on the services to be provided and their mutual agreement.

### **Referrals Out**

Riverplace Capital does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

### **Other Compensation**

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the referral arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts are described above in Brokerage Practices.

## **Item 14 Custody**

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### **SEC "Custody"**

Under government regulations, we may be deemed to have custody of your assets if, for example, you authorize us to instruct your brokerage firm to deduct our advisory fees directly from your account. Your brokerage firm maintains actual custody of your assets.

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**Account Statements**

You will receive account statements directly from your brokerage firm at least quarterly. They will be sent to the e-mail or postal mailing address on file with them. You should carefully review those statements promptly when you receive them.

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**Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by Riverplace Capital.

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**Item 15 Investment Discretion**

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**Discretionary Authority for Trading**

Riverplace Capital accepts discretionary authority to manage securities accounts on behalf of clients. Riverplace Capital has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, Riverplace Capital consults with the client before each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to that custodian. Riverplace Capital does not receive any of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

If a client holds securities that are not under our discretion, such assets are classified as “unsupervised.” Unsupervised assets will not be included in our performance reports nor will we charge management fees of these assets.

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**Limited Power of Attorney**

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney, usually as a part of the account application with your custodian so that we may execute discretionary trades.

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**Item 16 Voting Client Securities**

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**Proxy Votes**

Unless the client designates otherwise, Riverplace Capital votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy.

We will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. We vote proxies in a manner designed to promote shareholders' best interests. Our firm will retain all proxy voting records for the required period of time.

## **Item 17 Financial Information**

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### **Financial Condition**

Riverplace Capital does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than six months or more in advance.

Riverplace Capital does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

Riverplace Capital has never been the subject of a bankruptcy petition.

## **Item 18 Privacy Notice**

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### **Privacy Notice**

Riverplace Capital is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state

securities regulators may review our company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.