

# Miller Equity Capital Advisors

## Miller Equity Capital Advisors Form ADV Part 2A Investment Adviser Brochure CRD #141343

**March 2020**

This brochure provides information about the qualifications and business practices of Centered Wealth, LLC dba Miller Equity Capital Advisors. If you have any questions about the contents of this brochure, please contact us at 972-490-4345 and/or [mark@mecadvisors.com](mailto:mark@mecadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Miller Equity Capital Advisors is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique number, known as a CRD number. Our firm's CRD number is 141343.

Miller Equity Capital Advisors

5605 N MacArthur Blvd, Suite 860 ▲ Irving, Texas 75038 ▲ 972.490.4345 ▲ [www.mecadvisors.com](http://www.mecadvisors.com)

## ***Item 2: Summary of Material Changes***

---

### **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. You will receive information regarding the material changes or a full copy of the ADV on an annual basis. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting Mark Miller at 972-490-4345 or mark@mecadvisors.com.

### **Material Changes since the Last Update: ADV Part 2, Dated: March 26<sup>th</sup>, 2019**

Since the last published ADV dated March 26<sup>th</sup>, 2019, the following changes have been made:

- Our firm now charges a minimum fee of \$2,500 for written financial plans. For more information please refer to Item 5.
- Our firm now charges the quarterly fee of the greater of \$5,000 or a fee based on the average daily balance of client assets for our Wealth Management service. For more information please refer to Item 5.
- Our firm has changed its registration status and is now a Registered Investment Adviser with the United States Securities and Exchange Commission.
- TD Ameritrade, Inc. ("TD Ameritrade"), recently eliminated transaction fees for U.S. listed equities and exchange traded funds.

***Item 3: Table of Contents***

<b>Miller Equity Capital Advisors</b>	<b>1</b>
<b>Item 2: Summary of Material Changes</b>	<b>2</b>
Annual Update	2
Material Changes since the Last Update: ADV Part 2, Dated: March 26 <sup>th</sup> , 2019	2
<b>Item 4: Advisory Business</b>	<b>5</b>
Advisory Services	5
Tailored Relationships	6
Wrap Fee Programs	6
Assets Under Management	6
<b>Item 5: Fees and Compensation</b>	<b>7</b>
Compensation – General Information	7
Other Fees	8
Past Due Accounts and Termination of Agreement	9
<b>Item 6: Performance-Based Fees and Side-by-Side Management</b>	<b>9</b>
<b>Item 7: Types of Clients &amp; Account Requirements</b>	<b>9</b>
<b>Item 8: Methods of Analysis, Investment Strategies and Risk of Loss</b>	<b>10</b>
Methods of Analysis	10
Investment Strategies	10
Objectives	10
Tax Sensitivity	11
Risk of Loss	11
<b>Item 9: Disciplinary Information</b>	<b>12</b>
Legal and Disciplinary	12
<b>Item 10: Other Financial Industry Activities and Affiliations</b>	<b>12</b>
Financial Industry Activities – Broker/Dealer or Commodities	12
Financial Industry Activities – Other Affiliations	12
<b>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b>	<b>12</b>
Code of Ethics	12
Participation or Interest in Client Transactions – Personal Securities Transactions	13
Participation or Interest in Client Transactions – Aggregation	13
<b>Item 12: Brokerage Practices</b>	<b>13</b>
Research and Other Soft Dollar Benefits	13
Brokerage for Client Referrals	14
Directed Brokerage	14
Special Considerations for ERISA Clients	14
Client Directed Brokerage	15
Trade Aggregation	15
<b>Item 13: Review of Accounts</b>	<b>15</b>
Reviews & Reporting	15
Review Triggers	16
<b>Item 14: Client Referrals and Other Compensation</b>	<b>16</b>
Client Referrals	16
Other Compensation	16

<b>Item 15: Custody</b>	<b>17</b>
Standing Letters of Instruction	17
Client Online Login Credentials	18
Account Statements	18
<b>Item 16: Investment Discretion</b>	<b>19</b>
Discretionary Authority for Trading and Limited Power of Attorney	19
<b>Item 17: Voting Client Securities</b>	<b>19</b>
Proxy Voting – Firm does not vote	19
<b>Item 18: Financial Information</b>	<b>19</b>
Financial Condition	19

---

***Item 4: Advisory Business***

---

Miller Equity Capital Advisors is an Investment Advisor specializing in private wealth management that is focused on providing advice on a complete financial picture to high-net-worth individuals, families, trusts, estates and charitable organizations, corporations or other business entities. Miller Equity Capital Advisors was founded in 1996 as a sole proprietorship and is owned and managed by Mark Miller, CFA. The primary member of his team is Gene Gurley, CFP®. Miller Equity Capital Advisors was reorganized as a limited liability company in 2017.

---

***Mission Statement***

---

**The mission of Miller Equity Capital Advisors is to preserve and enhance its client's wealth with their best interest in mind.**

Our vision is to protect the client's long-term financial health and wealth through managing financial risk within each client's tolerance level. We are dedicated to providing integrated wealth management advice in a prudent and effective manner that is both confidential and in the client's best interest.

**Advisory Services**

Miller Equity Capital Advisors offers the following types of advisory services to enable a client to understand their complete financial condition: Financial and Investment Consulting Services and Wealth Management Services.

---

***Financial and Investment Consulting Services***

---

Financial and Investment Consulting Services are the professional expertise provided in developing an integrated plan that utilizes the client's financial resources working together in a holistic approach to achieve identified goals and objectives.

The integrated plan includes some or all of the following services:

- Personal Financial Planning
- Goal and Objectives Planning
- Investment Management
  - Investment Opportunity Evaluations
  - Investment Analysis and Investment Strategies
  - Portfolio Risk Management
  - Portfolio Design and Asset Allocation
- Tax Planning and Minimization
- Risk Management (Insurance)
- Life Events Planning
- Education Planning
- Retirement Planning

- Retirement Income and Capital Needs Analysis
- Estate Planning
- Corporate Financing Alternatives
- Charitable Giving Strategies

These services are oriented toward developing strategic plans for solving specific problems and/or reaching specific goals depending on family or specific portfolio needs. Miller Equity Capital Advisors helps the client work through the complexities, manage the risk, and get the most economic long-term after-tax return from their total wealth. The services used to develop the comprehensive Wealth Management plan are also available individually or as requested by the client.

### ***Wealth Management Services***

---

Wealth Management services is the on-going professional management of the Wealth Management Plan described above. These services are provided under a fiduciary relationship on a discretionary or a non-discretionary basis with Miller Equity Capital Advisors. Miller Equity Capital Advisors uses an integrated approach in advising clients concerning financial returns and risks that impact personal net worth and future wealth creation. As part of our Wealth Management service, a portfolio is created, consisting of individual stocks, bonds, exchange traded funds (“ETFs”), options, mutual funds and other public and private securities or investments. The client’s individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Portfolios will be designed to meet a particular investment goal, determined to be suitable to the client’s circumstances. Financial decisions are evaluated in terms of reward for risk and recommendations are based solely on the client’s specific needs, circumstances, goals and risk tolerance. Miller Equity Capital Advisors implements the portfolio recommendations and monitors the investments based on an agreed upon client objective.

### **Tailored Relationships**

Miller Equity Capital Advisors tailors advisory services to the individual needs of the client. Investable portfolios are custom designed to achieve investment solutions. The complexities of the client’s unique circumstance and needs are evaluated and incorporated in the portfolio construction.

The goals and objectives for each client are documented in our client relationship management system. Investment allocations are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

### **Wrap Fee Programs**

Miller Equity Capital Advisors does not participate in a Wrap Fee Program.

### **Assets Under Management**

As of December 31, 2019, Miller Equity Capital Advisors manages \$113,116,878 in regulatory assets under management on a discretionary basis.

## ***Item 5: Fees and Compensation***

---

### **Compensation – General Information**

Miller Equity Capital Advisors bases its fees on a percentage of assets under management and hourly charges. Financial and Investment Consulting services are provided on an hourly basis and Wealth Management Services are provided on a percentage of assets under management.

### ***Financial and Investment Consulting Services***

---

Financial and Investment Consulting services are provided on an hourly basis and billed monthly in arrears. Hourly fees are \$325 per hour for accredited professionals, \$175 per hour for professional support and \$90 per hour for administrative support and are subject to change. You are notified of rate changes in our Part 2 of Form ADV material change notification. Legacy clients will be subject to the fee schedule in their signed advisory agreement.

### ***Wealth Management Services***

---

Unless otherwise agreed, the following fee schedule will apply:

<b>WEALTH MANAGEMENT FEE SCHEDULE</b>					
<b>Wealth Under Management</b>				<b>Quarterly Fee</b>	<b>Annual Fee</b>
First	\$5,000,000			.25%	1.00%
Next	\$5,000,001	To	\$10,000,000	.20%	.80%
Next	\$10,000,001	To	\$20,000,000	.15%	.60%
Next	\$20,000,001			.10%	.40%

“Wealth Under Management” is defined as the fair market value of: all investments and securities (including cash and cash equivalents in taxable, tax-deferred and tax-exempt accounts), trusts, stock options, retirement plans, IRA’s, custodial accounts, investment real estate, limited partnerships, LLCs, and variable insurance products. “Wealth Under Management” does not include: Client’s personal use assets (such as residences and vehicles), collectibles (such as artwork and coins), defined benefit retirement plans, social security benefits, certain real estate, and closely held business interests.

Fees for Wealth Management services are calculated as a percentage of assets under management and will be billed and directly invoiced quarterly in arrears. Miller Equity Capital Advisors provides wealth management services to clients who have a minimum of \$2,000,000 in Wealth Under Management, with a minimum annual (fixed) fee of \$20,000. The quarterly fee will be based upon the greater of \$5,000 or a fee based on the average daily balance of client assets. At no point will the advisory fee exceed the maximum possible fee disclosed in the table above. Legacy clients will be subject to the fee schedule in their signed advisory agreement. As part of this process, Clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- b) Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
- c) Prior to submitting an invoice to the custodian our firm sends a copy of our invoice to the client and the accounts which will be billed prior to deducting fees from approved and authorized accounts; and
- d) Our firm sends a report displaying the aggregate portfolio value, with a recommendation to compare information provided in our report with custodian statements aggregated in our report prior to sending an invoice and deducting fees.

The Client will be invoiced in arrears calculated as defined above. The Client can remit payment directly or can have the fees deducted from their account(s) held at TD Ameritrade Institutional through prior arrangement and authorization with the custodian. Miller Equity Capital Advisors' fees may be negotiable based on various criteria, including, but not limited to the size of the aggregate related party portfolio, family holdings, low cost basis securities, fixed income holdings, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, the time involved, the degree of responsibility assumed, the complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation. Clients who choose to have multiple investment strategies (including multiple portfolio designs, multiple implementations and multiple reviews, rebalancings, reports, revisions, and reallocations) may pay multiple quarterly fees, and will not have their assets under management combined to determine their fees. Existing clients may have been grandfathered in from a lower fee schedule.

Miller Equity Capital Advisors recognizes that wealth management services are most effective when client's advisors all work together as a coordinated team. These other professional advisors may elect to bill client directly for their professional services rendered. Miller Equity Capital Advisors recommends that client encourage its other professional advisors to participate.

## **Other Fees**

Miller Equity Capital Advisors' fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. These transaction charges 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. TD Ameritrade, Inc. ("TD Ameritrade"), does not charge transaction fees for U.S. listed equities and exchange traded funds.

Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Miller Equity Capital Advisors' fee, and Miller Equity Capital Advisors shall not receive any portion of these commissions, fees, and costs.



Financial and Investment Consulting Services clients are offered a monthly service to assimilate financial and investment information. The monthly fee charged for this service is \$100 per month billed monthly in arrears. There are no additional types of fees or expenses that Miller Equity Capital Advisors' Wealth Management clients pay in connection with the delivery of advisory services.

Neither Miller Equity Capital Advisors nor any of its supervised persons (employees) accept compensation for the sale of securities or other investment products.

### **Past Due Accounts and Termination of Agreement**

Miller Equity Capital Advisors may impose a late penalty in the amount of \$100 per month or 2% per month; whichever is greater, for any fees or expense reimbursements that Miller Equity Capital Advisors receives more than ten business days late. Miller Equity Capital Advisors also reserves the right to immediately stop providing all services on any account that is more than 30 days overdue. In addition, Miller Equity Capital Advisors reserves the right to terminate any Financial and Investment Consulting Service or Wealth Management Service agreements where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Miller Equity Capital Advisors' judgment, to providing proper financial advice. A client may terminate any of the aforementioned agreements at any time by notifying Miller Equity Capital Advisors in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination.

Miller Equity Capital Advisors may terminate any of the aforementioned agreements at any time by notifying the client in writing. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable.

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

---

Our firm does not charge performance-based fees.

### ***Item 7: Types of Clients & Account Requirements***

---

Our firm has the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Corporations, Limited Liability Companies and/or Other Business Types

Our requirements for opening and maintaining accounts or otherwise engaging us:

- Our firm requires a minimum investable assets, which equates to a minimum annual (fixed) fee of \$20,000, although this may be lower for legacy clients and may be negotiable under certain circumstances.
- Written financial plans are generally assessed a minimum fee of \$2,500 based on the hours needed to create and render a written financial plan.

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

---

### **Methods of Analysis**

Miller Equity Capital Advisors uses the following main sources of information: 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 (SEC), and company press releases.

Other sources of information that Miller Equity Capital Advisors may use include information from investment managers, financial service companies, data base companies, financial journals, government sources, and the Internet.

Miller Equity Capital Advisors utilizes a quantitative approach in security analysis. It utilizes data bases from several sources as input to its own computer models and those from other companies. This quantitative processing produces an output that ranks companies based upon certain fundamental, financial position and valuation measures. Thereafter, Miller Equity Capital Advisors' own analysts perform fundamental analyses prior to purchasing the securities for client portfolios.

### **Investment Strategies**

Miller Equity Capital Advisors primarily recommends index investments predominantly with domestic and international stocks, and domestic bonds. Index mutual funds and exchange-traded funds offer lower transaction costs, minimal asset class drift, and greater tax efficiency. When appropriate, Miller Equity Capital Advisors may use actively managed funds to overweight the style or sector portion of the equity allocation.

The primary investment strategy used on client accounts is a strategic asset allocation utilizing a core and satellite approach. This means that we use passively-managed index and exchange-traded funds as the core investments, and then tactically overlay the core with style, sector, or actively-managed funds where there is perceived value opportunities to enhance overall portfolio returns. Portfolios are globally diversified for exposure to the global economy.

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 an Investment Policy Statement that documents their objectives and their desired investment strategy.

### **Objectives**

There is no one particular investment portfolio that is appropriate for all individual investors. The optimal portfolio will depend on the amount and timing of cash flow needs, tax consideration and market conditions. Investment decisions should be based, therefore, on the client's objectives. Through that objective-driven process, crucial factors such as appropriate levels of risk and return are derived and optimized to achieve those objectives.

## Tax Sensitivity

Miller Equity Capital Advisors exercises care in the appropriate placement of investments within taxable and tax-deferred accounts. For example, Miller Equity Capital Advisors generally places index and tax-managed vehicles in taxable accounts and higher turnover mutual funds in tax-deferred accounts. However, tax considerations do not dominate Miller Equity Capital Advisors' portfolio management process.

## Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by 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 next year will not buy as much as a dollar today 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.
- **Sequence Risk:** This is the risk that portfolio withdrawals during certain market conditions can dramatically change financial outcomes. The timing of portfolio withdrawals during periods when returns are negative or below long-term average returns impact financial wealth.

Miller Equity Capital Advisors reserves the right to advise clients on any other type of investment that it deems appropriate based on the client's stated goals and objectives. Miller Equity Capital Advisors may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship or on any investment on which the client requests advice.

### ***Item 9: Disciplinary Information***

---

#### **Legal and Disciplinary**

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

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

---

#### **Financial Industry Activities – Broker/Dealer or Commodities**

Miller Equity Capital Advisors is not registered as a broker-dealer, and none of its management persons are registered representatives of a broker-dealer.

Neither Miller Equity Capital Advisors nor any of its management persons is registered as (or associated with) a futures commissions merchant, commodity pool operator, or a commodity trading advisor.

#### **Financial Industry Activities – Other Affiliations**

Mark Miller is a Certified Public Accountant. In such capacity, he may also provide income tax preparation or accounting services. These services are independent of our firm's financial planning and investment advisory services and are governed under a separate engagement agreement. Our firm does not actively solicit clients to utilize these services.

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

---

#### **Code of Ethics**

Miller Equity Capital Advisors employees must comply with a Code of Ethics and Statement for Insider Trading. The Code describes the Firms' high standard of business conduct, and fiduciary duty to its clients. The Code's key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

Miller Equity Capital Advisors' Code of Ethics incorporates the Code of Ethics and Standards of Professional Conduct upheld by Certified Financial Analyst (CFA) designated members and the CFP Board Code of Ethics and Professional Responsibility upheld by Certified Financial Planner® (CFP®) Professionals.

Mark Miller reviews all employee trades each quarter. His trades are reviewed by another member of the team. These reviews ensure that personal trading does not affect the markets, and that clients of Miller Equity Capital Advisors receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

All employees Miller Equity Capital Advisors must acknowledge the terms of the Code of Ethics at least annually.

Clients and prospective clients can obtain a copy of Miller Equity Capital Advisors' Code of Ethics by contacting Mark Miller at 972.490.4345.

### **Participation or Interest in Client Transactions – Personal Securities Transactions**

Miller Equity Capital Advisors and its employees may buy or sell securities identical to those recommended to clients for their personal accounts. These trades may not occur ahead of client trades. The Code of Ethics, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of Miller Equity Capital Advisors will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Miller Equity Capital Advisors' clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Miller Equity Capital Advisors and its clients.

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

Miller Equity Capital Advisors and its employees may trade in the same securities with client accounts provided the block trades are allocated to the clients and employees on an equal or same cost basis.

## ***Item 12: Brokerage Practices***

---

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

Miller Equity Capital Advisors participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Miller Equity Capital Advisors receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below.)

### **Brokerage for Client Referrals**

Miller Equity Capital Advisors does not receive client referrals from broker/dealers.

### **Directed Brokerage**

Miller Equity Capital Advisors does not have any affiliation with custodians, broker/dealers, or product sales firms. Specific custodian recommendations are made to clients based on their need for such services. Miller Equity Capital Advisors recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Miller Equity Capital Advisors does not receive fees or commissions from any of these arrangements.

If the client requests Miller Equity Capital Advisors to arrange for the execution of brokerage transactions for the client's account, Miller Equity Capital Advisors shall direct such transactions through broker-dealers that Miller Equity Capital Advisors reasonably believes will provide best execution. Miller Equity Capital Advisors shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

Miller Equity Capital Advisors may recommend that portfolio management clients establish brokerage accounts with TD Ameritrade, to maintain custody of clients' assets and to effect trades for their accounts.

Miller Equity Capital Advisors is independently owned and operated and unaffiliated with TD Ameritrade. The brokerage commissions and/or transaction fees charged by TD Ameritrade or any other designated broker-dealer are exclusive of and in addition to Miller Equity Capital Advisors' fees.

### **Special Considerations for ERISA Clients**

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, our firm

will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

### **Client Directed Brokerage**

While not routine, the client may direct Miller Equity Capital Advisors to use a particular broker-dealer to execute some or all transactions for the client. This brokerage direction must be requested by the client in writing. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and Miller Equity Capital Advisors will not seek better execution services or prices from other broker-dealers or be able to “batch” client transactions for execution through other broker-dealers with orders for other accounts managed by Miller Equity Capital Advisors. By directing brokerage, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Not all advisers require or allow their clients to direct brokerage. Subject to its duty of best execution, Miller Equity Capital Advisors may decline a client’s request to direct brokerage if, in Miller Equity Capital Advisors’ sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **Trade Aggregation**

Miller Equity Capital Advisors has access to block trading, which provides the ability to aggregate securities transactions for execution and then allocate shares to client account.

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

---

### **Reviews & Reporting**

#### ***Wealth Management Services***

---

Our management personnel or financial advisors review accounts on at least an annual basis for wealth management advisory clients. This management process includes on-going oversight of the portfolio’s investments, buying and selling securities, and communication with clients. All security purchases and sales are reviewed daily by senior members of the Miller Equity Capital Advisors management.

Each month, the custodian provides clients with an account statement for each client account, which may include individual holdings, cost basis information, deposits and withdrawals, accrued income, dividends, and performance. In addition, the custodian provides clients with trade confirmations for each position bought and sold.

Clients receive periodic communications on at least an annual basis from Miller Equity Capital Advisors. Wealth Management Agreement clients receive written quarterly updates. The written updates may include the following information: summary page with total market value, income, and asset allocation; a transaction summary with data for the reporting period; a market value statement showing individual securities owned, current value, and a net worth statement.



Client meetings are encouraged and are scheduled quarterly or less frequently as specific situations dictate. Supplemental written reports, with more detailed information including investment performance, are provided to many clients.

### ***Financial and Investment Consulting Services***

---

Financial and investing consulting clients will be reviewed upon client request or during consultations. Financial plans will be reviewed initially through a consultation, and upon request thereafter. Clients may receive updated financial plans for a separate fee.

Financial Planning and or Consulting clients receive reports as contracted for at the inception of the engagement or upon client request.

### **Review Triggers**

Conditions that may trigger a portfolio review are changes in market, political or economic conditions, tax laws, new investment information, and changes in a client's own situation.

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

---

### **Client Referrals**

Our firm does not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. However, Miller Equity Capital Advisors has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

### **Other Compensation**

As disclosed under Item 12, above, Miller Equity Capital Advisors participates in TD Ameritrade's institutional customer program and Miller Equity Capital Advisors may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Miller Equity Capital Advisors' participation in the program and the investment advice it gives to its clients, although Miller Equity Capital Advisors receive economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Miller Equity Capital Advisors participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds



with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Miller Equity Capital Advisors by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Miller Equity Capital Advisors' related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Miller Equity Capital Advisors but may not benefit its client accounts. These products or services may assist Miller Equity Capital Advisors in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Miller Equity Capital Advisors manage and further develop its business enterprise. The benefits received by Miller Equity Capital Advisors or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Miller Equity Capital Advisors endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Miller Equity Capital Advisors or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Miller Equity Capital Advisors' choice of TD Ameritrade for custody and brokerage services.

### ***Item 15: Custody***

---

#### **Standing Letters of Instruction**

While our firm does not maintain physical custody of client assets (which are maintained by a State Securities Bureaus generally take the position that any arrangement under which a registered investment adviser is authorized or permitted to withdraw client funds or securities maintained with a custodian upon the adviser's instruction to the custodian is deemed to have custody of client funds and securities. As such, our firm has adopted the following safeguarding procedures:

- a) Clients must provide our firm with written authorization permitting direct payment of advisory fees from their account(s) maintained by a custodian who is independent of our firm;
- b) Our firm sends quarterly statements to the client showing the fee amount, the value of the assets upon which the fee is based, and the specific manner in which the fee is calculated as well as disclosing that it is the client's responsibility to verify the accuracy of fee calculation, and that the custodian does not determine its accuracy; and
- c) The account custodian sends a statement to the client, at least quarterly, showing all account disbursements, including advisory fees.

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodian:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.

- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

### **Client Online Login Credentials**

As part of the advisory services provided, Miller Equity Capital Advisors may maintain electronic access to certain client financial accounts via the use of the client's online login credentials. As such, our firm is deemed to have custody. In accordance with Rule 206(4)-2 of the Investment Advisers Act of 1940, Advisory Client funds and securities of which Miller Equity Capital Advisors has custody are verified by actual examination at least once during each calendar year by an independent public accountant ("IPA") registered with the Public Company Accounting Oversight Board ("PCAOB"), at a time that is chosen by the accountant without prior notice or announcement to Miller Equity Capital Advisors and that is irregular from year to year.

Miller Equity Capital Advisors does not automatically debit management fees without prior client approval. TD Ameritrade program provides the ability to have advisory fees deducted directly from client accounts. All fees are invoiced and paid directly by clients, unless client directs Miller Equity Capital Advisors to withdrawal fees from their TD Ameritrade investment account(s). Client investment assets will be held with a custodian agreed upon by the client and Miller Equity Capital Advisors. While Miller Equity Capital Advisors will assist clients in establishing and maintaining accounts at the custodian, Miller Equity Capital Advisors shall have no responsibility or liability with respect to custodial arrangements or the acts, omissions or other conduct of the custodian.

### **Account Statements**

As described in Item 13, clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the account statements or other reports that Miller Equity Capital Advisors provides. Miller Equity Capital Advisors statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

---

***Item 16: Investment Discretion***

---

**Discretionary Authority for Trading and Limited Power of Attorney**

Through the investment management agreement, Miller Equity Capital Advisors may accept limited power of attorney to act on a discretionary basis on behalf of clients. A limited power of attorney allows Miller Equity Capital Advisors to execute trades on behalf of clients.

When such limited powers exist between the Miller Equity Capital Advisors and the client, Miller Equity Capital Advisors has the authority to determine, without obtaining specific client consent, both the amount and type of securities to be bought to satisfy client account objectives. Additionally, Miller Equity Capital Advisors may accept any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to Miller Equity Capital Advisors in writing.

If Miller Equity Capital Advisors has not been given discretionary authority, Miller Equity Capital Advisors consults with the client prior to each trade.

---

***Item 17: Voting Client Securities***

---

**Proxy Voting – Firm does not vote**

Miller Equity Capital Advisors does not have any authority to and does not vote proxies on behalf of clients. Miller Equity Capital Advisors also does not render advice to or take any actions on behalf of clients with respect to any legal proceedings, including bankruptcies and shareholder litigation. Clients retain the responsibility for receiving and voting proxies and any legal proceedings for securities maintained in their portfolios; clients receive these corporate actions directly from either custodians or transfer agents.

If requested, Miller Equity Capital Advisors may provide advice to clients regarding proxy votes and legal proceedings. If any conflict of interest exists, it will be disclosed to the client. Clients may contact Miller Equity Capital Advisors at 972-490-4345 for information about proxy voting.

---

***Item 18: Financial Information***

---

**Financial Condition**

Miller Equity Capital Advisors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Miller Equity Capital Advisors is not required to provide a balance sheet; Miller Equity Capital Advisors does not require prepayment of fees of more than \$1200 per client, and six months or more in advance.