

Adkins Seale Capital Management LLC

ADV Part 2A, Firm Brochure Dated: March 11, 2020

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This Brochure provides information about the qualifications and business practices of Adkins Seale Capital Management, LLC (the “Registrant”). If you have any questions about the contents of this Brochure, please contact us at (318) 703-3641. 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 Adkins Seale Capital Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to Adkins Seale Capital Management, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

Since its last Annual Amendment filing on February 28, 2019, there have been no material changes to this Brochure.

ANY QUESTIONS: Registrant’s Chief Compliance Officer, Philip Michael Adkins, remains available to address any questions regarding Brochure.

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Item 4 Advisory Business

- A. Adkins Seale Capital Management, LLC (the “Registrant”) is a limited liability company formed in 2013 in the State of Louisiana. The Registrant became registered as an investment adviser in April 2013. The Registrant is principally owned by Philip Michael Adkins, John Richard Seale, and Jay Kyle Binderim.
- B.

INVESTMENT ADVISORY SERVICES

The Registrant generally provides discretionary investment advisory services through its wrap fee program. See the discussion below under Adkins Seale Wrap Program. Clients in the Program will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody).

Registrant's annual investment advisory fee includes investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning or consultation services (to be determined in the sole discretion of the Registrant), the Registrant may determine to charge for these additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

The Registrant may, in its discretion, provide services outside the Program on a discretionary basis or non-discretionary basis.

ADKINS SEALE WRAP PROGRAM

The Registrant provides investment management services on a wrap fee basis through the Registrant's investment management wrap fee program (the “Program”). The services offered under the Program are discussed in the Program Brochure a copy of which is presented to all prospective Program participants. Under the Program, the Registrant provides discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees.

All prospective Program participants should read both the Registrant's Brochure and the Program Brochure, and ask any corresponding questions that they may have, prior to participation in the Program. Charles Schwab & Co. Inc. (“*Schwab*”) serves as the custodian for Program accounts.

Participation in the Program may cost more or less than purchasing such services separately. The Program fee charged by Registrant for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

The Registrant receives the balance of the Program fee after all other costs (including account transaction fees) have been paid to Schwab. This presents a conflict of interest, because the Registrant has an economic incentive to minimize the number of trades in the client's account or select securities that do not incur transaction fees. Schwab does not currently charge transaction fees on U.S. equities, exchange-traded funds, and certain “no-transaction fee mutual funds”. We generally make investment decisions without regard to whether they incur transaction fees or not.

With the exception of Retirement Plan Consulting Services engagements, the Registrant does not currently recommend non-discretionary, non-wrap fee services to any client. The Registrant's Chief Compliance Officer, Philip Michael Adkins, remains available to address any questions that a client or prospective client may have regarding the Program.

RETIREMENT PLAN CONSULTING SERVICES

The Registrant may also be engaged to provide non-discretionary pension consulting services, where it assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives (generally open-end mutual funds) that plan participants can select for their individual plan retirement accounts. In addition, to the extent requested by the plan sponsor, the Registrant will also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The terms and conditions of the engagement will generally be set forth in a Retirement Plan Consulting Agreement between the Registrant and the plan sponsor.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE BASIS)

To the extent specifically requested by a client, the Registrant may determine to provide a client with a one-time financial plan without ongoing investment management services on a stand-alone separate fee basis.

MISCELLANEOUS

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. To the extent requested by a client, Registrant generally provides financial planning and related consulting services regarding non-investment related matters, such as estate, tax, and insurance planning. In most instances, the Registrant provides these services as part of the Program and does not charge clients additional fees. However, there are exceptions, such as stand-alone financial planning engagements or where a client has an extraordinary service request. In any event, the Registrant does not provide legal or tax advice or insurance implementation services. To the extent requested by a client, Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). The client is under no obligation to engage the services of any recommended professional. The client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation from the Registrant. If the client engages any recommended professional, and a dispute arises, the client agrees to seek recourse exclusively from the engaged professional. Any recommended professional remains responsible for the quality and competency of their services provided. It remains the client's responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives so that the Registrant can review and revise its previous recommendations.

Non-Discretionary Service Limitations. Clients that determine to engage the Registrant on a non-discretionary basis acknowledge and agree that the Registrant cannot effect any account transactions without obtaining the client's prior consent. In the event that Registrant would like to make a transaction for a client's account, and the client is unavailable, the Registrant will be unable to effect the account transaction (as it would for its discretionary clients).

Use of Mutual Funds and Exchange Traded Funds: While the Registrant may recommend or invest in mutual funds or ETFs that are not available directly to the public, the Registrant may also recommend or invest in publically-available mutual funds or ETFs that the client could obtain without engaging Registrant as an investment adviser. However, if a client or prospective client determines to invest in publically-available mutual funds or ETFs without engaging Registrant as an investment adviser, the client or prospective client would not receive the benefit of Registrant's initial and ongoing investment advisory services. Certain mutual funds, such as those issued by Dimensional Fund Advisors ("DFA"), are generally only available through select registered investment advisers. Registrant currently uses DFA mutual funds. Therefore, upon the termination of Registrant, restrictions regarding additional purchases of, or reallocation among other DFA funds, or transfer of the DFA funds, will generally apply.

Cash and Cash Equivalent Positions. The Registrant could determine to hold a significant portion of a client's assets in cash or cash equivalents (i.e., money market accounts, etc.). Investments in these cash-type assets may cause a client to miss market advances. Unless the Registrant expressly agrees otherwise in writing, account assets consisting of cash and cash equivalents are included in the value of an account's assets for purposes of calculation of the Program Fee or the client's advisory fee.

Portfolio Activity. As part of its services, Registrant reviews client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors. There may be extended periods of time when Registrant determines that changes to a client's portfolio are unnecessary. A client's account remains subject to the Program fee or an advisory fee during periods of account inactivity.

Client Obligations. The Registrant will not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely on the information in its possession. Clients are responsible for promptly notifying the Registrant if there is ever any change in their financial situation or investment objectives so that the Registrant can review, and if necessary, revise its previous recommendations or services.

- C. **Tailoring of Advisory Services.** The Registrant provides investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.
- D. **Sponsor of Wrap Fee Program.** As stated above in Item 4.B, the Registrant sponsors the Program. Clients should review that item for more information about how it manages Program accounts.
- E. **Assets under Management.** As of December 31, 2019, the Registrant had a total of \$278,583,505 in assets under management, of which \$256,155,349 were managed on a discretionary basis, and \$22,428,156 were managed on a non-discretionary basis.

Item 5 Fees and Compensation

A.

ADKINS SEALE WRAP PROGRAM

The Registrant's annual investment Program fee is based on a percentage of the market value of a client's assets placed under the Registrant's management as follows:

<u>Market Value of Portfolio</u>	<u>Annual fee as % of Assets</u>
First \$250,000	1.20%
Next \$250,000	1.00%
Next \$500,000	0.85%
Next \$1,000,000	0.70%
Next \$3,000,000	0.50%
Above \$5,000,000	Negotiable

By way of example, a client placing \$350,000 under Registrant's management under the above fee schedule would be assessed an annual fee of 1.20% on the first \$250,000 placed under Registrant's management, with an annual fee of 1.00% assessed on the remaining \$100,000.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, the Registrant may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Registrant's planning and consulting fees are negotiable, but generally range from \$1,500 to \$5,500 on a fixed fee basis and \$150 to \$300 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

RETIREMENT PLAN CONSULTING SERVICES

The terms and conditions of the Registrant's retirement plan consulting services are generally outlined in a Retirement Plan Consulting Agreement with the plan sponsor. Registrant's negotiable retirement plan consulting fees generally range between 0.35% and 1.00% of the value of plan assets under advisement.

ADDITIONAL INFORMATION POTENTIALLY RELEVANT TO ALL CLIENT RELATIONSHIPS

- B. **Fee Deductions Applicable to All Relationships.** Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's Investment Advisory Agreement and the custodial/clearing agreement authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant deducts fees and/or bills clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. **Additional Fees and Expenses.** As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant generally recommends that

Schwab serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab charge transaction fees for effecting certain securities transactions or receive revenues from services they perform for your account. Schwab currently does not charge transaction fees on U.S. equities or ETFs. In addition, as a condition of our continued relationship with Schwab, Schwab requires us to use Schwab's proprietary or affiliated money market mutual funds or cash sweeps accounts, which do not provide the highest return available. A complete list of all fees and expenses is available upon request from your account's custodian.

In addition, client accounts may invest in mutual funds (including money market funds) and ETFs that have various internal fees and expenses (i.e. management fees), which are paid by these funds and ultimately borne by clients as a fund shareholder. These internal fees and expenses are in addition to the fees charged by the Registrant. When beneficial to the client, individual fixed-income or equity transactions may be effected through broker-dealers that the Registrant or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other broker-dealers. In that case, the client generally will incur both the transaction fee charged by the executing broker-dealer and a "trade away" fee charged by the custodian (i.e. Schwab). For Program clients, commissions and trading fees, including trade away fees, are paid for by the Registrant.

- D. **Timing of Fee Payments; Refunds.** Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The Registrant generally requires minimum asset level of \$1 million for discretionary investment advisory services provided outside the Program. The Registrant, in its sole discretion, may reduce or waive its minimum asset requirement, charge a lesser investment management fee, or waive its advisory fee, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, service requirements, complexity of the engagement, competition, courtesy accounts, negotiations with client, etc.). As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

The Investment Advisory Agreement between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, the Registrant shall refund the prorated portion of the advanced advisory fee paid based upon the number of business days remaining in the billing quarter.

- E. **No Receipt of Commissions.** Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

Item 7 Types of Clients

The Registrant's clients shall generally include individuals, business entities, trusts, estates, charitable organizations and pensions and profit sharing plans. Clients should review Item 5 for information about account minimums and other information about account fees and expenses.

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

- A. The Registrant may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
 - Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

Investment Risk. Investing in securities involves the risk of loss that clients must be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by The Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis, the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases and/or Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop. Outside of the Program, frequent trading may result in higher transactional costs when compared to a longer term investment strategy.

- C. Currently, the Registrant primarily allocates client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, and mutual funds

and/or ETFs, on a discretionary basis in accordance with the client's designated investment objectives.

Item 9 Disciplinary Information

The Registrant has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. The Registrant has no other relationship or arrangement with a related person that is material to its advisory business.
- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant may buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades

executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons". The Registrant's securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at *Schwab*. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/ custodian.

Factors that the Registrant considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Except for the Program, brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are in addition to the Registrant's fees.

1. Non-Soft Dollar Research and Additional Benefits

Registrant receives from Schwab (and potentially other broker-dealers, custodians, investment platforms, unaffiliated investment managers, vendors, or fund sponsors) free or discounted support services and products. Certain of these products and services assist the Registrant to better monitor and service client accounts maintained

at these institutions. The support services that Registrant obtains can include investment-related research; pricing information and market data; compliance or practice management-related publications; discounted or free attendance at conferences, educational or social events; or other products used by Registrant to further its investment management business operations.

Certain of the support services or products received may assist the Registrant in managing and administering client accounts. Others do not directly provide this assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected by Schwab or other broker-dealers and custodians because of these arrangements. However, as a condition of our relationship with Schwab, Schwab requires us to use Schwab's proprietary or affiliated money market mutual funds or cash sweeps accounts, which do not provide the highest return available. There is no commitment made by the Registrant to any broker-dealer or custodian or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products because of the above arrangements.

The Registrant's Chief Compliance Officer, Philip Michael Adkins, remains available to address any questions that a client or prospective client may have regarding the conflict of interests arising from our relationship with Schwab.

2. The Registrant does not receive referrals from broker-dealers.
 3. **Directed Brokerage.** Registrant recommends that its clients use the brokerage and custodial services provided by *Schwab*. Registrant generally does not accept directed brokerage arrangements in the Program (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, a 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. This is true whether the account is in the Program or not. In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.
- B. **Order Aggregation.** Transactions for each client account generally will be effected independently, unless Registrant decides to purchase or sell the same securities for several clients at approximately the same time. Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Registrant's clients differences in prices and

commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients that the Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. Registrant receives from *Schwab* certain free and discounted support services and products. Clients should review Item 12 for more information about these services and products.
- B. The Registrant does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

Item 15 Custody

Registrant shall have the ability to deduct its advisory fee from the client's *Schwab* account on a monthly basis. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from *Schwab* (or other client custodian), at least quarterly. To the extent that Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Registrant with the account statements received from the account custodian. The account custodian does not verify the accuracy of Registrant's advisory fee calculation.

Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a

client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming the Registrant as the client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, in writing, on the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

Item 17 Voting Client Securities

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

ANY QUESTIONS: The Registrant's Chief Compliance Officer, Philip Michael Adkins, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.