

**Paul Damon & Associates, Inc.  
DBA: Family Capital Management**

**168 Louis Campau Promenade NW  
Suite 500  
Grand Rapids, MI 49503**

**Phone: 616-774-4560  
Fax: 616-774-4568**

**Website: [www.familycapitalmgt.com](http://www.familycapitalmgt.com)**

**March 5, 2020**

**FORM ADV PART 2  
BROCHURE**

This brochure provides information about the qualifications and business practices of Paul Damon & Associates, Inc., doing business as ("DBA") Family Capital Management (hereinafter, "Family Capital Management"). If you have any questions about the contents of this Brochure, please contact us at 616-774-4560. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Family Capital Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Family Capital Management is 111230.

Family Capital Management is a registered investment adviser. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

## **Item 2 Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated January 29, 2019, we have not made any material changes to this Brochure.

## Item 3 Table Of Contents

Item 1 Cover Page	Page 1
Item 2 Material Changes	Page 2
Item 3 Table Of Contents	Page 3
Item 4 Advisory Business	Page 4
Item 5 Fees and Compensation	Page 6
Item 6 Performance-Based Fees and Side-By-Side Management	Page 7
Item 7 Types of Clients	Page 8
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	Page 8
Item 9 Disciplinary Information	Page 10
Item 10 Other Financial Industry Activities and Affiliations	Page 10
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	Page 11
Item 12 Brokerage Practices	Page 11
Item 13 Review of Accounts	Page 13
Item 14 Client Referrals and Other Compensation	Page 13
Item 15 Custody	Page 14
Item 16 Investment Discretion	Page 14
Item 17 Voting Client Securities	Page 14
Item 18 Financial Information	Page 14
Item 19 Requirements for State-Registered Advisers	Page 14
Item 20 Additional Information	Page 15

## Item 4 Advisory Business

### Description of Services and Fees

Family Capital Management, is registered investment adviser based in Grand Rapids, Michigan. We are organized as a corporation under the laws of the State of Michigan. We have been providing investment advisory services since 1999. Paul Damon is our principal owner. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Portfolio Management Services**
- **Financial Consulting Services**

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this Brochure, the words "we," "our," "firm," and "us" refer to Family Capital Management and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

### Portfolio Management Services

We offer our portfolio management services on a discretionary basis. If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms. In our sole discretion, you may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

These services include an initial consultation along with follow up consultations, as may be agreed, to discuss your unique investment objectives, time horizon, risk tolerance, tax circumstances, and various other financial factors. We will ask that you complete certain investor questionnaires, onboarding forms, and other documents to assist us in gathering information about your financial needs and circumstances. Based on our evaluation of the foregoing factors, we will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. Once we establish an investment portfolio for you, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and/or in your financial circumstances.

We offer advisory clients access to our "*e-Money*" aggregation platform (no additional fee). This service enables users to access secure online vaults capable of storing a myriad of documents, including financial statements and legal documents, and also enable users to view up-to-date account balances for linked accounts.

We manage our clients' investments within the larger context of the client's overall wealth management and financial planning process. Specifically, we offer complimentary advice, at no additional charge, on a range of wealth management issues that complement the management of the client's investment portfolio, including: estate planning, retirement planning, education planning, income tax planning, liability planning, and insurance planning, among other areas. We do not prepare tax returns, practice

law, or make loans. However, we offer our objective, unbiased advice to our clients on the full range of wealth management topics in order to better serve our clients and help them manage their overall financial affairs.

In addition, for those clients that require an enhanced and/or specialized level of asset management service, we may also recommend that you authorize the active discretionary management of your assets by and/or among certain independent investment manager(s) and/or investment programs (the "Independent Manager(s)"), based upon your stated objectives. We shall also provide you with a copy of the written disclosure statement of the Independent Manager(s). Additionally, we shall continue to render investment supervisory services to you relative to the ongoing monitoring and review of account performance, asset allocation and your investment objectives. Factors which we shall consider in recommending Independent Manager(s) include your designated investment objectives, manager investment style, distinct investment discipline, consistency and predictability of results, reputation, financial strength, reporting, pricing and research.

### **Financial Consulting Services**

Some clients may only require advice on a single aspect of the management of their financial resources. In these cases, we offer financial plans in a modular format and/or general consulting services that address only those specific areas of concern, depending on your unique circumstances.

These services are based on your financial situation at the time we present our recommendations to you, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement our advice through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

### **Types of Investments**

We primarily offer advice on mutual funds, exchange traded funds, annuities, and real estate investment trusts.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of December 31, 2019, we provide continuous management services for approximately \$149,301,502 in client assets on a discretionary basis.

## Item 5 Fees and Compensation

### Portfolio Management Fees

We charge a fee based on assets under management based on schedule below:

<u>Portfolio Value</u>	<u>Advisory Fee</u>
\$0 - \$100,000	2.00%
\$100,001 - \$250,000	0.90%
\$250,001 - \$500,000	0.85%
\$500,001 - \$1,000,000	0.80%
\$1,000,001 - \$2,000,000	0.75%
\$2,000,001 and higher	0.70%

Clients may be subject to a different fee schedule depending on when they signed an agreement with our firm.

Our annual portfolio management fee is billed and payable monthly, in arrears, based on the value of your account on the last day of the calendar month.

If the portfolio management agreement is executed at any time other than the first day of a calendar month, our fees will apply on a pro rata basis. This means that our advisory fee is payable only in proportion to the number of days in the calendar month for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

Unless we agree to invoice you directly for the payment of our advisory fee, we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account, and you should review all statements for accuracy.

You may terminate the portfolio management agreement upon 30-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement. This means that you will incur advisory fees only in proportion to the number of days in the terminating calendar month during which you were a client.

### Financial Consulting Fees

For financial consulting services, we charge a percentage of net worth that ranges up to 0.25% of net worth with a \$1,500 minimum fee. The fee is negotiable depending upon the complexity and scope of the services, your financial situation, and your objectives.

Fees are payable upon completion of the contracted services.

At our sole discretion we may waive a financial consulting fee or it may be offset by advisory fees earned in the implementation process.

You may terminate the agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through which your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Disclosure Brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

Our firm's Investment Advisor Representatives ("IARs") may be registered representatives with American Portfolios Financial Services, Inc., ("American Portfolios") a securities broker-dealer, and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). In their separate capacity as a registered representative, such IARs will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Additionally, certain IARs of our firm are also licensed as independent insurance agents, and will earn commission-based compensation for selling insurance products to you.

Compensation earned by these persons in their separate capacities as registered representatives and/or licensed insurance agents is separate and in addition to our advisory fees. These practices present a conflict of interest because IARs of our firm who are registered representatives and/or licensed insurance agents do have a financial incentive to effect securities transactions on your behalf and/or sell insurance products to you. Clients are under no obligation, contractually or otherwise, to purchase securities and/or insurance products through any person affiliated with our firm.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in *Item 5 - Fees and Compensation* of this brochure, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## Item 7 Types of Clients

We offer investment advisory services to individuals, other investment advisers, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your account if it falls below a minimum size which, in our sole opinion, is too small to effectively manage.

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

### Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- Technical Analysis - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Technical Analysis - The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Although trading, which is defined as selling securities within 30 days' of purchase, is not used as part of our overall investment strategy, we may employ this strategy on a limited basis should we determine that it is suitable given your stated investment objectives and risk tolerance.



## **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

## **Recommendation of Particular Types of Securities**

As disclosed in *Item 4 - Advisory Business* of this Brochure, we primarily recommend mutual funds, exchange traded funds, annuities, and real estate investment trusts. Each type of security or investment product has its own unique set of associated risks and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

A variable annuity is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the annuitant has an unknown duration based principally upon the date of death of the annuitant. At this point the contract will terminate and the remainder of the fund accumulated forfeited unless there are other annuitants or beneficiaries in the contract. Annuities can be purchased to provide an income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities, pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. Many variable annuities typically impose asset-based sales charges or surrender charges for withdrawals within a specified period. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as: mortality and expense risk charges; administrative fees; underlying fund expenses; and charges for special features, all of which can reduce the return. Earnings in a variable annuity do not provide all the tax advantages of 401(k)s and other before-tax retirement plans. Once the investor starts withdrawing money from their variable annuity, earnings are

taxed at the ordinary income rate, rather than at the lower capital gains rates applied to other non-tax-deferred vehicles which are held for more than one year. Proceeds of most variable annuities do not receive a "step-up" in cost basis when the owner dies like stocks, bonds, and mutual funds do. Some variable annuities offer "bonus credits." These are usually not free. In order to fund them, insurance companies typically impose mortality and expense charges and surrender charge periods. In an exchange of an existing annuity for a new annuity (so-called "1035 exchanges") the new variable annuity may have a lower contract value and a smaller death benefit; may impose new surrender charges or increase the period of time for which the surrender charge applies; may have higher annual fees; and provide another commission for the broker.

A real estate investment trust or REIT is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012 the IRS stopped permitting stock dividends. Many REITs must refinance or erase large balloon debts from time to time. The credit markets are generally no longer frozen, but banks are demanding, and getting, harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

## **Item 9 Disciplinary Information**

Family Capital Management has been registered and providing investment advisory services since 1999. Neither our firm nor any of our management personnel has any reportable criminal, civil, federal, state or self-regulatory disciplinary information.

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

### **Broker-Dealer Representatives / Insurance Agents**

Investment adviser representatives (IARs) of our firm are also registered representatives with American Portfolios, a securities broker-dealer, and a member of the FINRA and the SIPC. In their separate capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Additionally, IARs of our firm are also licensed as independent insurance agents, and will earn commission-based compensation for selling insurance products to you. These services are separate and apart from the services offered by our firm.

These practices present a conflict of interest because IARs of our firm who are registered representatives and/or licensed insurance agents have a financial incentive to effect securities transactions on your behalf and/or sell insurance products to you. In efforts to mitigate these conflicts of interest, it is our firm's strict policy to act in our client's best interest. Clients are under no obligation to use the services of these affiliated / related entities, and may obtain comparable services and/or lower fees through other firms.

### **Recommendation of Other Advisers**

We may recommend that you use a third-party independent investment manager based on your needs and suitability. Please refer to Item 4 of this Brochure for more information on our advisory services and use of Independent Managers.

### **Stewardship Planning Partners, LLC**

Paul Damon, President of Family Capital Management and other members of our firm, offer family wealth counseling services through the Stewardship Planning Partners program. This service is separate and distinct from the services provided by our firm and you are under no obligation to use the Stewardship Planning Partners program, however, if you choose to do so, you will pay a fee to Stewardship Planning Partners in addition to any fees paid to our firm for advisory services.

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

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

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Paul Damon at 616-774-4560.

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

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

### **Brokerage Recommendations**

For clients engaging our firm for portfolio management services, we require clients to open one or more custodial accounts in their own name at an independent custodian. We consider several factors in recommending a broker-dealer/custodian to a client. Factors that we consider when recommending a broker-dealer/custodian may include ease of use, reputation, service execution, pricing and financial strength. We may also take into consideration the availability of the research and/or services received or offered by the broker-dealer/custodian.

While you are free to choose any broker-dealer/custodian or other service provider, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. For clients in need of brokerage or custodial services, we generally recommend the use of TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC, an unaffiliated SEC-registered broker-dealer. TD Ameritrade offers independent investment advisers services that

include custody of securities, trade execution, clearance and settlement of transactions. We believe that TD Ameritrade provides quality execution services for our clients at competitive prices. We may also recommend other broker-dealer/custodians, such as SEI Private Trust Company, among others.

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker-dealer are adequately favorable in comparison to those that we would otherwise obtain for you.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Research and Other Soft Dollar Benefits**

As a registered investment adviser, we may have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the service platforms of these firms, and are *not* considered to have been paid with soft dollars. The receipt of such products and/or services creates a conflict of interest since our firm may benefit from such products and/or services. In efforts to mitigate this conflict, it is our firm's policy to act in our clients' best interest, and to use these products and/or services for the benefit of all our clients. Clients should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

### **Block Trades**

We may combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts, but under no circumstance will such accounts receive preferential treatment over client accounts. To the extent we combine multiple orders (block trade), we will only do so for accounts managed on a discretionary basis.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

## Item 13 Review of Accounts

Client accounts are monitored on a continuous basis with a formal review conducted as frequently as agreed upon between you and us. Paul J. Damon, President/Chief Compliance Officer, or another qualified representative of our firm conduct all reviews. Additional reviews may be provided at your request, based on deposits and/or withdrawals in the account, material changes in your financial condition, and at our discretion. We will review the underlying portfolio assets, current market conditions, investment results, asset allocation, etc., in efforts to ensure investment strategy and expectations continue to meet your stated goals and objectives. In the case of mutual fund investments, we will review economic changes and fund performance in and of each particular fund and how it relates to the industry and to the market in general, adherence to style, equity style box and any fund management changes. We encourage frequent contact with our clients. However, you must notify us promptly of any changes in your financial status to ensure the current investment strategy continues to meet your investment objectives.

We may provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain account performance. In addition, you will receive trade confirmations and monthly statements from your account custodian(s).

Reviews of financial planning recommendations are available at your request. Updates to a written financial plan may be provided in conjunction with the review, and such reviews and updates are subject to a new fee arrangement.

## Item 14 Client Referrals and Other Compensation

We may directly compensate outside consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this Disclosure Brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Please refer to Item 10 (*Other Financial Industry Activities and Affiliations* section) of this Disclosure Brochure for more information on outside business activities involving our firm's Investment Adviser Representatives where such persons might receive additional compensation beyond our advisory fees. In addition, please refer to Item 12 (*Brokerage Practices* section) of this Disclosure Brochure for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian(s).

## Item 15 Custody

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

## Item 16 Investment Discretion

If you engage us to perform discretionary management services, you must first sign our discretionary management agreement before we can buy or sell securities on your behalf. Discretionary authorization enables our firm to exercise discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security.

## Item 17 Voting Client Securities

### Proxy Voting

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## Item 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition (including bankruptcy) that is reasonably likely to impair our ability to meet our commitments to you.

## Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.



## Item 20 Additional Information

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will never sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact Paul Damon at 616-774-4560, if you have any questions regarding this policy.