

# DISCLOSURE BROCHURE

THE INVESTMENT ADVISERS ACT OF 1940 RULE 203-1

**Part 2A of Form ADV: Firm Brochure**



SEC File #: 801-80077  
Firm IARD/CRD #: 126877

**AllGen Financial Advisors,**  
REGISTERED INVESTMENT ADVISOR

100 W. Lucerne Circle  
Suite 200  
Orlando, Florida 32801

Toll: 888.6ALLGEN  
(625.5436)  
Tel: 407.210.3888  
Fax: 407.210.3887

[advisors@allgenfinancial.com](mailto:advisors@allgenfinancial.com)  
[www.allgenfinancial.com](http://www.allgenfinancial.com)

This Disclosure Brochure provides information about the qualifications and business practices of AllGen Financial Advisors, Inc., which should be considered before becoming a client. You are welcome to contact us should you have any questions about the contents of this brochure – our contact information is listed to the right. Additional information about AllGen Financial Advisors, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator. Furthermore, the term "registered investment advisor" is not intended to imply AllGen Financial Advisors, Inc. has attained a certain level of skill or training.

BROCHURE  
DATED

**24  
AUGUST  
2020**



## MATERIAL CHANGES

SEC Rule 204-3(b)(2) allows us to provide you with a summary page of Material Changes in lieu of sending out our entire Disclosure Brochure. If you are being offered this Material Change page as a separate piece from our Disclosure Brochure and you have questions about these summary disclosures or would like a current copy of our Disclosure Brochure to review, **you may contact us, and a current, complete Disclosure Brochure will be sent free of charge.**

### Revised Asset Allocation Models

We have revised our asset allocation models to reflect changes we have made to our risk profiles. This revision does not create a material change to the management of your portfolio; only to how we categorize risk as we structure your portfolio.

Asset Allocation Model	Percentage of		
	Stocks	Bonds/Fixed Income	Alternatives
Aggressive	50% - 100%	0% - 50%	0% - 25%
Moderately Aggressive	40% - 90%	10% - 60%	0% - 25%
Balanced	25% - 70%	25% - 70%	0% - 25%
Conservative	10% - 50%	50% - 90%	0% - 25%

For more information on our risk profiles, see our Disclosure Brochure under “Asset Allocation (Core-Satellite Portfolio Management)” in Item 8, “Methods of Analysis, Investment Strategies & Risk of Loss”.

## ALLGEN FINANCIAL ADVISORS, INC.

100 W. LUCERNE CIRCLE, SUITE 200  
ORLANDO, FLORIDA 32801

TEL: 407.210.3888  
FAX: 407.210.3887

This brief is being provided to you as a summary of what has been fully disclosed in our Disclosure Brochure dated August 24, 2020. The information contained on this Material Change page has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator.



## TABLE OF CONTENTS

ITEM 3

<b>ITEM 4</b>	<b>Advisory Business</b>	<b>4</b>
	Who We Are	4
	Assets Under Management	4
	What We Do	5
<b>ITEM 5</b>	<b>Fees &amp; Compensation</b>	<b>8</b>
	Portfolio Management Fee	8
	Financial Planning Fee	11
	Business and Corporate Planning Fee	12
	Money Cent\$	12
	General Consulting Fee	13
<b>ITEM 6</b>	<b>Performance-Based Fees &amp; Side-By-Side Management</b>	<b>13</b>
<b>ITEM 7</b>	<b>Types of Clients</b>	<b>13</b>
<b>ITEM 8</b>	<b>Methods of Analysis, Investment Strategies &amp; Risk of Loss</b>	<b>14</b>
	Methods of Analysis	14
	Investment Strategies	14
	Managing Risk	16
<b>ITEM 9</b>	<b>Disciplinary Information</b>	<b>17</b>
<b>ITEM 10</b>	<b>Other Financial Industry Activities &amp; Affiliations</b>	<b>17</b>
	Independent Insurance Agents	17
<b>ITEM 11</b>	<b>Code of Ethics, Participation or Interest in Client Transactions &amp; Personal Trading</b>	<b>17</b>
	Code of Ethics	17
	Client Transactions	18
	Personal Trading	18
<b>ITEM 12</b>	<b>Brokerage Practices</b>	<b>19</b>
	Custodial Services	19
	Aggregating Trade Orders	20
<b>ITEM 13</b>	<b>Review of Accounts</b>	<b>20</b>
	Portfolio Management Reviews	20
	Financial Planning Reviews	21
	Business and Corporate Planning Reviews	21
<b>ITEM 14</b>	<b>Client Referrals &amp; Other Compensation</b>	<b>21</b>
	Referral Compensation	21
	Other Compensation (Indirect Benefit)	21
	Financial Planning Compensation	21
<b>ITEM 15</b>	<b>Custody</b>	<b>22</b>
<b>ITEM 16</b>	<b>Investment Discretion</b>	<b>23</b>
<b>ITEM 17</b>	<b>Voting Client Securities</b>	<b>23</b>
<b>ITEM 18</b>	<b>Financial Information</b>	<b>23</b>

## BROCHURE SUPPLEMENTS



## ADVISORY BUSINESS

### Who We Are

AllGen Financial Advisors, Inc. (hereinafter referred to as “AllGen”, “we”, “us” and “our”) is a registered investment advisor<sup>1</sup> offering personalized asset management and financial planning services to assist you, our client<sup>2</sup>, with creating financial stability and security and the financial independence you desire.

### Our History

AllGen began offering advisory services as Good Risk Reward, Inc. in 2003 under the leadership of Jason Martin. In April of 2007, AllGen expanded their advisory services, brought in Paul Roldan as a majority shareholder, and changed the name to reflect the professional services being offered to **all generations**.

### Owners

The following persons control AllGen:

Name	Title	CRD#
Paul Roldan	Chief Executive Officer & Chief Compliance Officer	2682260
Jason C. Martin	Chief Investment Officer	3259475

### Mission

AllGen promotes financial wisdom to **all generations** in the pursuit of financial freedom through sound advice.

### Vision

A society that is financially wise and fulfilling their calling.

## Assets Under Management

As of January 1, 2020, our assets under management totaled:

Client Discretionary Managed Accounts .....	\$235,296,000
---	---------------

We do not offer non-discretionary investment management services.

### What We Do

We offer **financial solutions** that stress the importance of you making fiscally responsible decisions and disciplined economic choices in your personal life so we can effectively help you achieve your monetary

<sup>1</sup> The term “registered investment advisor” is not intended to imply that AllGen Financial Advisors, Inc. has attained a certain level of skill or training. It is used strictly to reference the fact that we are “registered” as a licensed “investment advisor” with the United States Securities & Exchange Commission – and “Notice Filed” with State Regulatory Agencies that have limited regulatory jurisdiction over our business practices.

<sup>2</sup> A client could be an individual and their family members, a family office, a foundation or endowment, a charitable organization, a corporation and/or small business, a trust, a guardianship, an estate, another fiduciary, a retirement plan, or any other type of entity to which we choose to give investment advice.



goals for **today's needs, tomorrow's dreams**, and implement a strategy to build a **lasting legacy** for future generations. Our services include:

## Portfolio Management

Our Portfolio management strategies focus on designing a portfolio allocation of primarily equity ("stock") positions, fixed income ("bond") instruments, investment company ("mutual fund") products, and exchange traded funds ("ETFs") to achieve the best return on your investment capital.

With the complexity of today's marketplace, it is critical for us to understand who you are and what you want to accomplish financially. Our initial meetings with you, and the profile questionnaires<sup>3</sup> we have you complete, help us have a clearer picture of your personal finances, investment return expectations, time horizon, and risk tolerance so that we can develop a successful investment strategy and tailored asset allocation guideline unique to your investment objectives. If you have difficulty expressing your monetary needs or do not truly have a grasp of your overall personal finances, a financial plan may be suggested before proceeding with any portfolio management services.

Our meetings with you to discuss your finances, and, if necessary, develop a financial plan, will help to eliminate much of the guesswork in achieving the security and independence you desire and simplify your financial alternatives. In return, we will have:

- ❖ Defined and narrowed objectives and investment options;
- ❖ Identified areas of greatest distress;
- ❖ Developed a strategy for addressing concerns about the future;
- ❖ Cultivated peace of mind; and,
- ❖ Created a unique picture of your overall economic personality.

Once your financial parameters have been identified, we will prepare a policy allocation statement that outlines what asset mix is most suitable for your unique investment expectations and risk tolerance. This investment plan will guide us in the management of your account(s), and as a standard against which to measure future results and to make modifications where necessary.

You will find more information about our management fees and services under "Portfolio Management Fee" in Item 5, "**Fees & Compensation**" and further description of our management style under Item 8, "**Methods of Analysis, Investment Strategies & Risk of Loss**".

## Financial Planning

Financial planning is one of the most important tools that successful people use to achieve financial freedom in their personal lives. Planning requires a lifetime commitment that demands you control your finances versus your finances controlling you. Acquiring wealth is a byproduct of good planning but irrelevant to the ultimate objective of achieving financial freedom. Financial freedom is the point at which your current lifestyle is sustainable in future years based on the assets and/or income streams you have accumulated during your lifetime. Therefore, the economic solutions we develop in a financial plan are designed to first achieve financial freedom and second acquire wealth.

### Preparing the Financial Plan

We have identified three (3) life stages that one needs to go through in order to reach financial

<sup>3</sup> The profile questionnaires we use are important tools in gathering information about your investment methodology, risk tolerance, income/tax bracket, liquidity, time horizons, etc. If you elect not to answer these questionnaires or choose to respond with limited input, it is possible that we could operate in a handicapped capacity contrary to your investment needs. Therefore, if you desire the most effective and accurate recommendations regarding your managed account(s), you should make every effort to provide us with your detailed personal needs and objectives, along with detailed financial and tax information.



freedom; these life stages are called Foundation, Formation and Freedom. Each life stage has a certain number of objectives that need to be accomplished before moving on to the next stage. These life stages and their respective objectives are designed to be completed in order, as they build upon one another. Below are the 3 life stages and the planning involved for each.

### Foundation Life Stage

The path to financial freedom starts with setting the foundation. When you complete this life stage, you should have peace of mind, knowing that you have built a reserve for life's unfortunate events (losing a job, having a serious health problem, major home or car repair, etc.) and you will be ready to start building wealth. The areas of your financial plan that will be covered in this life stage are:

- ❖ Understand the Net Worth Statement.
- ❖ Understanding how to implement & utilize a Cash Flow Statement (Budget/Spending Plan).
- ❖ Proper Life Insurance.
- ❖ Proper Disability Insurance.
- ❖ Simple Will – Basic Estate Planning.
- ❖ Build an Emergency Account – the equivalent of 3-6 months of expenses at minimum.
- ❖ Eliminate all debt except mortgage (Credit Card, Student Loan, Car Loan, Personal Loans, etc.).

### Formation Life Stage

The Formation Life Stage is where you build for your future. This stage focuses on knowing how much to save and where to invest so that you can build up enough to reach financial freedom. Should I save for my child(ren)'s college education? How much house can you afford and what type of mortgage is most appropriate? What is the best way to pay off the mortgage? By the end of this life stage, you should be completely debt free and have enough accumulated assets so that you are financially secure. The Foundation Life Stage must be completed before beginning the Formation Life Stage. The areas of your financial plan that will be covered in this life stage are:

- ❖ Financial Freedom Plan (Retirement Plan) – Determine how much is needed to reach financial freedom and how to maximize retirement savings account(s) and all other investments.
- ❖ Education Savings Plan – Determine how much to save and where to invest for child(ren)'s college education.
- ❖ Entrepreneurs – Assist and collaborate with the CPA and/or business attorney on the business entity formation and establishing small business retirement plan.
- ❖ Asset Allocation and Portfolio Analysis – Analyze asset allocation and investment portfolio. Make recommendations to ensure that assets are diversified and implemented properly in order to meet financial goals.
- ❖ Pay off mortgage(s) – You are completely debt free!
- ❖ Long-Term Care – Determine if you should self-fund or use insurance to help pay for the rising costs of receiving skilled care with the six activities of daily living, whether it be in the home or away from the home.

### Freedom Life Stage

The Freedom Life Stage is the ultimate goal. Here you are free to live life on your terms. This life stage focuses on **impact** and **legacy**. How do you want to use your talents, time and financial resources? What legacy would you like to leave behind for your family, future generations and your community? All objectives in the Foundation and the Formation stages must be completed



before beginning the Freedom Life Stage. The areas of your financial plan that will be covered in this life stage are:

- ❖ Estate Planning – Assist with the coordination and implementation of your legally drafted estate planning documents, which may consist of wills, trusts, etc. These documents are your instructions on how to transfer your assets upon your death as well as how to care for you and your assets while you are alive but are limited – physically or cognitively – to do so yourself.
- ❖ Legacy Education – Beyond just impact investing, you may want to use your wealth in ways that are meaningful and will have an impact on society: explore Charitable Gift Giving strategies.
- ❖ Healthcare Needs Review – Maintaining medical/health insurance in place prior to Medicare age and after: Medicare does not pay for Long Term Care, hence revisiting this risk is important.
- ❖ Asset Allocation and Portfolio Analysis – Make recommendations to align financial needs, goals and risk tolerance.
- ❖ Income Distribution Analysis – Determine distribution order to meet needs, while maintaining sustainability
- ❖ Social Security Benefits Review – Determine retirement age to file for benefits, considering any spousal strategies to optimize lifetime benefits for recipients and surviving spouse.

You will find more information about our financial planning fees under “Financial Planning Fee” below in Item 5, “**Fees & Compensation**”.

## Business and Corporate Planning

Business and corporate planning is forward thinking; projecting thought into the future to plan for tomorrow's needs and stay one step ahead of the competition. It involves formulating and implementing decisions about the company's present and future direction in accordance with the company's goals as set out in a strategic plan or other such document.

### Business and Corporate Planning Composition

Business and Corporate Planning is a blueprint for present/future policy and resource decisions. It guides day-to-day organizational choices, provides a measurement tool to evaluate progress; assists with managing the “big picture”, and guides with preserving a positive cash flow. We work with your management team in the following areas:

- ❖ Define Goals – Discover and help prioritize short and long-term planning goals and aspirations with the business.
- ❖ Plan for Performance – Identify business life cycle transitions that you are experiencing and expect to be experiencing.
- ❖ Business Risk Management – Analyze your current insurance documents in comparison to business continuation and risk retention goals.
- ❖ Employee Benefits – Assist in determining the optimal employee benefit package to maximize employee performance and retention.
- ❖ Develop a Key-Man Policy – Implement a Key-Man reward and retention plan to reward key executives and to retain employees.
- ❖ Business Owner and Employee Retirement Planning – Analyze or develop pension plans to assure that you meet the fiduciary responsibilities to plan participants.
- ❖ Business Transition and Exit Planning – Provide plan development and implementation tools for your transition to retirement.



- ❖ Design a Business Financial Plan – Provide written recommendations and alternatives to help you achieve stated business financial and employee goals.
- ❖ Offer Pension Consulting Services – Help to implement financial decisions and to coordinate the necessary financial product providers.

### Preparing the Business and Corporate Plan

We gather the necessary information to complete our analysis through personal interviews and review of various documents you supplied. Information gathered may include statements regarding your current financial status, a list of assets, insurance, wills and/or trust documents, income and expenses, Social Security eligibility, and other information<sup>4</sup> based on your financial status and future goals.

Information about our business planning fees can be found under “Business and Corporate Planning Fee” below in Item 5, “**Fees & Compensation**”.

### General Consulting Services

We also offer **general consulting services**, which are independent of all other services. Under this arrangement, we do not provide any on-going investment management or financial planning services. Such consulting may include, but is not limited to:

- ❖ General and/or specific advice on non-managed investments
- ❖ General and/or specific financial planning advice
- ❖ Independent retirement plan benchmarking and cost analysis
- ❖ General and/or specific life insurance or annuity contract review and recommendations
- ❖ Real estate analysis
- ❖ General and/or specific divorce planning advice

For information on our fees for consulting services, see “General Consulting Fee” under Item 5, “**Fees & Compensation**.”

## FEES & COMPENSATION

ITEM 5

### Portfolio Management Fee

Portfolio management is provided on an asset-based fee arrangement. Our management fee is calculated based on the **aggregate market value** of your account on the last business day of previous calendar quarter multiplied by one-fourth (e.g.,  $1.00\% \div 4 = 0.25\%$ ) the corresponding annual percentage rate **for each portion of your portfolio assets that fall within each tier – a blended fee**. See “Billing” below under “Protocols for Portfolio Management Services” for more information on how the fee is calculated.

We retain **discretion to negotiate the management fee within each tier** on a client-by-client basis depending on the size, complexity, and nature of the portfolio managed.

<sup>4</sup> All information provided by and to you will be kept entirely confidential. Such information will be disclosed to third parties only with mutual written consent or as may be permitted by law.





The tier breaks are as follows:

Account Value*	Annual Fee Rate Not to Exceed
First \$1,000,000 .....	1.00%
Next \$1,000,000 .....	0.90%
Next \$1,500,000 .....	0.80%
Next \$1,500,000 .....	0.70%
Over \$5,000,000 .....	0.50%

\* Portfolio account values greater than \$100,000 and \$250,000, are eligible for us to develop, for an initial one-time plan fee, either a Guide or Tracker Plan, respectively. This is an optional service available to you should you request it. See "Financial Planning Fee" below for additional information.

## Protocols for Portfolio Management Services

The following protocols establish how we handle our portfolio management accounts and what you should expect when it comes to: (i) managing your account; (ii) your bill for investment services; (iii) deposits and withdrawals of funds; and (iv) other fees charged to your account(s).

### Discretion

We will establish discretionary trading authority on all management accounts to execute securities transactions at any time without your prior consent or advice. However, you may, at any time, impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, exclude the ability to purchase securities with an inverse relationship to the market, limit our use of leverage, etc.).

### Billing

Your account will be **billed quarterly in advance** based on the fair market value for the portion of your portfolio that **falls within each tier** of our fee schedule.

As your portfolio value exceeds into the next tier level, either through additional deposits or asset growth, the amount of assets above the fee-break will be billed the corresponding annual fee rate. This results in a blended fee and **effectively lowers the annual fee costs** to manage your portfolio. An example of how the value of your portfolio lowers our management fee billed to your account:

Portfolio Account Value: \$9,000,000		
Tier Fee-Breaks	Annual Fee % (Per Tier)	Tier Assets (Assets within each tier.)
First \$1,000,000	1.00%	\$1,000,000
Next \$1,000,000	0.90%	\$1,000,000
Next \$1,500,000	0.80%	\$1,500,000
Next \$1,500,000	0.70%	\$1,500,000
Over \$5,000,000	0.50%	\$4,000,000
Blended Annual Fee %	<b>0.68334%</b>	

For **new managed** accounts opened in mid-quarter, our fee will be based upon a **pro-rated calculation of your assets to be managed** for the current quarterly period.



Advisory fees will be deducted first from any money market funds or cash balances. If such assets are insufficient to satisfy payment of such fees, a portion of the account assets will be liquidated to cover the fees.

### Deposits and Withdrawals

Assets deposited by you into your portfolio management account between billing cycles will **not** result in additional management fees being billed to your account **unless such deposits exceed \$25,000**. We do not want to discourage you from investing additional capital for your future, however deposits of this amount or greater, in most cases, will require modifications and adjustments to your investment allocation. Therefore, we reserve the right to bill your account a pro-rated fee based upon the number of days remaining in the current quarterly period for deposits exceeding the above amount.

We **do not make partial refunds** of our quarterly fee for withdrawals you make during a calendar quarter. Just as with deposits, withdrawals from your account will require modifications and adjustments to be made to correct the allocation of assets in your portfolio.

### Fee Exclusions

The above fees for all our management services are exclusive of any charges imposed by the custodial firm including, but not limited to: (i) any Exchange/SEC fees; (ii) certain transfer taxes; (iii) service or account charges, including, postage/handling fees, electronic fund and wire transfer fees, auction fees, debit balances, margin interest, certain odd-lot differentials and mutual fund short-term redemption fees; and (iv) brokerage and execution costs associated with securities held in your managed account. There can also be other fees charged to your account that are unaffiliated with our management services.

In addition, all fees paid to us for portfolio management services are separate from any fees and expenses charged on mutual fund shares by the investment company or by the investment advisor managing the mutual fund portfolios. These expenses generally include management fees and various fund expense, such as: redemption fees, account fees, and purchase fees may occur but are the exception within managed accounts at institutional custodians. A complete explanation of these expenses charged by the mutual funds is contained in each mutual fund's prospectus. You are encouraged to carefully read the fund prospectus. You will find additional information about our custodial arrangements under "Custodial Services" in Item 12, "**Brokerage Practices.**"

## Termination of Portfolio Management Services

To terminate portfolio management services, either party (you or us) by written notification to the other party, may terminate the Investment Advisory Agreement at any time, provided such written notification is received **at least 30 days prior** to the date of termination (i.e.; To terminate services on October 1<sup>st</sup>, a request for termination should be received in our office by September 1<sup>st</sup>). Such notification should include the date the termination will go into effect along with any final instructions on the account (i.e., liquidate the account, finalize all transactions and/or cease all investment activity).

In the event termination does not fall on the last day of a calendar quarter, you shall be entitled to a pro-rated refund of the prepaid quarterly management fee based upon the number of days remaining in the quarter after the termination notice goes into effect. Once the termination of investment advisory services has been implemented, neither party has any obligation to the other – we no longer earn management fees or give investment advice and you become responsible for making your own investment decisions.



## Financial Planning Fee

Our financial planning fee is structured based on the financial planning<sup>5</sup> service you desire with payment structured under the following payment options:

		Guide Plan <sup>†</sup>	Tracker Plan <sup>†</sup>
<b>Annual Payment Option</b>	Year 1 (Includes Initial Plan Fee)	\$800	\$2,000
	Following Years*	\$400	\$1,000
<b>Monthly Payment Option</b>	Month 1 (Includes Initial Plan Fee)	\$435	\$1,100
	Following Months*	\$36	\$90
	Initial Plan Fee <sup>x</sup>	\$400	\$1,000

\* For the Payment Options, each "Following Year" will be billed on the annual anniversary of the initial planning engagement and the "Following Month" monthly billing will be billed approximately one month after the initial payment. The Monthly Payment Option will include a small mark-up for monthly processing. Termination of the Monthly Payment Option within the first year will require you to pay the balance of the annual planning service we provided. Regardless of the planning option you choose, such billing arrangements will remain in effect until such time as you elect to terminate our on-going planning services.

<sup>†</sup> For each of the plan Options, we retain discretion to negotiate the financial planning fee on a client-by-client basis.

<sup>x</sup> The planning Payment Options are waived if we currently manage your portfolio account and the assets exceed \$100,000 for the Guide Plan, or \$250,000 for the Tracker Plan. The only cost you will incur will be the one-time Initial Plan Fee.

All fees will be fully disclosed in a Financial Planning Agreement and will also outline the process for reviewing your financial information and preparing the financial plan.

You can terminate the Financial Planning Agreement at any time prior to the presentation of any final planning documents. We will be compensated through the date of termination for time spent in design of such financial documents at the hourly rate agreed to in the Agreement. If you have prepaid any fees, such un-earned fees will be returned on a pro-rata basis. **Once the financial plan has been completed and presented to you, termination of the Financial Planning Agreement is no longer an option.**

The Monthly Payment Option is offered as a convenient way for you to pay for a financial plan. All services are provided within the same time period as if you requested the Annual Payment Option. Therefore, if the financial plan has been completed and presented to you, and you terminate the Monthly Payment Option **within the first year, we will bill you for the balance of the first-year financial planning fee.**

All on-going financial planning services after the first year can be terminated at any time and any un-earned fees returned on a pro-rata basis.

## Services Included under the Guide Plan and Tracker Plan Options

The following services are the options available to you under the Guide Plan and Tracker Plan. This is not an all-inclusive list and services may be added or removed as conditions change or we see fit.

Offering	Guide Plan	Tracker Plan
Financial Freedom Score	✓	✓
Tailored Trail Map to Reach Financial Freedom	✓	✓
Live Workshops	✓	✓
Financial Planning Tools/Calculators	✓	✓

<sup>5</sup> The recommendations made in a financial plan are generally completed within 60 to 90 days from you signing the Agreement. However, implementing the plan using outside professionals (i.e., attorneys, CPAs, etc...) may require additional time that is out of our control. Therefore, when we refer to the completion of the financial plan, we are referring to us (you and us) finalizing your financial benchmarks/objectives before approaching any outside professional.



Offering	Guide Plan	Tracker Plan
Advice and Plan Given By:	Advisor	Advisor + Financial Planner
Access to AllGen Academy	✓	✓
Employer Retirement Account Allocation	✓	✓
Initial In-Person Plan Reviews	Up to 1.5 Hours	Up to 3 Hours
Annual In-Person Plan Reviews	Up to 1 Hour	Up to 2 Hours
Quarterly Goal Check-In Accountability	Via eMail	Client Preference
Digital Vault	One Folder via Sharepoint	Private Vault
Wealth Tracker Personal Software		✓
Multiple Source Integration		✓
Account Aggregation		✓
Real-time Net Worth Monitoring of All Assets & Liabilities		✓
Real-time Budget Tracking		✓
Monte Carlo Analysis		✓

## Business and Corporate Planning Fee

Business and corporate planning services will be billed an initial engagement of **\$1,200** and a monthly fee billed at the beginning of each month based on the company's annual revenues. The monthly payment begins the second month after the business and corporate planning engagement (i.e. if the business and corporate planning engagement began in January, your monthly recurring payment will begin in March). The monthly fee is based on the following schedule:

Annual Revenue	Monthly Fee
Up to \$500,000 .....	\$250
\$500,000 to \$2,500,000 .....	\$350
Over \$2,500,000 .....	\$500

Monthly payments will be due at the beginning of each month and will remain in effect until such time as you decide to terminate our planning process. If the Business and Corporate Planning Agreement is terminated during the development process, we will reimburse you for any un-earned fees.

## Money Cent\$

Money Cent\$ is a youth educational seminar/workshop we offer high school students at a summer youth camp. This program is designed to develop critical lifelong financial skills (i.e., budgeting, investing, saving, debt, and giving). Activities include:

- ❖ Lessons for Dave Ramsey's "Generation Change"
- ❖ Building a Budget
- ❖ Cash Flow Game from the author of "Rich Dad, Poor Dad"
- ❖ A personality test "What's Your Style" – choosing a career path
- ❖ What do you want to be when you grow up – explores a dream job



- ❖ Learning the basis of investing
- ❖ The gift of giving
- ❖ Reality Store – a month in the life of an adult

The cost of the materials is currently \$75 per student. Fees may change since we have no control over the cost of the materials. Money Cent\$ is a weeklong camp going from 9am to 12pm Monday through Friday.

## General Consulting Fee

---

General consulting is independent of our portfolio management and financial planning services. **Under this arrangement, we do not provide any on-going management of your account or give continuous investment advice.** We will perform the desired task, but **you are responsible** for implementing any of the advice, if any.

Our general consulting fee is a **negotiable hourly rate not to exceed \$250 per hour** for our advice. All consulting fees will be completely itemized in a billing statement or consulting agreement. For the initial consultation, the fee will be due at the end of the session. Thereafter we will bill you at the agreed upon hourly rate, should we be contacted by you for future reviews and advice.

General consulting services can be terminated at any time.

## PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

---

ITEM 6

We do not charge fees based on a share of capital gains or the capital appreciation of the assets held in your accounts.

## TYPES OF CLIENTS

---

ITEM 7

The types of clients we offer advisory services to are described above under “Who We Are” in the Item 4, the “**Advisory Business**” section. We do not require a minimum account value to open a portfolio management account.

## METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

---

ITEM 8

Our portfolio management services are designed to build long-term wealth while maintaining risk tolerance levels acceptable to you. We combine your financial needs and investment objectives, time horizon, and risk tolerance to yield an effective investment strategy. Your portfolio is then tailored to these unique investment parameters using a mix of equity (“stock”) positions, debt instruments (bonds), investment company (“mutual fund”) products, and Exchange Traded Funds (“ETFs”).

In addition, depending on your risk tolerance, we may also recommend using the following investment vehicles to achieve your desired investment objective: derivatives (i.e., options, commodities, etc...), leveraged index funds, closed-end funds, and other publicly traded securities. However, these investment vehicles bring on a whole different risk dynamic. If we recommend investment in one of these securities, we will discuss with you the limitations of such security and the potential risk factors to your portfolio.



## Methods of Analysis

---

In analyzing stocks, bonds, mutual funds, and ETF asset classes to develop an efficient asset allocation portfolio, we will use a combination of analysis techniques to gather information and to guide us in our management decisions.

### Fundamental Analysis

---

Fundamental analysis considers: economic conditions, earnings, cash flow, book value ratios, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, general level of interest rates, company management, debt ratios and tax benefits.

### Quantitative Analysis

---

Quantitative analysis seeks to understand the behavior of a security using mathematical and statistical modeling to measure certain unique characteristics such as, for example, revenues, earnings, margins, and market share. Mathematical and statistical modeling helps us to ascertain security price and risk to ultimately help identify profitable opportunities.

### Technical Analysis

---

Technical analysis utilizes current and historical pricing and sentiment data to help us identify trends and attitudes in the broader domestic and foreign equity and fixed income markets, and in the underlying assets themselves. This may involve the use of various technical indicators, such as moving averages, trend-lines, and sentiment indicators, among others.

### Cyclical Analysis

---

Market cycles provide historic tried and true timing mechanisms to indicate turning points in future market prices. By tracking historic data through charts and graphs we can improve entry and exit strategies.

Fundamental analysis provides us with a broad long-term view of a security that begins with determining a company's value and the strength of its financials while quantitative analysis assists us with portfolio optimization techniques. Technical analysis is short-term focusing on the statistics generated by market activity; and, Cyclical analysis provides us with historical data on market trends to focus our technical analysis for ideal entry/exit points.

## Investment Strategies

---

We are not bound to a specific investment strategy or ideology for the management of your investment portfolio except for how such strategy might affect the risk tolerance levels we pre-defined for you in your investment plan. However, our investment strategies generally incorporate these methodologies:

### Modern Portfolio Theory

---

Modern Portfolio Theory ("MPT")<sup>6</sup> is the analysis of a portfolio of stocks as opposed to selecting stocks based on their unique investment opportunity. The objectives of MPT is to determine your preferred

---

<sup>6</sup> The "Portfolio Theory" was developed and introduced by Harry M. Markowitz in his paper "Portfolio Selection" published in 1952 by the *Journal of Finance* while he was working on his PhD doctoral thesis at the University of Chicago. Mr. Markowitz further refined his theory during the latter part of the 1950's and on into the 70's. Along the way, his theory became known as the "Modern Portfolio Theory". Mr. Markowitz won the Nobel Memorial Prize in Economic Sciences in 1990 as a co-laureate along with William Sharpe.



level of risk and then construct a portfolio that seeks to maximize your expected return for that given level of risk.

### Asset Allocation (Core-Satellite Portfolio Management)

Asset Allocation is a broad term used to define the process of selecting a mix of asset classes and the efficient allocation of capital to those assets by matching rates of return to a specified and quantifiable tolerance for risk. From this there are more narrow and aggressive Asset Allocation derivatives that we may use.

Core-Satellite is an investment strategy that blends a static (passive) and dynamic (active) investment management style to achieve more consistent tracking to asset class benchmarks. The objective behind the core-satellite approach is that most of the portfolio will be dedicated to matching its benchmark with low risk, while a smaller allocation will target enhanced returns so that, when the two elements are combined, the portfolio is potentially able to beat its benchmark in a risk-controlled manner.

#### Core Portfolio

The bulk of the portfolio (the core) is a static management style made up of an asset allocation mix where capital is efficiently allocated to those assets that match the rate of return and acceptable risk tolerance level desired by the client.

We have developed multiple model portfolio structures that are used as asset allocation guidelines in designing a client's core portfolio. Each model consists of a different "target" asset allocation in various asset classes<sup>7</sup>, as well as being diversified into various sectors of the market in order to minimize sector and industry risk. By spreading money among a variety of investments as opposed to investing in just one creates a more prudent approach to asset management. Typical composition mix classifications:

Asset Allocation Model	Percentage of		
	Stocks	Bonds/Fixed Income	Alternatives
Aggressive	50% - 100%	0% - 50%	0% - 25%
Moderately Aggressive	40% - 90%	10% - 60%	0% - 25%
Balanced	25% - 70%	25% - 70%	0% - 25%
Conservative	10% - 50%	50% - 90%	0% - 25%

Such allocation guidelines are a representation of a typical account composition but should not be construed as absolute. Ultimately, the exact composition makeup and allocation of securities are determined by your investment parameters, which can compose a more detailed and/or complex structure.

#### Satellite Portfolio

The satellite portion of the portfolio is a dynamic management style that aims for higher returns by rebalancing the percentage of asset mix held in the satellite portion of the client's account in order to take advantage of short-term market pricing anomalies or strong market sectors. This is referred to as Tactical Asset Allocation.

<sup>7</sup> The different asset classes are: Large-Cap U.S. Value Stocks; Large-Cap U.S. Growth Stocks; Mid-Cap U.S. Value Stocks; Mid-Cap U.S. Growth Stocks; Small-Cap U.S. Value Stocks; Small-Cap U.S. Growth Stocks; International Stocks; Fixed Income, REITS, and Cash.



## Active Money Management

---

Active money management is the use of a human element to actively manage a portfolio. It is a strategy that does not follow the efficient market hypothesis but believes it is possible to profit from the stock market through any number of strategies that aim to identify mispriced securities. Active managers rely on analytical research, forecasts, and their own judgment and experience in making investment decisions on what securities to buy, hold and sell. The opposite of active management is called passive management, better known as "indexing".

The objective with active management is to produce better returns than those of passively managed index funds. This strategy attempts to anticipate market movements, which may entail being defensive and holding higher levels of cash or other safe haven securities if a weaker market is anticipated. In contrast, an attempt would be made to become more opportunistic if a stronger market is anticipated. An actively managed portfolio may not attempt to be diversified but rather may focus on areas of the market that price appreciation is anticipated while attempting to avoid weaker areas of the market.

## Dollar-Cost Averaging

---

Dollar-cost averaging is the technique of buying a fixed dollar amount of securities at regularly scheduled intervals, regardless of the price per share. This will gradually, over time, decrease the average share price of the security. Dollar-cost averaging lessens the risk of investing a large amount in a single investment at the wrong time.

## Managing Risk

---

The biggest risk to you is the risk that the value of your investment portfolio will decrease due to moves in the market. This risk is referred to as the market risk factor, which is made up of four primary risks:

- ❖ **Interest Rate Risk** – Interest rate risk affects the value of bonds more than stocks. Essentially, when the interest rate on a bond begins to rise, the value (bond price) begins to drop; and vice versa, when interest rates on a bond fall, the bond value rises.
- ❖ **Equity Risk** – Equity risk is the risk that the value of your stocks will depreciate due to stock market dynamics causing one to lose money.
- ❖ **Currency Risk** – Currency risk is the risk that arises from the change in price of one currency against that of another. Investment values in internationally securities can be affected by changes in exchange rates.
- ❖ **Inflation Risk** – The reduction of purchasing power of investments over time.
- ❖ **Commodity Risk** – Commodity risk refers to the uncertainties of future market values and the size of future income caused by the fluctuation in the prices of commodities (i.e., grains, metals, food, electricity, etc...).

The risk factors we have cited here are not intended to be an exhaustive list, but are the most common risks your portfolio will encounter. Other risks that we haven't defined could be political, over-concentration, and liquidity to name a few. However notwithstanding these risk factors, the most important thing for you to understand is that regardless of how we analyze securities or the investment strategy and methodology we use to guide us in the management of your investment portfolio, **investing in a security involves a risk of loss that you should be willing and prepared to bear**; and furthermore, **past market performance is no guarantee that you will see equal or better future returns on your investment**.





## DISCIPLINARY INFORMATION

ITEM 9

We have no legal or disciplinary events to report.

## OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

ITEM 10

### Independent Insurance Agents

Certain of our management persons and Investment Advisor Representatives (“RA”) are also licensed as resident life, health, and fixed annuity insurance agents by the State of Florida and may be licensed as non-resident agents in other states. These agents are licensed to sell insurance-related products and earn commissions from the sale of those products.

As agents, these RAs are licensed to sell insurance-related products and earn commissions from the sale of these products. Potential conflicts of interest can occur when an RA, as a trusted advisory advising your portfolio for a fee, recommends you purchase an insurance product in which he/she will earn a commission. This can create a situation of divided loyalty and the objectivity of the advice rendered could be subjective and create a disadvantage to you.

For further information on potential conflicts and economic benefits from these activities by RAs who hold the above licenses, see “Financial Planning Compensation” below under Item 14, “**Client Referrals & Other Compensation**” of this Brochure. In addition, more information about our RA who offer investment advice and their insurance activities can be found in their individual “**Brochure Supplements**”.

## CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

ITEM 11

### Code of Ethics

As a fiduciary, AllGen has an affirmative duty to render continuous, unbiased investment advice, and at all times act in your best interest. To maintain this ethical responsibility, we have adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all personnel in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim. Our Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- ❖ Honest and ethical conduct.
- ❖ Full, fair and accurate disclosure.
- ❖ Compliance with applicable rules and regulations.
- ❖ Reporting of any violation of the Code.
- ❖ Accountability.

To help you understand our ethical culture and standards, how we control sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of our Code of Ethics is available for review upon request.



## Client Transactions

---

We have a fiduciary duty to ensure that your welfare is not subordinated to any interests of ours or any of our personnel. The following disclosures are internal guidelines we have adopted to assist us in protecting all of our clientele.

### Participation or Interest

---

It is against our policies for any owners, officers, directors and employees to invest with you or with a group of clients, or to advise you or a group of clients to invest in a private business interest or other non-marketable investment unless prior approval has been granted by Mr. Paul Roldan, and such investment is not in violation of any SEC and/or State rules and regulations.

### Class Action Policy

---

AllGen, as a general policy, does not elect to participate in class action lawsuits on your behalf. Rather, such decisions shall remain with you or with an entity you designate. We may assist you in determining whether you should pursue a particular class action lawsuit by assisting with the development of an applicable cost-benefit analysis, for example. However, the final determination of whether to participate, and the completion and tracking of any such related documentation, shall generally rest with you.

## Personal Trading

---

Employees of ours are permitted to personally invest their own monies in securities, which may also be, from time to time, recommended to you. Most of the time, such investment purchases are independent of, and not connected in any way to, the investment decisions made on your behalf. However, there may be instances where investment purchases for you may also be made in an employee's account. In these situations, we have implemented the following guidelines in order to ensure our fiduciary integrity:

1. No employee acting as an Investment Advisor Representative ("RA"), or who has discretion over your account, shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment, unless the information is also available to the investing public on reasonable inquiry. No employee of ours shall prefer his or her own interest to that of yours or any other advisory client.
2. We maintain a list of all securities holdings for all our access employees. Our Chief Compliance Officer reviews these holdings on a regular basis.
3. We require that all employees act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Bunched orders (See "Aggregating Trade Orders" in Item 12, "**Brokerage Practices**" below) may include employee accounts. In such cases, priority and advantage will be given to satisfy your order first regardless of the situation.
5. Any individual not in observance of the above may be subject to termination.

Personal trading activities are monitored by Mr. Paul Roldan to ensure that such activities do not impact upon your security or create conflicts of interest.

## BROKERAGE PRACTICES

ITEM 12

### Custodial Services

AllGen has custodial arrangements with Charles Schwab & Company, Inc. ("Schwab"), a licensed broker-dealer (member FINRA/SIPC), through its Schwab Advisor Services to financial advisors. Schwab offers us services, which include custody of securities, trade execution, clearance and settlement of transactions.

Our recommendation for you to custody your assets with Schwab has no direct correlation to the services we receive from Schwab and the investment advice we offer you, although **we do receive economic benefits** through our relationship with Schwab that are typically not available to Schwab retail clients. 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 and consulting services;
- ❖ Access to a dedicated trading desk;
- ❖ Access to batch trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to accounts);
- ❖ The ability to have advisory fees deducted directly from accounts;
- ❖ Access to an electronic communications network for order entry and account information; and,
- ❖ Access to mutual funds with no transaction fees and to certain institutional money managers.

Other economic benefits can include discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors; and discounted and/or complimentary attendance at conferences, meetings, and other educational events, as well as financial contributions to client entertainment and/or educational seminars.

Schwab may also pay for business consulting and professional services received by our related persons. Some of the products and services made available by Schwab may benefit us and not you or your account. These products or services may assist us in managing and administering your accounts. Other services made available by Schwab are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel do not depend on the amount of brokerage transactions directed to Schwab.

**We are not a subsidiary of, or an affiliated entity of Schwab.** We have sole responsibility for investment advice rendered, and **our advisory services are provided separately and independently from Schwab.**

### Direction of Transactions and Commission Rates (Best Execution)

**We have a fiduciary duty to put your interests before our own.** The advisory support services we receive from Schwab can create an economic benefit to us and a potential conflict of interest to you; in that, our recommendation to custody your account(s) with Schwab may have been influenced by these arrangements/services. **This is not the case;** we have selected Schwab as our custodians of choice based on:

1. Their competitive transaction charges, trading platform, and on-line services for account administration and operational support.
2. Their general reputation, trading capabilities, investment inventory, their financial strength, and our personal experience working with Schwab staff.



Furthermore, we make no recommendation that you custody your account(s) with Schwab solely on their commission rates being the lowest. Schwab's general reputation, trading capabilities, investment inventory, their financial strength, and our personal experience working with Schwab have been considered, among other items, in suggesting Schwab to you.

In addition, since we do not recommend, suggest, or make available a selection of custodians other than Schwab, and we have not verified whether their transaction fees are competitive with another custodian, **best execution may not always be achieved**. Therefore, **you do not have to accept our recommendation to use Schwab** as your custodian. However, if you elect to use another custodian, **we may not be able to provide you complete institutional services**.

## Aggregating Trade Orders

---

Our objective in order execution is to act fairly, impartially, and to take all reasonable steps to obtain the best possible results (known as "best execution") for our clients. Therefore, we will not bunch (aggregate) orders for a block trade unless: (i) the bunching of orders is done for the purpose of achieving best execution; and, (ii) no client is systematically advantaged or disadvantaged by bunching the orders.

In consideration of these objectives, we will take into account the unique execution factors of the buy/sell order before bunching accounts for a block trade. A few of those factors are:

- ❖ **Security Trading Volume** – Bunching orders in a block trade can secure price parity and continuity for our clients during heavy trading activity.
- ❖ **Number of Clients** – The fewer the number of client accounts involved in the bunched order may not yield better pricing or order execution; it may be more advantageous to perform an individual market order for each client. In addition, preparing individual market orders, for the small number of accounts involved, may be quicker to complete than preparing a bunch order.
- ❖ **Financial Instruments** – The type of security involved as well as the complexity of order can affect our ability to achieve best execution.

If you would like additional information on our trading allocation policies, a copy is available for review upon request.

## REVIEW OF ACCOUNTS

---

ITEM 13

### Portfolio Management Reviews

---

Each account is reviewed on an ongoing basis by the Investment Advisor Representative ("RA") assigned your account to ensure that your needs and objectives are being met. All accounts are reviewed in the context of your stated investment objectives and guidelines. Cash needs will be adjusted as necessary.

You will receive at least quarterly statements from Schwab where your account is custodied. Each statement will summarize the specific investments currently held, the value of the your portfolio, and account transactions.

You are also encouraged to schedule with us a review of your investment strategies and account performance on an annual basis. Material changes in your personal circumstances, the general economy, or tax law changes can trigger more frequent reviews. However, it is your responsibility to communicate these changes to us so that the appropriate adjustments can be made.



## Financial Planning Reviews

---

The financial planner who has/is designing your financial plan will work closely with you to be sure the action points identified in the financial plan have been or are being properly executed. Once the action points have been completed, the financial plan should be reviewed at least annually. Material changes in your lifestyle choices, personal circumstances, the general economy, or tax law changes can trigger more frequent reviews. However, it is your responsibility to communicate these changes to us so that the appropriate adjustments can be made.

## Business and Corporate Planning Reviews

---

The financial planner who has/is developing the business plan will work closely with the company's management team to be sure the action points identified meet the company's present and future goals as set out in a strategic plan or other such document. Once the desired service has been completed for the business, the management team may want to contact the financial planner over the strategic plan for follow-up reviews in the future.

## CLIENT REFERRALS & OTHER COMPENSATION

---

ITEM 14

### Referral Compensation

---

We may directly compensate persons/firms for client referrals, provided those persons are qualified and have entered a solicitation agreement with us. Under such arrangements, if a solicitor referred you to us, the solicitor will provide complete information on our relationship and the compensation that solicitor will receive should you choose to open an account. In no case will the fee that you pay be higher than it would be if you had dealt directly with us. In addition, we will adhere to each State's rules and regulations where the Solicitor resides prior to entering into any solicitation agreement with that person/firm.

### Other Compensation (Indirect Benefit)

---

AllGen may receive an indirect economic benefit from Schwab (See "Custodial Services" above in Item 12, "Brokerage Practices" for more detailed information on what these services and products could be.).

### Financial Planning Compensation

---

As previously mentioned, certain of our Investment Advisor Representatives ("RAs") are **commissioned insurance agents** (See "Insurance Company Activities & Affiliations" above in Item 10, "Other Financial Industry Activities & Affiliations" for more information.). This can create a conflict of interest when recommending for a fee, through a financial plan, that you purchase insurance products where a commission can also be earned.

In addition, there are also potential conflicts of interest when an RA suggests the need for outside consultations and professional services (i.e., attorneys, accountants, brokers, etc.) to implement certain aspects of a financial plan. Even though the RA does not receive any share of fees earned by the outside professionals when implementing a financial plan, it does create an incentive on his/her part to refer your business to only those entities that in turn refer potential clients to us.



In both cases, there is potential for divided loyalty and the objectivity of the advice rendered could be subjective and create a disadvantage to you. Therefore, to ensure you understand the choices and risks you have in receiving financial planning along with all other investment recommendations, the following disclosures are provided to assist you with your decisions:

- ❖ Certain aspects of a financial plan may require the assistance of a Registered Representative of a broker-dealer to execute a transaction. In this situation regardless of who performs the transaction(s), **such person will be entitled to earn a commission or fee.**
- ❖ If requested by you to implement any insurance recommendations made in the financial plan, the RA will execute such transactions through those insurance companies in which he/she is a licensed insurance agent. In such cases, **the RA will receive the normal commissions associated with such insurance transactions.**
- ❖ You are under no obligation to have any related parties that we recommend prepare planning documents (i.e.; financial, estate, tax, etc...). **You are free to choose those outside professionals to implement the recommendations made in the financial or estate plan.**
- ❖ AllGen does not receive any economic benefit from referring you to another professional without first notifying you of such possibilities.

Notwithstanding these disclosures, other conflicts of interest may arise from time-to-time. In such cases, we will make every effort to fully disclose any issues prior to engagement. We strive, at all times, **to serve your best interest and ensure proper disclosure** is being made to you in compliance with the Investment Adviser Act of 1940, Rule 275.206.

## CUSTODY

ITEM 15

We do not take possession of or maintain custody of your funds or securities but will simply monitor the holdings within your portfolio and trade your account based on your stated investment objectives and guidelines. Physical possession and custody of your funds and/or securities shall be maintained with Schwab as indicated above in Item 12, **"Brokerage Practices"**.

We are however defined as having custody since you have authorized us to deduct our advisory fees directly from your account. Therefore, to comply with the United States Securities and Exchange Commission's Custody Rule (1940 Act Rule 206(4)-2) requirements, and to protect you as well as to protect our advisory practice, we have implemented the following regulatory safeguards:

- ❖ Your funds and securities will be maintained with a qualified custodian (Schwab) in a separate account in your name.
- ❖ Authorization to withdrawal our management fees directly from your account will be approved by you prior to engaging in any portfolio management services.

Schwab is required by law to send you, at least quarterly, brokerage statements summarizing the specific investments currently held in your account, the value of your portfolio, and account transactions. **You are encouraged to compare the financial data contained in our report and/or itemized fee notice with the financial information disclosed in your account statement from Schwab to verify the accuracy and correctness of our reporting.**



## INVESTMENT DISCRETION

---

ITEM 16

We have you complete our Investment Advisory Agreement which sets forth our authority to buy and sell securities in whatever amounts are determined to be appropriate for your account and whether such transactions are with, or without, your prior approval.

You may, at anytime, impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, exclude the ability to purchase securities with an inverse relationship to the market, limit our use of leverage, etc.).

## VOTING CLIENT SECURITIES

---

ITEM 17

**We do not vote client proxies.** You understand and agree that you retain the right to vote all proxies, which are solicited for securities held in your managed accounts. Any proxy solicitations inadvertently received by us will be immediately forwarded to you for your evaluation and decision.

However, if you have specific questions regarding an action being solicited by the proxy that you do not understand, or you want clarification, you may contact us, and we will explain the particulars. Keep in mind we will not advise you in a direction to vote, that ultimate decision will be left to you.

## FINANCIAL INFORMATION

---

ITEM 18

We are not required to include financial information in our Disclosure Brochure since we will not take physical custody of client funds or securities or bill client accounts six (6) months or more in advance for more than \$1,200.

We are not aware of any financial conditions that are likely to impair our ability to meet our contractual commitments to you.

**END OF DISCLOSURE BROCHURE**