

L. A. Burton & Associates, Inc.

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**FORM ADV PART 2
BROCHURE**

This brochure provides information about the qualifications and business practices of L. A. Burton & Associates, Inc. If you have any questions about the contents of this brochure, please contact us at 217-726-8100. 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 L. A. Burton & Associates, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for L. A. Burton & Associates, Inc. is 117893.

L. A. Burton & Associates, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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Advisory Business

Form ADV Part 2A, Item 4

L. A. Burton & Associates, Inc. is a fee-only advisory firm registered with the SEC as a registered investment advisor. The firm was founded in 1998 and has been providing investment services to clients for the past 17 years. The firm is owned entirely by its founder and Chief Executive Officer, Larry A. Burton. The firm operates independent of any subsidiaries.

L. A. Burton & Associates, Inc. offers investment advisory and management services for individuals, retirement accounts, trusts, and corporations. These services are based on fundamental and technical research analyses of asset classes. These asset classes include stocks, bonds, and cash equivalents. The firm takes a one to three year approach in recommending any specific investment strategies. In implementing investment strategies, client assets are invested in a combination of individual stocks and bonds, and mutual funds. These mutual funds may be no-load exchange traded funds and/or closed-end funds. The firm does not directly utilize or recommend options or future contracts. Options or future contracts may, however, be held in mutual funds that the firm recommends.

L. A. Burton & Associates, Inc. provides the following advisory and investment management services:

1. Separate Accounts – Accounts for which advisor has full discretionary authority and power of attorney to execute transactions on behalf of the client. The advisor does not need approval from the client to execute transactions. A separate account invests in a specified investment category such as large cap stocks, mid-cap stocks, or investment grade bonds. The investment activities are defined in the client's Investment Policy Statement. These accounts invest primarily in individual securities. The fee is based on assets under management.
2. Managed Accounts – Accounts for which advisor has full discretionary authority and power of attorney to execute transactions on behalf of the client. These managed accounts invest in a combination of mutual funds and/or individual securities based on the specific needs and objectives of the individual client. The investment activities are defined in the client's Investment Policy Statement. Investments in all asset classes may be included. The fee is based on assets under management.
3. Supervised Accounts – Accounts for which advisor has non-discretionary authority. The advisor must have approval from the client before executing transactions. These supervised accounts invest in a combination of mutual funds and individual securities based on the specific needs and objectives of the individual client. The investment activities are defined in the client's Investment Policy Statement. Investments in all asset classes may be included. The fee is based on assets under management.
4. Individual Investment Consulting Services – The advisor provides investment advice to individuals based on their needs and objectives. The advisor has no power of attorney to execute transactions on behalf of the client. The fee is on an hourly or retainer basis.
5. Corporate/Institutional Investment Consulting Services – The advisor provides investment advice to clients based on their needs and objectives as defined in their Investment Policy Statement. The advisor has no power of attorney to execute transactions on behalf of the client. Consulting service fees are based on either assets or contractual retainer.
6. Institutional Intelligent Portfolios- We provide portfolio management services through Institutional Intelligent Portfolios, an automated, online investment management platform for use by independent investment advisors and sponsored by Schwab Wealth Investment Advisory, Inc. (the "Program" and "SWIA, respectively). Through the Program, we offer clients a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange Traded Funds ("ETFs") and a cash allocation. The client may instruct us to exclude up to three ETFs from their portfolio. The Client's portfolio is held in a brokerage account opened by the client at SWIA's affiliate, Charles Schwab & Co., Inc. ("CS&Co"). We are independent of and not owned by, affiliated with, or sponsored by SWIA, CS&Co or their affiliates (together, "Schwab"). The Program is described in the Schwab Wealth Investment Advisory, Inc. Institutional Intelligent Portfolio Disclosure Brochure (the "Program Disclosure Brochure"), which is delivered to the clients of SWIA during the online enrollment process.

We, and not Schwab, are the client's investment advisor and primary point of contact with respect to the Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of

the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. SWIA's role is limited to delivering the Program Brochure to client and administering the Program so that it operates as described in the Program Disclosure Brochure.

We have contracted with SWIA to provide up with the technology platform and related trading and account management services for the Program. This platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the "System"). The System includes an online questionnaire that helps us determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that we will recommend a portfolio via the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

We do not receive a portion of a wrap fee for our services to the clients through the Program. Clients do not pay fees to SWIA in connection with the Program, but we charge clients a fee for our services as described below under *Item 5 Fees and Compensation*. Our fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure.

We do not pay SWIA fees for its services in the Program as long as we maintain \$100 million in client assets in accounts at CS&Co that are not enrolled in the Program. If we do not meet this condition, then we pay SWIA an annual fee of 0.10% (10 basis points) on the value of our client's assets in the Program. This fee arrangement gives us an incentive to recommend or require our clients with accounts not enrolled in the Program to be maintained with CS&Co.

7. Investment Policy Statements - All advisory and management services are tailored to the individual needs of the clients. This is based on information gathered, including a client's financial condition, age, investment horizon, risk tolerance and income needs. This information is used to create a written Investment Policy Statement. It sets the guidelines, parameters, and restrictions on investment activities that the client may impose.

8. Wrap Fee Programs - L. A. Burton & Associates, Inc. does not provide or offer wrap fee programs.

9. Assets Under Management - As of 12-31-2019, L. A. Burton & Associates, Inc. managed on a discretionary basis, \$104,656,251 and on a non-discretionary basis, \$159,107,969.

Fees and Compensation

Form ADV Part 2A, Item 5

Fees for managed accounts, supervised accounts and separate accounts are based on assets under management as indicated below:

Managed Accounts and Supervised Accounts

<u>Assets</u>	<u>Fees</u>
First \$ 250,000	1.00% on assets per annum
Next \$ 750,000	0.75% on assets per annum
Over \$1,000,000	0.50% on assets per annum

Separate Accounts

<u>Assets</u>	
First \$ 500,000	1.00% on assets per annum
Next \$1,500,000	0.75% on assets per annum
Over \$2,000,000	0.50% on assets per annum

Institutional Intelligent Portfolio Accounts

<u>Assets</u>	
First \$ 250,000	0.60% on assets per annum
Over \$ 250,000	0.40% on assets per annum

Accounts are subject to a minimum annual fee of \$60.00.

Fees for individual investment consulting services are based on either an hourly basis or on a retainer basis. The hourly consulting fee is \$90.00. The retainer is agreed upon between the client and advisor.

Fees for corporate/institutional investment consulting services are based on either assets, hourly or retainer basis. Fees are negotiated on an individual basis.

All fees are negotiable.

Investment management fees may either be deducted from the client's account or billed to the client. The client may select the fee payment method. All fees are billed or deducted on a quarterly basis at the end of each quarter.

Investment consulting fees, which are based on an hourly rate, are billed each month, or on completion of a specific project.

Investment consulting fees, which are based on assets or retainer, may be either deducted from the client's account or billed to the client. The client may select the fee payment method. All fees are billed or deducted on a quarterly basis at the end of each quarter.

Institutional Intelligent Portfolio Account fees are based specifically and only on assets held in client's Institutional Intelligent Portfolio accounts and are not calculated based upon the amount of any other assets held by client with L.A. Burton & Associates, Inc. Clients do not pay fees to SWIA or brokerage commissions or other fees to CS&Co as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure. Brokerage arrangements are further described

below in *Item 12 Brokerage Practices*.

Clients may pay other fees. They could include custodian fees and mutual fund expenses. Clients will incur brokerage and other transaction costs in their brokerage accounts. Please read Section Brokerage Practices, Form ADV Part 2A, Item 12 for more information regarding brokerage accounts.

L. A. Burton & Associates, Inc. does not require or accept prepayment of fees for any services provided. The firm does not accept any compensation for the sale of securities or other investment products, including asset-based sales, charges or service fees from the sale of mutual funds. Clients have the option to purchase investment products that we recommend through brokers or agents that are not affiliated with us.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

L. A. Burton & Associates, Inc. does not accept performance-based fees and does not utilize side-by-side management arrangements.

Types of Clients

Form ADV Part 2A, Item 7

L. A. Burton & Associates, Inc. provides investment advice to the following types of clients:

Individuals

Pension and profit sharing plans

Trusts, estates and charitable organizations

Corporations or business entities

Clients eligible to enroll in the Institutional Intelligent Portfolio Program include individuals, IRAs, and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or governmental entities, and clients that are subject to the Employee Retirement Income Security Act of 1974 are not eligible for the Program. The minimum investment required to open an account in the program is \$5,000. The Program Disclosure Brochure describes related minimum required balances for maintenance of the account, automatic rebalancing, and tax-loss harvestings.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

L. A. Burton & Associates, Inc. uses a combination of client input, investment research and asset allocation disciplines to formulate investment advice or to manage client assets.

The initial step in the overall investment process is to analyze the client's financial condition, cash flow needs, taxes, investment goals, investment horizons, risk tolerance and knowledge of investments. With this information, an Investment Policy Statement is drafted. This written document establishes guidelines and parameters for all investment activities. These activities include expected returns, risks to be assumed and investment instruments to be used. The Policy Statement also establishes minimum and maximum amounts that can be invested in different types of securities such as stocks, bonds, and cash equivalents. The Policy Statement provides limits for investments in any individual security. The client accepts this Investment Policy Statement before any specific advice is given or changes are made to the portfolio.

An investment strategy is formulated for each client based upon the Investment Policy Statement and current market conditions. Asset allocation principles are used to create the overall structure of the portfolio, to control risk and to provide for return. Over time, as market conditions change, the amount of investments in the different asset classes may be changed. This allows for increase or decrease in risk and/or return. This process is called tactical asset allocation.

Tactical asset allocation decisions are based on one to three year time frames. The decisions use fundamental market analyses such as business cycle signals and valuation signals. Valuation signals could be corporate earnings, dividends, inflation, interest rates, etc. Tactical allocations strategies may increase overall portfolio risk because of the potential for over concentrations, added volatility, errors in timing, or use of faulty time signals. L. A. Burton & Associates, Inc. does not employ any trading strategies that can increase risk or increase brokerage or other transaction costs and taxes.

Individual stocks and bonds, no-load mutual funds and exchange traded funds are recommended and used in client portfolios. Derivative securities such as future contracts and options are not used or recommended. All securities selected for client portfolios are screened and analyzed for credit quality, relative valuation, historical performance and risk. Portfolio positions are diversified primarily across the three primary asset classes of stocks, bonds and cash equivalents. On occasion, assets classes such as real estate and commodities may be recommended.

For the Institutional Intelligent Portfolio program, the Program Disclosure Brochure includes discussion of various risks associated with the Program, including the risks of investing in ETFs, as well as risks related to the underlying securities in ETFs invest. In additions, the Program Disclosure Brochure also discusses market/systemic risks, asset allocation/strategy/diversification risks, investment strategy risks, trading/liquidity risks, and large investment risks.

All client portfolios are monitored continually. Advice and recommendations are provided as appropriate. The advisor will reach the client orally or in writing. Each client receives a quarterly investment report. This report includes current investment holdings by account and consolidated, market valuations, purchase and sales, income and expenses, unrealized gains and losses, and periodic investment return. Advisors and clients hold meetings as needed. Quarterly meetings are recommended when possible.

L. A. Burton & Associates, Inc. invests primarily in no-load mutual funds, exchange-traded funds and individual stocks and bonds. All recommended securities trade on national exchanges or in the over-the-counter markets. These types of securities do not involve any significant or unusual risks to clients.

Disciplinary Information

Form ADV Part 2A, Item 9

L. A. Burton & Associates, Inc. has not been convicted of, or pled guilty or nolo contendere to (a) any felony, (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses.

L. A. Burton & Associates, Inc. is not the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion or a conspiracy to commit any of these offenses.

L. A. Burton & Associates, Inc. has not been found to have been involved in a violation of an investment-related statute or regulation.

L. A. Burton & Associates, Inc. has not been the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, our firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule or order.

L. A. Burton has not had administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which

1. our firm or a management person was found to have caused an investment-related business to lose its authorization to do business; or
2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
 - a. denying, suspending, or revoking the authorization of our firm or a management person to act in an investment-related business;
 - b. barring or suspending our firm's or a management person's association with an investment-related business;
 - c. otherwise significantly limiting our firm's or management person's investment-related activities, or
 - d. imposing a civil money penalty of more than \$2,500 on our firm or a management person.

L. A. Burton & Associates, Inc. has not had a self-regulatory organization (SRO) proceeding in which our firm or management person:

1. was found to have caused an investment-related business to lose its authorization to do business; or
2. was found to have been involved in a violation of the SRO's rules and was:
 - a. barred or suspended from membership or from association with other members, or was expelled from membership;
 - b. otherwise significantly limited from investment related activities;
 - c. fined more than \$2,500.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

L. A. Burton & Associates, Inc. or any of our management persons is not registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the forgoing entities.

L. A. Burton & Associates, Inc. does not have any relationship or arrangement that is material to our advisory business or our clients with:

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

L. A. Burton & Associates, Inc. does not recommend or select other investment advisers for our clients and, therefore, does not receive compensation. No conflict of interest exists.

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

Form ADV Part 2A, Item 11

Pursuant to SEC rule 204A-1, L. A. Burton & Associates, Inc. has adopted a code of ethics that sets forth standards of conduct and requires compliance with the federal securities laws. It consists of an outline of policies in several key areas: standards of conduct and compliance with laws, rules and regulation, protection of material non-public information, prohibited acts, conflicts of interest and other client protections measures and personal securities trading. It also consists of specific information and guidance that is provided in company-wide policies and procedures included in the L. A. Burton Compliance Manual.

L. A. Burton & Associates, Inc. or its related persons does not recommend, buy or sell, for clients, securities that the firm has a material financial interest. Our firm or related persons do not act as general partner in a partnership in which we solicit client investments; or act as an investment advisor to an investment company that we recommend to clients. The firm's compliance officer will monitor activities of the firm and related parties for any potential conflicts of interest and report any actual or potential conflicts to the manager. The manager shall notify all clients of any conflicts of interest that may arise.

L. A. Burton & Associates, Inc. and related persons may invest in the same securities that are bought or sold for clients. Such securities may include: bonds, mutual funds or stocks. The CCO retains records of all personal financial transactions of its employees and monitors such transactions for any potential conflict with transactions or recommendations to clients.

L. A. Burton & Associates, Inc. and all related persons are instructed not to recommend, buy or sell securities for client accounts at or about the same time, that the firm or related persons buy or sell the same securities in order to avoid any potential conflict of interest. All such transactions should be executed by the firm or related persons after client securities are bought or sold. The CCO retains records of all personal financial transactions of its employees and monitors such transactions for any potential conflict with transactions for or recommendations to clients.

Brokerage Practices

Form ADV Part 2A, Item 12

L.A. Burton & Associates, Inc seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors including:

- Combination of transaction execution and asset custody services
- Capability to execute, clear and settle trades
- Capability to facilitate transfers and payments to and from accounts
- Breadth of available investment products
- Availability of investment research and tools that assist us in making investment decisions
- Competitiveness of the price of services such as commissions and other fees
- Reputation, financial strength and stability

Our firm receives proprietary research and other services without cost due to our willingness to use our recommended custodial/brokerage firm for client brokerage and custodial services. These same services are made available to other investment advisory firms like ours. Services which we receive without cost that benefit both our clients and our firm include:

- Access to client account data
- Systems that facilitate trade execution and allocate aggregated trade orders for multiple clients.
- Systems that provide securities prices and other market data
- Systems that facilitate payment of our fees from client accounts
- Systems that assist back-office functions, recordkeeping and client reporting

Services we receive which generally only benefit our firm include:

- Educational conferences and events
- Consulting on technology, compliance, legal and business needs
- Publications and conferences on practice management and business succession
- Access to employee-benefit providers, human capital consultants, and insurance providers.

The availability of these services from our recommended custodian/brokerage firm benefits us because we do not have to produce or purchase them. We don't have to pay for these services so long as our clients collectively keep at least \$10million of client assets in account at our recommended broker-dealer. The \$10 million minimum may give us an incentive to recommend that clients maintain their account(s) at our recommended custodial/brokerage firm. This is a potential conflict of interest. We believe, however, that our selections of this recommended broker-dealer is in the best interest of our clients. Our recommendation is primarily supported by the scope, quality and price of our recommended broker-dealer's services.

The commissions or price mark-ups or mark-downs paid by our clients at our recommended broker-dealer may be higher than those charged by other broker-dealers in order for us to receive the benefits listed above. The benefits that we receive from recommending a specific broker-dealer are used to service all of our client accounts. We do not attempt to allocate these benefits proportionately to any specific account based upon the actual benefit the account generates.

Our firm, during the initial phases of opening a new client relationship, recommends the use of a specific broker-dealer. We provide pertinent information on the recommended broker-dealer and disclosure of the benefits to be received by both the client and our firm by using our recommended broker-dealer.

Our firm does not participate in any client referral programs offered by our recommended broker-dealer.

Our firm does not request or require clients to direct us to execute transactions through a specified broker-dealer. However, clients are allowed to direct us to execute transactions through a broker-dealer of their selection. For any client who directs us to execute transactions through a broker-dealer of their choice we advise them that they may pay higher brokerage commissions, that we cannot aggregate orders, and that they may receive less favorable prices.

When we buy or sell the same security, at the same time, for multiple clients, we may aggregate these orders into one transaction. Order aggregation may reduced commission costs and/or result in more favorable pricing.

In addition to our portfolio management and other services, the Institutional Intelligent Portfolio Program include the brokerage service of CS&Co, a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to us CS&Co as custodian/broker to enroll in the Program, the client decided whether to do so and opens its account with CS&Co by entering into an account agreement directly with CS&Co. We do not open the account for the client. If the client does not wish to place his or her assets with CS&Co, then we cannot manage the client's account through the Program. As described in the Program Disclosure Brochure, SWIA may aggregate purchase and sale orders for ETFs across accounts enrolled in the Program, including both accounts for our clients and accounts of other independent investment advisory firms using the Program.

Schwab Advisor Services (formally called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. Through Schwab Advisor Services, CS&Co provides us and our clients, both those enrolled in the Program and our clients not enrolled in the Program, with access to its institutional brokerage services – trading, custody, reporting, and related services – many of which are not typically available to CS&Co retail customers. CS&Co also makes available various support services, some of those services help us manage or administer our clients' accounts while others help us manage and grow our business... CS&Co's support services described below are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The availability to us of CS&Co products and services is not based on us giving particular investment advice, such a buying particular securities for our clients. Here is a more detailed description of CS&Co's support services.

CS&Co institutional brokerage services include access to a broad range of investments products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. CS&Co's services described in this paragraph generally benefit the client and the client's account.

CS&Co also makes available to us other products and services that benefit us by may not directly benefit the client or its account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained

at CS&Co. In addition to investment research, CS&Co makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements);
- Facilitate trade execution and allocate aggregate trade orders for multiple client accounts;
- Provide pricing and other market data;
- Facilitate payment of our fees from our clients' accounts;
- Assist with back-office functions, recordkeeping and client reporting.

CS&Co also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conference and events
- Technology, compliance, legal, and business consulting;
- Publications and conferences on proactive management and business succession; and
- Access to employee benefit providers, human capital consultants and insurance providers.

CS&Co may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. CS&Co may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. CS&Co may also provide us with other benefits such as occasional business entertainment of our personnel.

The availability of services from CS&Co benefits us because we do not have to produce or purchase them. We don't have to pay for these services, and they are not contingent upon us committing any specific amount of business to CS&Co in trading commissions or assets in custody. With respect to the Program, as described above under *Item 4 Advisory Business*, we do pay SWIA fees for its services in connection with the Program so long as we maintain \$100 million in client assets in accounts at CS&Co that are not enrolled in the Program. In light of our arrangements with Schwab, we may have an incentive to recommend that our clients maintain their accounts with CS&Co based on our interest in receiving Schwab's services that benefit our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. We believe, however, that our selection of CS&Co as custodian and broker is in the best interest of our clients. It is primarily supported by the scope, quality and price of CS&Co's services and not Schwab's services that benefit only us.

Review of Accounts

Form ADV Part 2A, Item 13

All client accounts are reviewed at least quarterly and more frequently based upon abrupt changes in market conditions, changes in our current investment strategy, or material changes in a client's financial condition. Long-term financial plans are reviewed at least annually. The account review process entails the comparison of actual account holdings to the client's Investment Policy and to our current investment strategy. Variances are analyzed and recommendations for appropriate changes are communicated to the client either orally and/or written form.

Our clients are provided a comprehensive written report on their accounts on a quarterly basis. These reports include all account holdings with current market values, cost basis, unrealized gains and losses, purchase and sales, income and expenses and periodic investment returns. The report also includes our analysis of the markets and any recommended changes to their accounts.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

L. A. Burton & Associates, Inc. does not compensate any person who is not a supervised person within the firm, for client referrals. Our firm does not have any arrangements whereas someone who is not a client provides economic benefit to our firm for providing investment advice or advisory services to our clients.

Our firm does not directly or indirectly compensate any person for who is not our supervised person for client referrals.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under Item 12 *Brokerage Practices*. The availability of us to Schwab's products and services is not based on us giving particular investment advice, such a buying particular securities for our clients.

Custody

Form ADV Part 2A, Item 15

L. A. Burton & Associates, Inc. has custody of client funds or securities solely by having the ability to deduct advisory fees (and no other amount) from client accounts. Clients receive monthly or quarterly statements directly from the broker-dealer and we urge all clients to review and compare those statements with the reports our firms sends to them.

Under government regulations, we are deemed to have custody of a client's assets if the client authorizes us to instruct CS&Co to deduct our advisory fees directly from the client's account. This is the case for accounts in the Institutional Intelligent Portfolio Program. CS&Co maintains actual custody of clients' assets. Clients receive account statements directly from CS&Co at least quarterly. They will be sent to the email or postal mailing address the client provide to CS&Co. Clients should carefully review those statement promptly when received. We also urge clients to compare CS&Co's account statements to the periodic portfolio reports clients receive from us.

Investment Discretion

Form ADV Part 2A, Item 16

L. A. Burton & Associates, Inc. does accept discretionary authority to manage securities accounts on behalf of clients. For all discretionary accounts, clients approve an Investment Policy Statement (IPS) which places certain limitations on how the account is managed. These limitations may include the types of investment securities to be used, amounts that can be invested in any security, security type and/or investment category. The IPS may also place limits on the amount of gains and losses to be taken and certain securities that may not be sold. A limited power of authority is executed between the client and our firm which allows us to execute transactions in their account and to deduct advisory fees from their account.

Voting Client Securities

Form ADV Part 2A, Item 17

L. A. Burton & Associates, Inc. does not accept authority to vote client securities. Client will receive proxies and other solicitations directly from the custodian/broker-dealer. Clients may contact us with questions about any particular solicitation.

As described in the Institutional Intelligent Portfolio Program Disclosure Brochure, clients enrolled in the Program designate SWIA to vote proxies for the ETFs held in their accounts. We have directed SWIA to process proxy votes and corporate actions through and in accordance with the policies and recommendations of a third party proxy voting service provider retained by SWIA for this purpose. Additional information about this arrangement is available in the Program Disclosure Brochure. Clients who do not wish to designate SWIA to vote proxies may retain the ability to vote proxies themselves by signing a special CSCO form available from us.

Financial Information

Form ADV Part 2A, Item 18

L. A. Burton & Associates, Inc. does not require, solicit, or allow prepayment of fees.

The firm has discretionary authority on some client accounts. There is no financial condition that is likely to impair the firm's ability to meet contractual commitments to our clients.

L. A. Burton & Associates, Inc. has never been the subject of a bankruptcy petition.

Requirements for State-Registered Advisers

Additional Information