



## **FIRM DISCLOSURE BROCHURE**

### **ADV PART 2A**

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Dated March 25, 2021

### **ITEM 1 – COVER PAGE**

This ADV Part 2A Firm Brochure provides information about the qualifications and advisory business practices of FMB Retirement Services. FMB Retirement Services is a Registered Investment Advisor with the United States Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). However, such registration does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 805.446.4494 or by email at [info@fmbwealth.com](mailto:info@fmbwealth.com).

The information in this brochure has not been approved or verified by the SEC or by any state securities authority. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

Additional information about FMB Retirement Services is also available on the SEC's website at: [www.Adviserinfo.sec.gov](http://www.Adviserinfo.sec.gov).

## ITEM 2 – MATERIAL CHANGES

### **Annual Update**

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This Brochure dated March 25, 2021 is our amended and most current brochure, retiring our September 10, 2020 brochure.

### **Material Changes Since the Last Update**

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This section is intended to point out any material changes that have been made to our business and in this ADV Part 2A Disclosure Brochure since our prior Brochure and provide you with a summary of those material changes. We must state clearly that we are discussing only *material changes* since the last update of our Brochure.

Since our prior ADV Part 2A Firm Disclosure Brochure dated September 10, 2020 our Firm has not experienced any material changes.

### **Full Brochure Available**

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If you are receiving this information as a summary disclosure page, you may receive a complete copy of our firm's Brochure by contacting us by telephone at (805) 446-4494 or by email at [info@fmbwealth.com](mailto:info@fmbwealth.com).

Please review this Form ADV Part 2A Disclosure Brochure carefully for other important disclosures and information describing our firm and services we offer.

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## ITEM 4 – ADVISORY BUSINESS

FMB Retirement Services (“FMBRS”) is a privately-owned boutique Registered Investment Advisor (RIA) firm and full scope 3(21) fiduciary or 3(38) fiduciary for qualified plans, located in Westlake Village, California. FMBRS is designed to offer suitable clients asset allocation services, consolidated reporting, and periodic recommendations pursuant to retirement investment objectives chosen by the clients. FMBRS will not serve as custodian for FMBRS client’s accounts or their assets.

FMBRS coordinates the financial affairs of a limited number of clients by implementing a comprehensive retirement plan consulting process. We specialize in long-term investment strategies and dynamic portfolio design. We only accept new clients when we believe that we can add value to those clients' financial situations. We primarily use passive, low-cost strategies for investments and a consultative and collaborative approach to investing.

FMBRS' clients are offered customized choices and solutions that will assist them with reaching their goals and reinforcing their values. These solutions are developed and delivered in close consultation with the clients as well as with other trusted advisors in a highly collaborative environment. In every aspect of our work, we make an uncompromising commitment to provide world class client service and strive to meet every client's highly individualized retirement needs.

### A. ADVISOR BACKGROUND

FMBRS was created in May 2012 in the form of a related SEC-registered investment Advisor to FMB Wealth Management, which is also under the majority ownership of Debra A. Fields, CFP.

FMBRS works closely, and is affiliated by common ownership, with FMB Wealth Management (“FMBWM”), a related SEC-Registered Investment Advisor under common ownership. FMBRS and FMBWM share office space, employees, and management personnel. Most investment advisor representatives of FMBRS are also IARs with FMBWM.

#### Management and Advisory Personnel:

##### **Debra A. Fields, CFP®**

**Year of Birth:** 1958

**Designations:** CFP® (Certified Financial Planner™)

**Education:** BA French/Business, University of Redlands, 1980  
CFP® Certified Financial Planning Board of Standards, 1987

**Business** FMB Wealth Management

**Background:** President, CFO (2018 – present)  
Partner, Secretary, Treasurer, and Director (2001 - present)

**FMB Retirement Services**

President, Secretary, CFO (2018 – present)

Partner, Secretary, Treasurer and Director (2012 – present)

**FMB Insurance Services**

President, Secretary (2018 – present)

Partner, Secretary, Treasurer and Director (2016 – present)

**Reportable Disclosures:** Ms. Fields has not been involved in a disclosure event where she was found liable in any civil, self-regulatory organization, or administrative proceeding; and has not been the subject of a bankruptcy petition.

**Other Business**

**Activities:** Debra A. Fields does not have any other business activities other than administrative management of FMBRS' related advisor, FMB Wealth Management, and FMBRS' related insurance agency, FMB Insurance Services.

**Grant E. Blindbury, CFP®**

**Year of Birth:** 1979

**Designations:** CFP® (Certified Financial Planner™)

**Licenses:** NASAA Uniform Combined State Law Examination (Series 66)  
California Life, Health and Disability Insurance licensed

**Education:** BA Business, UCLA, 2001  
CFP® Certified Financial Planning Board of Standards, 2008

**Business** Registered Rep / Independent Financial Group, 2005 - 2012

**Background:** Director, Partner, IAR / FMB Wealth Management, 2001 - present  
Director, Partner, IAR / FMB Retirement Services, 2012 – present

**Reportable Disclosures:** Grant E. Blindbury has not been involved in a disclosure event where he was found liable in any civil, self-regulatory organization, or administrative proceeding; and has not been the subject of a bankruptcy petition.

**Other Business**

**Activities:** Grant E. Blindbury is a Director, Partner and salaried IAR with FMBRS' affiliated Advisor through common ownership, FMB Wealth Management ("FMBWM"). Mr. Blindbury is also licensed to sell life insurance products in the State of California and receives insurance commissions for doing so.

Mr. Blindbury reports directly to Debra A. Fields for all FMBRS business. You may contact Ms. Fields by calling 805-446-4494.

**Evan Z. Miller, CFP®, CDFA®**

**Year of Birth:** 1979

**Designations:** CFP® (Certified Financial Planner™)  
CDFA® (Certified Divorce Financial Analyst®)

**Licenses:** NASAA Uniform Combined State Law Examination (Series 66)  
California Life, Health and Disability Insurance licensed

**Education:** BA Business Economics, UCLA, 2001  
CFP® Certified Financial Planning Board of Standards, 2008

**Business** Registered Representative

**Background:** **Independent Financial Group**, 2005 - 2012

Director, Partner, IAR  
**FMB Wealth Management**, 2001 - present

Director, Partner, IAR  
**FMB Retirement Services**, 2012 – present

**Reportable Disclosures:** Mr. Miller has not been involved in a disclosure event where he was found liable in any civil, self-regulatory organization, or administrative proceeding; and has not been the subject of a bankruptcy petition.

**Other Business**

**Activities:** Evan Z. Miller is a Director, Partner and salaried IAR with FMBRS' affiliated Advisor through common ownership, FMB Wealth Management ("FMBWM"). Mr. Miller is also licensed to sell life insurance products in the State of California and receives insurance commissions for doing so.

Additional Meeting Locations available with Mr. Miller *by confirmed appointment only:*

555 Pier Avenue, Suite 4  
Hermosa Beach, CA 90254

28441 Highridge Road, Suite 110  
Rolling Hills Estates, CA 90274

Mr. Miller reports directly to Debra A. Fields for all FMBRS business. You may contact Ms. Fields by calling 805-446-4494.

**Jeremy J. Fields, CFP®, AIF®, RF™**

**Year of Birth:** 1988

**Designations:** CFP® (Certified Financial Planner™)  
AIF® (Accredited Investment Fiduciary®)  
RF™ (Registered Fiduciary™)

**Licenses:** NASAA Uniform State Investment Advisor Law Exam (Series 65)  
California Life, Health and Disability Insurance licensed

**Education:** University of San Diego, 2007 - 2010

**Business** Partner, Investment Advisor Representative

**Background:** **FMB Wealth Management**, 2012 - present

Managing Director, Investment Advisor Representative  
**FMB Retirement Services**, 2012 - present

Chief Financial Officer  
**FMB Insurance Services**, 2018 - present

**Reportable Disclosures:** Jeremy J. Fields has not been involved in a disclosure event where he was found liable in any civil, self-regulatory organization, or administrative proceeding; and has not been the subject of a bankruptcy petition.

#### **Other Business**

**Activities:** Jeremy J. Fields is registered IAR employee with, and receives a salary for providing advisory services through, FMBRS' affiliated RIA, FMB Wealth Management, under common ownership.

Mr. Fields is also licensed to offer life, health and disability insurance in the State of California. Mr. Fields receives insurance commissions for doing so directly from the individual insurance companies. This is not a substantial source of Mr. Fields' income and does not involve a substantial amount of Mr. Fields' time.

Jeremy J. Fields reports directly to Debra A. Fields for all FMBRS business. You may contact Ms. Fields by calling (805) 446-4494.

#### **Daniel L. Mock, CFP®, M.S.**

**Year of Birth:** 1991

**Designations:** CFP® (Certified Financial Planner™)  
M.S. (Master of Science)

**Licenses:** NASAA Uniform State Investment Adviser Law Exam (Series 65)  
California Life, Health and Disability Insurance licensed

**Education:** B.A. Economics, California Lutheran University  
B.A. Political Science, California Lutheran University  
Master of Science (M.S.), Quantitative Economics, California Lutheran University



**Business** Internship

**Background:** **FMB Wealth Management;** 5/2013 – 8/2014

Partner, Investment Advisor Representative  
**FMB Wealth Management;** 8/2014 – Present

Investment Advisor Representative  
**FMB Retirement Services;** 8/2014 – Present

**Reportable Disclosures:** Daniel Mock has not been involved in any disclosure event where he was found liable in an arbitration claim, or found liable in a civil, self-regulatory organization, or administrative proceeding; and has not been the subject of a bankruptcy petition.

#### **Other Business**

**Activities:** Mr. Mock is registered IAR employee with, and receives a salary for providing advisory services through, FMBRS' affiliated RIA, FMB Wealth Management, under common ownership.

In addition, Mr. Mock is licensed to offer life, health and disability insurance in the State of California. Mr. Mock receives insurance commissions for doing so directly from the individual insurance companies. This is not a substantial source of Mr. Mock's income and does not involve a substantial amount of Mr. Mock's time.

Daniel Mock reports directly to Debra A. Fields for all FMBRS business. You may contact Ms. Fields by calling (805) 446-4494.

#### **Andrew J. Miller**

**Year of birth:** 1979

**Licenses:** NASAA Uniform State Investment Adviser Law Exam (Series 65)  
California Life, Health and Disability Insurance licensed

**Education:** Bachelor of Science in Kinesiology, California State University, Northridge

**Business** Investment Advisor Representative

**Background:** **FMB Wealth Management;** 8/2016 – Present

Investment Advisor Representative  
**FMB Retirement Services;** 1/2020 - Present

**Reportable Disclosures:** Mr. Miller has not been involved in any disclosure event where he was found liable in an arbitration claim, or found liable in a civil, self-regulatory organization, or administrative proceeding; and has not been the subject of a bankruptcy petition.

**Other**

**Business Activities:** Mr. Miller is also licensed to sell life insurance products in the State of California and receives insurance commissions for doing so.

Andrew J. Miller reports directly to Debra Fields for all FMBWM business. You may contact Ms. Fields by calling (805) 446-4494.

**Rachel Shin**

**Year of birth:** 1995

**Licenses:** NASAA Uniform State Investment Adviser Law Exam (Series 65)  
California Life, Health and Disability Insurance licensed

**Education:** Bachelor of Arts in Business Administration, Concentration in Finance and Financial Planning - California State University Fullerton, May 2019  
Successfully completed the CFP® program and examination, March 2020

**Business** Intern

**Background:** **McCarthy Wealth Management;** 11/2018 – 04/2019

Advisor Support

**FMB Wealth Management/FMB Retirement Services;** 10/2019 – 07/2020

Investment Advisor Representative

**FMB Wealth Management;** 07/2020 – Present

Investment Advisor Representative

**FMB Retirement Services;** 07/2020 - Present

**Reportable Disclosures:** Ms. Shin has not been involved in any disclosure event where she was found liable in an arbitration claim, or found liable in a civil, self-regulatory organization, or administrative proceeding; she has not been the subject of a bankruptcy petition.

**Other**

**Business:** Ms. Shin is also licensed to offer life, health, and disability insurance in the State of California. Ms. Shin receives insurance commissions for doing so directly from the individual insurance companies. This is not a substantial source of Ms. Shin's income and does not involve a substantial amount of Ms. Shin's time.

Rachel Shin reports directly to Debra Fields for all FMBRS business. You may contact Ms. Fields by calling (805) 446-4494.

**Use of Professional Designations:**

**Certified Financial Planner™ (CFP®).** The Certified Financial Planner™, CFP® and federally registered CFP® marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP® Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and several other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP® Board’s studies have determined as necessary for the competent and professional delivery of financial planning services and attain a bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP® Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP® Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**Accredited Investment Fiduciary (AIF®).** The AIF® (ACCREDITED INVESTMENT FIDUCIARY®) professional designation is the first and only designation that demonstrates knowledge and competency in the area of fiduciary responsibility. With the media awash with

stories of financial scandals, investors are demanding that investment advisors embrace a higher standard of practice than ever before. The AIF® professional designation and certification is issued by the Center for Fiduciary Studies, and the training is the best way for investment fiduciaries and professionals to absorb the Prudent Practices, their legal underpinnings and how to apply them within existing fiduciary policies and procedures.

Holders of the AIF® mark have successfully completed this specialized program on investment fiduciary standards and subsequently passed a comprehensive examination. To qualify for the AIF® Designation, candidates must meet minimum criteria for Screening, Education and Training standards, Professional Development standards, and Relevant Industry Experience standards.

The AIF® training concludes with an examination to apply for and earn the AIF® Designation. The AIF® final exam is a proctored exam. The requirement for a proctor ensures the integrity of the examination process as one of the high standards for earning the AIF® Designation.

**Certified Divorce Financial Analyst (CDFA®).** A member of the Institute for Divorce Financial Analysts specializes in the financial issues surrounding divorce. The role of the CDFA includes acting as an advisor to one party's divorce lawyer, or as a mediator for both parties. A CDFA uses his or her knowledge of tax law, asset distribution, and short- and long-term financial planning to achieve an equitable settlement.

To become a CDFA, a person must have two years of financial planning or legal experience. After attaining the proper work experience, candidates are required to complete a four-step modular program and exam designed by the IDFA (Institute for Divorce Financial Analysts). The program is a self-study system which highlights divorce tax law and asset distribution, and covering financial and tax issues, with case studies of divorce settlements. The IDFA trains certified divorce financial analysts, or CDFAs, who help support the divorce process. These analysts are schooled in the various tax consequences that result from divorce settlements and can help with equitable asset distribution of the divorcing couple's property and estate. The CDFA can also act as a consultant for a client's lawyer or serve as a mediator during the settlement proceedings.

**Registered Fiduciary™ (RF™).** The Registered Fiduciary™ (RF™) certification identifies financial professionals that have achieved pertinent academic qualifications and licenses, learned required practices, and have passed a background check.

The RF™ certification prepares a candidate to comply with the regulatory requirements of acting as a fiduciary under current laws. The RF™ certification is continuously being updated to reflect the most recent regulatory, marketplace and technology changes.

This fiduciary standard distinguishes RF™ designated professionals as having met the highest standard in the financial industry. All valid certified RF™ are listed on the Registry of Fiduciary Professionals. RF™ certifications are further defined by specialties. Each designee has one or more specialties that identify the services that he/she is qualified to provide.

## **B. ADVISORY SERVICES**

The Employee Retirement Income Security Act of 1974, as amended (ERISA) requires employee benefit plan fiduciaries to act solely in the interests of, and for the exclusive benefit of, plan participants and beneficiaries.

FMBRS provides full scope 3(21) fiduciary or 3(38) fiduciary for qualified plans and retirement services for Pensions, 401ks and other qualified retirement plan clients. Retirement Services is comprised of Investment Consulting, Advanced Planning and Relationship Management. Investment Consulting incorporates historical portfolio performance analysis, risk evaluations, and asset allocation.

FMBRS provides full scope fiduciary services in compliance with ERISA § 3(21) as follows:

1. Strategic Planning and Investment Policy Services

Meet with the Plan Sponsor to assist in developing an Investment Policy Statement (“IPS”). Alternatively, if the Plan has an existing IPS, the IAR will review the existing IPS and assist the Plan Sponsor to determine whether the Plan is performing consistent with the IPS and/or whether the IPS needs to be revised, based on an analysis of the Plan’s liquidity requirements, performance goals, and risk tolerance levels of the Plan, using information provided by the Plan Sponsor.

2. Assessment of Investments

Conduct an initial and/or periodic annual review of Plan investments and investment options including, without limitation, investment performance, fund expenses and style drift for investments offered by the Plan to participants; provide investment recommendations to the Plan Sponsor from time to time as deemed warranted by IAR for alternative investment options for the Plan to make available to its participants (which decision shall remain the sole and exclusive decision of the Plan Sponsor and/or their delegate).

3. Plan Review

Conduct a review of the Plan design and use best efforts to advise the Plan Sponsor whether the Plan is operating in accordance with Plan documents.

4. Plan Fee and Cost Review

Conduct a periodic annual review, using a third-party tool, of fees and costs charged to Plan by other service providers to assist Plan Sponsor with monitoring the reasonableness of fees and costs paid by the Plan.

5. Third Party Service Provider Liaison

Act as a liaison for the Plan and Plan Sponsor, on an as needed basis, when dealing with the trustee, custodian, plan actuary and other third-party services providers to the Plan.

6. Participant Investment Information

The IAR will prepare information regarding allowable contributions and the choice of investments, which the Plan participant may implement at his/her sole discretion. Individual participant investment recommendations are not covered under this agreement.

7. Coordination with Other Consultants

Interact with outside advisors or tax, legal and accounting counsel as necessary and requested by the Plan Sponsor.

8. Participant Education and Communication

Coordinate investment education and enrollment for Plan participants. This does not include IAR performing onsite Plan participant meetings, providing individualized investment advice to Plan participants, or acting in a fiduciary capacity for Plan participants.

**ERISA Section 3(38) FMBRS Managed Vision Portfolios:**

FMBRS designs, constructs, and maintains each Model Portfolio and serves as Model Portfolio Manager. FMBRS shall not render any investment advice as to the selection of funds, which decision shall be within the sole discretion of Client. FMBRS shall have the authority and discretion to initially select, add or remove any underlying mutual fund, however, if it is from the series selected by client, for purposes of rendering Fiduciary Services. If any mutual fund not listed above shall be utilized for Model Portfolio purposes, FMBRS IAR shall provide Client with a mutual fund prospectus and relevant information about fees and required disclosure items at least sixty days prior to the use of such mutual fund in any Model Portfolio. If Client does not object in writing to the use of such mutual fund in a Model Portfolio following the sixty-day notice period, then Client shall be deemed to have provided consent to the use of such mutual fund.

Model Portfolios are not managed securities but rather asset allocation portfolios utilizing only the underlying mutual funds from the approved series of mutual funds designated by Client. The allocation of asset classes within each Model Portfolio to achieve each strategy shall be based on generally accepted investment theories and modern portfolio theory.

FMBRS shall modify asset allocation within the Model Portfolio based on its professional judgment. FMBRS shall re-balance Model Portfolio at its discretion based on conformance to its investment policy for proprietary investment bands. FMBRS may allow for some deviation from the investment policy (depending on the size of the position) based upon level of deviation of the asset class and other factors.

**ERISA Section 3(38) Qualified Default Investment Alternative (“QDIA”) Services:**

FMBRS will provide QDIA management services by creating and managing the Model Portfolio that allocates the assets of individual accounts for participants who are automatically enrolled in the Plan but who fail to make an investment election. The Model Portfolio will be constructed to achieve varying degrees of long-term appreciation and capital preservation through a mix of equity and fixed income exposures offered through mutual funds as designated above by Client. FMBRS shall diversify, reallocate, and rebalance the QDIA Model Portfolio and associated risk levels over time in accordance with generally accepted investment theories.

In providing QDIA Services, FMBRS shall act as an ERISA fiduciary and will serve as an “investment manager” as defined in ERISA Section 3(38) only with respect to the assets of a participant’s account which have been defaulted into the QDIA. The Client retains the sole

responsibility to provide notices to participants as required under ERISA Section 404(c)(5).

In providing Fiduciary Services under this Agreement, FMBRS has no responsibility to provide any Fiduciary Services with respect to the following types of assets: employer securities, real estate (but excluding real estate funds), participant loans, non-publicly traded securities or assets; other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”). FMBRS shall have no authority or responsibility to provide Fiduciary Services with respect to voting proxies for securities held by the Plan or take other action related to the exercise of shareholder rights regarding such securities.

FMBRS does not act as, nor will FMBRS agree to assume the duties of, a trustee of the Plan or as Plan Administrator (as such term is defined under ERISA). FMBRS has discretion only with respect to investments in the Model Portfolio but no discretion to interpret the Plan documents, to determine eligibility or participation under the Plan, or to take any other action with respect to the management, administration, or any other aspect of the Plan. Further, FMBRS does not serve as a custodian for the Plan and does not take custody of Plan assets.

#### **Non-Fiduciary Services:**

FMBRS may coordinate for a suite of services, performed by various non-affiliated service providers, for the management and investment of Plan assets. Clients may select among various services including investment management services by Agreement, custodial record-keeping and third-party administration services provided under agreement between Client and respective service providers, and services rendered by Advisor to Clients as agreed among them.

FMBRS may provide other Non-Fiduciary Services as agreed to in writing with Clients. FMBRS acts as a fiduciary of Plans under Sections 3(21)(A)(i) and 3(38) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and under the Investment Advisors Act of 1940 (the “Act”).

In performing any other services from time to time, including Non-Fiduciary Services, FMBRS provides consulting or administrative support to Clients and acts solely as an agent of Clients (whether or not Client is acting as Plan Administrator) and acts solely at the direction of Clients and is not acting as a Fiduciary of the Plan. When FMBRS has been granted discretionary power and authority to act as an investment manager for the Plan, FMBRS may be a fiduciary.

Custody of Plan assets will be maintained with an independent custodian selected by Clients and approved by FMBRS. Generally, the independent custodian will be one of the following: TD Ameritrade Institutional (“TDA”), a division of TD Ameritrade, Inc. and member of FINRA, SIPC and NFA, Charles Schwab Institutional, Nationwide Retirement, Transamerica Retirement Services, Great West Retirement Services, Lincoln Financial Group, American Funds or Paychex.

FMBRS will not have custody of any assets. Clients will be solely responsible for paying all associated fees, charges and expenses by the respective custodian. FMBRS will not have any liability with respect to custodial arrangements or the acts, conduct, or omissions of the chosen

custodian. Clients authorize FMBRS to instruct the custodian on Clients' behalf to provide FMBRS and IAR with copies of all periodic statements and other reports that the custodian sends to Clients.

The sole standard of care imposed on FMBRS in performing the Fiduciary Services is to act with the care, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims, provided, however, that nothing in the executed Agreement limits any responsibility that FMBRS may have to Client to the extent such limitation would be inconsistent with applicable laws, including securities laws.

FMBRS has not completed, nor will it complete, any independent due diligence or investigations of Clients, other than the required positive identification of each account beneficial owner(s), as required by federal and state law. Otherwise, FMBRS relies solely on the facts presented by Clients.

FMBRS uses passively managed index mutual funds and Exchange Traded Funds (ETF's) from various asset classes to achieve diversification. Many of the funds used are from Dimensional Fund Advisors (DFA). These funds are purchased and held at an independent third-party discount stock brokerage firm or qualified retirement plan custodian.

For participant-directed Defined Contribution pension plans held with qualified custodians, IAR will review and analyze all available investment options.

### **C. CLIENT NEEDS**

IARs conduct initial discovery meetings with each potential advisory client to discuss their financial needs, personal goals, risk tolerance and overall investment objectives in depth. It is beneficial to the client for each client to provide accurate and candid information and promptly inform their IAR of any material changes in their circumstances as soon as a change occurs so their IAR can re-evaluate their portfolio to see if adjustments to the advisory account portfolio are necessary. Clients may impose restrictions on investing in certain securities or types of securities in most advisory programs.

### **D. WRAP PROGRAMS**

FMBRS and its associated IARs do not offer or participate in wrap fee programs.

### **E. CLIENT ASSETS UNDER MANAGEMENT**

As of December 31, 2020 (our fiscal year-end) FMB Retirement Services had 62 Pension clients and was managing \$ 131,287,220 in assets on a discretionary basis. FMBRS does not manage non-discretionary account assets.

## **ITEM 5 – FEES AND COMPENSATION**

### **A. COMPENSATION FOR ADVISORY SERVICES**



## Calculation of Fees:

In general, FMBRS fees are calculated in two ways:

- Asset-based: expenses are based on the amount of assets in the plan and generally are expressed as percentages or basis points.
- Flat rate: fixed charge that does not vary, regardless of plan size. Fees may be calculated using one or any combination of these methods. Plan related expenses can also be charged as one-time fees or ongoing expenses. One-time fees are typically related to start-ups, conversions (moving from one provider to another) and terminations of service. Ongoing fees are recurring expenses relating to continuing plan operation.

Fees charged in the Investment Advisory Agreement are expressed at an annual rate (i.e., the rate used each quarter is a portion of the annual rate based on the number of calendar days in that quarter). The Actual Fee charged may be higher or lower than the cost of similar services offered through FMBRS or other financial advisory firms.

## Fee Schedule:

### *ERISA Full Scope Section 3(21)/Investment Manager 3(38) Services Accounts:*

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$0 to \$1,000,000	0.85%
\$1,000,001 to \$3,000,000	0.60%
\$3,000,001 to \$5,000,000	0.50%
\$5,000,001 to \$10,000,000	0.40%
\$10,000,001 to \$20,000,000	0.30%
Greater than \$20,000,000	Negotiated

### *ERISA Pooled Section 3(38) Services Accounts:*

<u>Value of Managed Accounts</u>	<u>Quarterly Fee</u>	<u>Annualized Fee</u>
First \$2.5 million	0.250%	1.00%
\$2.5 million to \$5 million	0.200%	0.80%
\$5 million to \$10 million	0.175%	0.70%
\$10 million to \$20 million	0.125%	0.50%
\$20 million and over	0.100%	0.40%

Online investment education and enrollment for Plan participants is no additional cost.

## Billing and Payment Procedures:

Amounts are calculated based on rates charged, which are identified in the respective FMBRS Investment Advisory Agreement and as applied to relevant information (for example, amount of assets). Certain calculations may be estimates based on information provided by the Client

and may vary as circumstances change. These expenses do not include any Third-Party Administrator (TPA) fees which will be billed separately from the TPA firm.

#### **One Time Start-Up/Conversion Expenses:**

FMBRS does not charge their clients start-up or conversion fees. However, some accounts may be subject to a one-time start-up or conversion expense by the clients' chosen Custodian. Start-up and conversion expenses are based on each individual customized account. Please refer to the FMBRS Investment Advisory Account Agreement for any applicable start-up/conversion expense that may apply.

#### **Service Provider Termination Expenses:**

Some accounts may be subject to termination expenses. Some of these expenses may include, but are not necessarily limited to, certain investment product expenses such as: contract termination charges, back-end load, a product termination fee, service provider termination charge, or service contract termination charge. Clients should refer to the applicable FMBRS Investment Advisory Account agreement and/or product offering material for any termination expense that may apply.

### **B. BILLING METHOD**

Fees are payable quarterly in arrears. Payments are due and will be calculated on the last day of each calendar quarter based on the value of the Account assets under management as of the close of business on the last business day of that quarter, as valued by TDA, Charles Schwab or other custodian used.

The first payment will be assessed pro-rata in the event the Agreement is executed at any time other than the first day of the calendar quarter. The payment will be deducted from Clients' accounts based on prior approval from the client as set forth in their specific client service agreement.

In the event a client closes their account or authorizes an account transfer out, the last payment will also be assessed pro-rata in the event the account closing or transfer is effected prior to the calendar quarter end. The payment will also be deducted from clients' accounts prior to distribution or transfer in accordance with their executed FMB Client Agreements.

### **C. OTHER FEES AND EXPENSES**

FMBRS does not charge their clients other fees or expenses, unless it is clearly disclosed in the client Agreement. The advisory fees are separate from brokerage transaction fees and other related costs and expenses in non-wrap accounts. However, clients may incur charges imposed by the third-party custodian, brokers, third party money managers and other third parties. Such fees may include custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund transfer fees and other fees on brokerage accounts and securities transactions. FMBRS and its IARs do not receive any portion of these fees.

Mutual Funds and Exchange Traded Funds (ETFs) charge internal management fees which are

disclosed in each of the individual fund's prospectus. Program advisory fees do not include certain charges such as 12b-1 (marketing) fees paid by mutual funds held in client's account. No 12b-1 fees may be received by an IAR with respect to any assets in a program account of a client which is an employee benefit plan subject to ERISA, an IRA or other account subject to the prohibited transaction rules of the Internal Revenue Code which are substantially the same as ERISA. The 12b-1 fees are included among normal mutual fund expenses and are reflected in the fund prospectus.

#### **D. TERMINATION**

In the event a client closes their account or authorizes an account transfer out, thereby terminating their account, the last payment will be assessed pro-rata, in arrears, in the event the account closing or transfer is effected prior to the calendar quarter end. The payment will be deducted from clients' account prior to distribution or transfer, in accordance with their executed FMB Client Agreements. The account custodian may charge a termination fee.

#### **E. ADDITIONAL COMPENSATION**

Certain IARs may receive non-advisory insurance commissions in relation to insurance policies placed outside of the FMBRS advisory accounts. Certain IARs may be independent insurance agents, and some of those independent insurance agents may be associated with FMB Insurance Services, an affiliated insurance agency with FMBRS by common ownership. FMBRS IARs do not make insurance recommendations to FMBRS clients.

IARs/Supervised Persons registered with FMBRS may also be IARs/Supervised Persons with affiliated RIA, FMB Wealth Management. If IAR/Supervised Persons are registered with one or both advisors, they may receive investment advisory compensation from that advisor. Both FMBRS and affiliated advisor, FMBWM, compensate their IARs with a base salary versus fees. IARs may also receive bonus compensation. Please refer to Item 14 – Employee Bonus Compensation for more details.

**ERISA Accounts:** FMBRS is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, FMBRS may only charge fees for investment advice and services about products for which our firm and/or our related persons do not also receive commissions or 12b-1 fees. In no case will the IAR be compensated for a commissionable transaction and receive a fee for the same assets.

**Advisory Fees in General:** Clients should note that similar advisory services may be available from other registered (or unregistered) investment Advisors for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

## **ITEM 6 – PERFORMANCE FEES**

FMBRS does not charge performance-based fees or fees based on capital gains or capital appreciation of client assets.

## **ITEM 7 - TYPES OF CLIENTS**

FMBRS provides services to only pension and retirement plan accounts. The minimum initial account size managed by IARs through FMBRS is \$1,000,000. The minimum account size requirement can be waived by FMBRS.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Methods of Analysis:**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

***Long Term Diversified Asset Allocation.*** Rather than focusing primarily on securities selection, we attempt to create an appropriate ratio of securities suitable to the client's investment goals and risk tolerance based on a modern portfolio theory funded only with passive index funds.

A risk of a long-term diversified asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

***Passive Index Mutual Fund Analysis.*** We look at the experience and track record of the manager of the fund to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio. We also monitor the funds or ETFs to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

***Risks for all forms of analysis.*** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **Investment Strategies:**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriately matched to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

***Long-term purchases.*** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

## **Risk of Loss:**

Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

IARs work with advisory clients to determine appropriate allocation models and overall investment strategies during an initial in-depth discovery meeting. Clients are asked questions related to their values, interests, relationships, goals, current advisors and assets. Clients should discuss their objectives and risk tolerance with their IAR thoroughly. No assumption can be made that any strategy will provide better returns than other investment strategies.

Before participating in any investment, clients should carefully consider the risks associated with each investment by reviewing the respective prospectus, offering memorandum or disclosure brochure prepared by the issuing company. The various applicable mutual fund, annuity and private fund prospectuses serve as important sources of risk disclosure that should be read carefully. Investing in securities involves risk of loss that clients should be prepared to bear.

The following describes common characteristics of risk associated with specific types of investments that may be recommended by FMBRS in client accounts.

**Mutual Funds:** Each mutual fund has different risks and rewards. Generally, the higher the potential return, the higher the risk of loss. Investors may have to pay taxes on capital gains distributions received even if the fund goes on to perform poorly after the investor bought shares.

**Money Market Funds:** Although Money Market Funds have relatively low risks, the NAV may fall below \$1.00 if the fund performs poorly, therefore, losses are possible.

Fixed Income Securities: Fixed income investments tend to be more conservative than stocks, however, clients should be aware that bonds and bond funds do carry some degree of risk including but not limited to interest rate, credit, inflation, pre-payment and reinvestment risks.

ETFs: Exchange Traded Funds (ETFs), like stocks and index funds can carry a significant amount of market risk. The appeal of an ETF is that it represents many assets or companies, like an indexed mutual fund, but unlike a mutual fund that prices Net Asset Value on a daily basis, ETFs can be traded at any time during trading hours, like a stock. Investing in ETFs involves volatility and risk of losses that Clients should be prepared to withstand.

Use of Margin: Securities purchased on margin are used as the account custodian's collateral for the margin loan made to an advisory clients' account. If the securities in an account declines in value, so does the value of the collateral supporting the margin loan, and, as a result, the account custodian can take action, such as issue a margin call and/or sell securities or other assets in any of the accounts held with that custodian firm, in order to maintain the required equity in the account. It is important that Clients fully understand the risks involved in trading securities on margin.

## **MARGIN DISCLOSURE STATEMENT**

Margin risk includes the following:

- You can lose more funds than you deposit in the margin account.
- The account custodian can force the sale of securities or other assets in your account(s).
- The firm can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.
- The account custodian can increase its "house" margin maintenance requirements at any time and is not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

When clients execute transactions using margin, they must keep these important rules and conditions in mind. Clients with any questions or concerns are advised to contact your IAR, or FMBRS' Chief Compliance Officer, Mr. David Howerton.

### **Sources of Information:**

To help develop its strategies and recommendations, FMBRS uses commercially available services, specifically, financial publications and information services dealing with investment research and taxation. Such information may be obtainable in print, on computer media, via the internet, or via some other electronic means. Company prepared materials (particularly prospectuses) and research releases prepared by others are also utilized. As an investment advisor, FMBRS also has the opportunity to access information from a variety of experts, whether through personal visits, telephone calls, or at industry or related meetings. Independent, third party registered investment advisors may also be employed to provide additional expertise in unique situations.

## **ITEM 9 – DISCIPLINARY ACTION**

Registered investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be considered material to clients' or prospective clients' evaluation and/or selection of an Advisor. FMBRS and its supervised persons have no disciplinary actions reportable under this section.

When considering an advisor, the public is encouraged to review details of IARs and Advisory Firms' background, licensing and any disciplinary information on FINRA's BrokerCheck system (BrokerCheck) [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or the Investment Advisor's Public Disclosure site (IAPD) [www.Adviserinfo.sec.gov](http://www.Adviserinfo.sec.gov).

#### **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

FMBRS' only business service offered is as a Pension Account Registered Investment Advisor. This business accounts for the entirety of FMBRS' time and services offered. IARs and Supervised Persons of FMBRS are also IARs/Supervised Persons of FMB Wealth Management ("FMBRS"), an affiliated advisory firm under common ownership.

FMBRS IARs may also be engaged in insurance sales as independent insurance agents and may be affiliated with FMB Insurance Services ("FMBIS"), an affiliated insurance agency of FMBRS and FMBRS, also under common ownership.

IARs will receive insurance commissions, outside of FMBRS advisory accounts, if recommendations are made, and clients choose to implement recommendations made, to purchase insurance through an insurance company. If a client chooses to make a commission-based insurance purchase through an insurance company, this will present a conflict of interest to the extent that the IAR would have a financial incentive to recommend products and services through an insurance company or the related FMB insurance agency in lieu of other financial institutions. FMBRS mitigates this conflict by making full disclosure to customers, both verbal and in writing, as well as by providing a copy of this disclosure brochure. FMBRS IARs generally do not recommend insurance products to pension clients of FMBRS. In no case will the IAR be compensated for a commissionable transaction and receive a fee for the same asset.

#### **ITEM 11 – CODE OF ETHICS: PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

FMBRS has adopted a Code of Ethics that is designed to comply with the Investment Advisors Act of 1940, SEC Rule 204A-1 and federal securities laws. The Code of Ethics requires certain covered persons, including IARs/Supervised Persons, to adhere to the highest business standards and conduct their affairs with integrity and competence when dealing with the public, clients, prospects and employees. The Code of Ethics outlines acceptable and unacceptable activities for IARs. The Code of Ethics also requires IARs to report personal securities transactions to FMBRS on a quarterly basis and contains guidelines for how client transactions must be given preference over personal transactions by the IAR. A copy of the Code of Ethics is available to clients and prospects upon request by emailing Debra A. Fields at [debbie@fmbwealth.com](mailto:debbie@fmbwealth.com).

FMBRS and its IARs may invest in or otherwise own an interest in the same securities that are recommended to clients. This creates a potential conflict of interest. All IARs are required to place the interests of clients ahead of their own when making personal investments. In addition, FMBRS requires that client transactions be placed before IAR personal transactions. Personal trading by IARs is monitored by FMBRS. IARs may also buy or sell a specific security for their own account based on personal investment considerations, which the IAR does not deem appropriate to buy or sell for clients.

FMBRS does not make a market in any securities and does not buy or sell securities for its own account. No principal transactions with FMBRS shall be affected in the accounts by FMBRS. No agency-cross transactions (as such term is defined in Advisors Act Rule 206(3)-2(b)) for Client transactions will be executed by FMBRS.

## **ITEM 12 – BROKERAGE PRACTICES**

FMBRS requires the client to appoint TDA, Charles Schwab Institutional or other independent stock brokerage firm as the custodian for their accounts. Trades are not aggregated. Trades are done on an individual basis to ensure proper execution.

## **ITEM 13 – REVIEW OF ACCOUNTS**

IARs are responsible for reviewing client advisory accounts at least quarterly, and then also for conducting a complete account annual review. Additional triggering events may include responses to client requests, market events or specific target dates. More frequent account reviews may occur as IAR or FMBRS may deem appropriate based on, but not limited to, size or value of account, portfolio positions or holdings, economic conditions and market conditions.

Clients will receive trade confirmations and periodic account statements from the custodian of their accounts. In addition, clients will receive quarterly portfolio performance reports from FMBRS. IAR may also provide additional reporting services to clients. Clients are encouraged to review and compare the account information (for example, market values, transactions, and advisory fees) in the reports and additional IAR reporting to the account statements received from the custodian.

### **Individual Portfolio Management:**

*REVIEWS:* While the underlying securities within the advisory accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. These accounts are reviewed by FMBRS' Compliance Department.

### **Third-Party Money Managers:**

*REVIEWS:* Clients who have these accounts should refer to the independent registered investment Advisor's Firm Brochure (or other disclosure document used in lieu of the brochure)



for information regarding the nature and frequency of reviews provided by that independent registered investment Advisor.

### **Consulting Services:**

*REVIEWS:* While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's account representative.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

FMBRS does not receive an economic benefit from anyone who is not a client, including sales awards or other “prizes”, for providing investment advice or other advisory services to our clients.

### **Referrals and Solicitors**

FMBRS does pay client referral or “solicitor” fee compensation for clients referred to FMBRS, in accordance with the specific terms of each individually executed Solicitor Agreement.

FMBRS may receive solicitor referrals from third parties that are not affiliated with FMBRS. The third parties will be paid a percentage of the fees that the Client pays to FMBRS. In these situations, in accordance with SEC Rule 206(4)-3 under the Investment Advisers Act of 1940, a Solicitor Agreement is executed between FMBRS and the third party. FMBRS will provide a Solicitor’s Separate Written Disclosure Statement to the Clients at the time of the solicitation or referral disclosing the nature of the relationship with FMBRS and the amount of referral fees paid.

In compliance with SEC Rule 206(4)-3, solicitor referral arrangements between FMBRS and third-party (non-employee) solicitors are in writing, and include provisions related to (a) the scope of the solicitor’s activities; (b) a covenant by the solicitor to perform such activities consistent with instructions of FMBRS and in compliance with the Investment Advisers Act of 1940 and associated rules; and (c) a covenant by the solicitor to provide the client with a copy of FMBRS’ Form ADV Part 2A and a separate written solicitor disclosure.

In no instance do the fee arrangements described above increase the fee that the client pays to FMBRS. While these relationships allow for access to potential clients who may not have otherwise been found, it also creates a potential conflict of interest because of the financial incentives for the party referring those prospects to FMBRS. In other words, when a referral is made to FMBRS resulting in the payment of a fee, this presents a conflict of interest in that FMBRS, the IAR, and the third-party solicitor may prefer to refer business to each other over other investment advisors due to the compensation incentives offered through the referral.

FMBRS addresses this conflict by making full disclosure of all potential payment scenarios and relationships with third party / solicitors to clients and completing periodic reviews of solicitor relationships and agreements.

The Securities and Exchange Commission (“SEC”) has rules governing these relationships under the Advisors Act. Rule 206(4)-3 of the Advisors Act (commonly referred to as “The Cash Solicitation Rule”) governs referral arrangements of investment advisors registered with the SEC. Pursuant to the Rule, a federally registered investment advisor is prohibited from paying a cash fee directly or indirectly to a solicitor with respect to solicitation activities, unless certain conditions are observed.

FMBRS monitors all solicitor and referral activities to ensure they observe all required conditions, and FMBRS remains in compliance with the above referenced rules and regulations.

### **Employee Bonus Compensation**

FMBRS provides employees bonus compensation, in addition to any regular salary, for referring new clients to the firm. FMBRS will pay the qualified employee 50% of the first year’s total management/advisory fee paid by the new client as a bonus.

### **Client Gifts**

FMBRS may at times give a small gift to Clients and third parties, some of whom may be referring Clients to it (“thank-you gifts”). These gifts are typically of nominal value and are not based on a percentage of the actual or anticipated earnings that FMBRS would generate or expect to generate from any new Clients referred or gained.

### **ITEM 15 - CUSTODY**

Custody, as it applies to investment advisors, has been defined as having access or control over client funds and/or securities, but does **not** include the ability to execute transactions in client accounts. Custody is not limited to physically holding client funds and securities. If an investment advisor can access or control client funds or securities, the investment advisor is deemed to have custody for purposes of the *Investment Advisers Act of 1940* and must ensure proper procedures are implemented.

Please note that regulators have deemed the authorization to trade in client accounts to not be custody. However, we are deemed to have limited custody of client funds whenever we are given the authority to have fees deducted directly from client accounts or accept clients’ instructions to send funds upon client requests. Our procedures do not include or allow the use of standing third party letter of authorizations (“SLOAs”), but we do require and allow first party letters from clients requesting funds from and to their own accounts.

For these purposes, accounts where we are deemed to have limited custody, based on the above description, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client’s name. Clients or an independent representative of the client will direct, in writing, the creation of all accounts and therefore are aware of the qualified custodian’s name, address and the manner in which the funds or securities are maintained.

Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from us. When clients have questions about their account statements, they should contact us or the qualified custodian preparing the statement.

#### **ITEM 16 - INVESTMENT DISCRETION**

IARs have the authority to manage investments on a discretionary basis as set forth in the advisory agreement. FMBRS and the IAR do not have the authority to withdraw funds or take custody of client funds or securities.

Clients may grant IAR discretionary authority to determine the securities and/or amount of securities to be bought or sold as set forth in the account agreement.

#### **ITEM 17 - VOTING CLIENT SECURITIES**

As a matter of firm policy, FMBRS and its investment advisory representatives do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the way proxies solicited by issuers of securities beneficially 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. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

Clients retain the right and responsibility to vote all proxies solicited for securities held in their account. FMBRS and its IARs are precluded from voting proxies on behalf of a client, and do not offer any consulting assistance regarding proxy issues to clients.

#### **ITEM 18 - FINANCIAL INFORMATION**

Investment Advisors are required to provide certain financial information or disclosures about their financial condition. FMBRS has no financial circumstances to report and has no financial commitment that would impair its ability to meet contractual and fiduciary commitments to clients and has not been the subject of any bankruptcy petition or proceeding at any time.

Under no circumstances do we require or solicit payment of fees more than \$600 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

#### **ITEM 19 - PRIVACY POLICY**

Your relationship with FMBRS is based on trust and confidence. To fulfill its responsibilities to you, FMBRS requires that you provide current and accurate financial and personal information. You deserve to expect that FMBRS will protect the information you have provided in a manner that is safe, secure and professional. FMBRS and its employees are committed to protecting your privacy and to safeguarding that information.

## **Regulation S-P:**

Privacy of Consumer Financial Information (SEC's Regulation S-P), implementing the privacy provisions of the Gramm-Leach-Bliley Act ("GLBA") with respect to financial institutions regulated by the SEC, requires financial firms to implement policies and procedures reasonably designed to safeguard customer records and nonpublic information.

Firms like FMB Retirement Services are required to: (1) provide a clear and conspicuous notice to its customers that accurately reflects its privacy policies and practices generally no later than when it establishes a customer relationship ("Initial Privacy Notice"), (2) provide a clear and conspicuous notice to its customers that accurately reflects its privacy policies and practices not less than annually during the continuation of the customer relationship ("Annual Privacy Notice"), and (3) deliver a clear and conspicuous notice to its customers that accurately explains the right to opt out of some disclosures of non-public personal information about the customer to non-affiliated third parties ("Opt-Out Notice").

## **Safeguarding Customer Documents:**

FMB has adopted written policies and procedures that are reasonably designed to ensure the security and confidentiality of customer records and information, protects against any anticipated threats or hazards to the security or integrity of customer records and information, and protects against unauthorized access to or use of customer records or information that could result in substantial harm or inconvenience to any customer.

We collect non-public customer data in checklists, forms, in written notations, and in documentation provided to us by our customers for evaluation, registration, licensing or related consulting services. We also create internal lists of such data.

During regular business hours, access to customer records is monitored so that only those with approved entitlements may access the files. During hours in which the company is not in operation, the customer records will be secured.

No individual who is not so authorized shall obtain or seek to obtain personal and financial customer information. No individual with authorization to access personal and financial customer information shall share that information in any manner without the specific consent of a firm principal. Failure to observe FMBRS procedures regarding customer and consumer privacy will result in disciplinary action and may include termination.

## **Sharing Non-Public Personal and Financial Information:**

FMBRS is committed to the protection and privacy of its customers' and consumers' personal and financial information. FMBRS will not share such information with any non-affiliated third party except:

- When necessary to complete a transaction in a customer account, such as with the clearing firm or account custodians;
- When required to maintain or service a customer account;
- To resolve customer disputes or inquiries;

- With persons acting in a fiduciary or representative capacity on behalf of the customer;
- With rating agencies, persons assessing compliance with industry standards, or to the attorneys, accountants and auditors of the firm;
- In connection with a sale or merger of FMBRS' business;
- To protect against or prevent actual or potential fraud, identity theft, unauthorized transactions, claims or other liability;
- To comply with federal, state or local laws, rules and other applicable legal requirements;
- In connection with a written agreement to provide investment management or advisory services when the information is released for the sole purpose of providing the products or services covered by the agreement;
- In any circumstances with the customer's instruction or consent; or
- Pursuant to any other exceptions enumerated in the California Information Privacy Act.

### **Opt-Out Provisions:**

It is a practice and policy of FMB Retirement Services to NOT share non-public personal and financial information with unaffiliated third parties except under the circumstances noted above. Since sharing under the circumstances noted above is necessary to service customer accounts or is mandated by law, there are no allowances made for clients to "opt out".

If you decide to close your account(s) or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice. We reserve the right to change this policy at any time and you will be notified if any changes do occur.

If you have any questions after reading this Privacy Policy, please contact us by writing to:

<p><b>FMB Retirement Services</b>          Attention: Privacy Officer          100 N. Westlake Blvd., Suite 201          Westlake Village, CA 91362</p>
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