

**Item 1: Cover Page**  
**Part 2A of Form ADV: Firm Brochure**  
**March 2021**



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This brochure provides information about the qualifications and business practices of RoundAngle Advisors LLC. If you have any questions about the contents of this brochure, please contact us by telephone at 732-889-3774. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about RoundAngle Advisors LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term "registered investment adviser" and description of RoundAngle Advisors LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

## Item 2: Material Changes

RoundAngle Advisors LLC is required to notify clients of any information that has changed since the last annual update of the Firm Brochure ("Brochure") that may be important to them. Clients can request a full copy of our Brochure or contact us with any questions that they may have about the changes.

Since our last annual amendment filing on 01/14/20, we have the following material changes to disclose:

- Our firm's Paycheck Protection Program loan was forgiven in full on March 31, 2021. Therefore, our firm removed any reference to the loan. Please refer to Item 18 for additional information.
- Our firm now has a minimum household balance of \$500,000. Please see Item 7 for additional information.
- Our firm has revised our financial planning and consulting service to clarify that we provide both a one-time and an ongoing subscription option for this service. Please refer to Item 4, & 5 for additional information.

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## Item 4: Advisory Business

Our firm is dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed in the State of Delaware. Our firm has been in business as an investment adviser since 2015 and is primarily owned by Jonathan Bernstein.

### Description of the Types of Advisory Services We Offer

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#### Asset Management

Our firm only provides Asset Management services on a Wrap Fee basis. Please see our Form ADV 2A Appendix 1 Wrap Fee Brochure for further details.

#### 401(k) Advisory Services:

Our firm provides retirement plan consulting services to employer plan sponsors. Such consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan design and participant education.

- Assist with selection and monitoring of investment options at the plan level.
- Assist with the creation of the Investment Policy Statement.
- Assist with initial and ongoing retirement plan design.
- A detailed examination of each mutual fund investment option within the plan, including performance numbers versus the category and index, Morningstar risk and return analysis, fund expense analysis, manager style drift and tenure, risk/return, standard deviation, Alpha, Sharpe ratio and fund allocation. This Agreement does not guarantee the future performance or results of any investment option recommended or reviewed.

Our firm will conduct strategic planning sessions to review the plan's investments and establish future objectives and strategies for the Plan. All services shall be in compliance with the applicable state law(s) regulating pension consulting services. This applies to client accounts that are pension or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in Section 1 of the advisory agreement to be signed by the client).

#### Asset Monitoring:

For accounts held direct with outside custodians where we do not have trading authority, we offer an asset monitoring service to provide our clients with guidance to aid them in the allocation of these accounts. We will evaluate the client's needs and objectives, current accounts and positions, and risk tolerance to provide customized advice as to their investment selections. These holdings shall be reviewed at least annually and clients will be contacted to discuss recommended actions.

## **Financial Planning & Consulting:**

Our firm provides a variety of financial planning and consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of the client's current situation, goals, and objectives. These services may be conducted on a one-time or ongoing basis. Regardless of the service, our firm agrees to provide the consulting / financial planning services consistent with the client's financial situation, investment objectives and tax status.

Our financial plans or consultations rendered to clients typically include general recommendations for a course of activity or specific actions to be taken by the client. For example, recommendations may be made that the client begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we may refer clients to an accountant, attorney, or other specialist as necessary for non-advisory related services.

For financial planning engagements, we provide our clients with a written summary of their financial situation. For financial consulting engagements, we typically do not provide our clients with a formalized written summary of our observations and recommendations as the process is less formal than our planning service. However, we will provide some communication of our observations and/or recommendations during the course of the consulting engagement through the form of emails, phone calls, in person meetings, etc. depending upon the client's needs.

Written financial plans are typically completed within 6 months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. However, clients should note that the delivery of our written financial plan will signal the end of their relationship with our firm for one-time financial planning. If the client wishes to reengage our firm, they may do so for an additional fee. However, our ongoing financial planning or financial consulting clients will be provided with an initial financial plan or consultation as noted above as well as the ability to meet with our firm on an ad hoc basis throughout the year for any consultative work they require and ongoing maintenance for their financial plan as needed. These services are incorporated into the ongoing consulting fees.

Third party planners may be used to aid in the development of our financial planning and consulting services, the fees for which shall be borne by our firm and will in no way increase the amount agreed upon in the signed contract. Implementation of the recommendations will be at the discretion of the client.

## **Tailoring of Advisory Services**

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We offer individualized investment advice to clients utilizing our Wrap Asset Management and Asset Monitoring services. Additionally, we offer general investment advice to clients utilizing our Financial Planning & Consulting services. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our Wrap Asset Management service.

## Participation in Wrap Fee Programs

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We offer wrap fee programs as further described in Part 2A, Appendix 1 (the “Wrap Fee Program Brochure”) of our Brochure. Our asset management service is only available through our Wrap Fee Program. As further described in our Wrap Fee Program Brochure, we receive a portion of the wrap fee for our services.

## Regulatory Assets Under Management

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As of December 31, 2020, our firm manages \$118,316,765 on a discretionary basis and \$28,380,459 on a non-discretionary basis.

## Item 5: Fees & Compensation

### How We Are Compensated for Our Advisory Services

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#### Asset Management

Our firm only provides Asset Management services on a Wrap Fee basis. Please see our Form ADV 2A Appendix 1 Wrap Fee Brochure for further details on how we are compensated for this service.

#### 401(k) Advisory Services:

A custom pricing model is used for all 401(k) advisory services. These services are billed on a flat fee basis or a fee based on the percentage of Plan assets under management. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. Our flat fees will not exceed \$2,000. Fees based on a percentage of Plan assets will not exceed 1.00%. Fees to be assessed will be outlined in the advisory agreement to be signed by the client. The billing cycle and all relevant details will be specified in the agreement to be signed. Clients will be provided with a quarterly statement from the Plan record-keeper reflecting deduction of the advisory fee.

#### Asset Monitoring:

The fee for this service is negotiable and shall not exceed 50 bps of the overall account value on an annualized basis. Fees will be billed quarterly in advance and will be based on the account value on the final day of the prior quarter. Due to limitations on our access to these accounts, fees shall be debited from one of the accounts under our management but may also be direct billed in certain circumstances.

#### Financial Planning & Consulting:

We charge on an hourly fee, flat fee, or monthly subscription fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you.

Our maximum hourly fee is \$500. Flat fees generally range from \$1,500 to \$10,000. Our monthly subscription fees range from \$100 to \$1,000 per month (\$300 to \$3,000 per quarter) depending on the client’s level of ongoing complexity. It should be noted that the monthly subscription fee

will only be reserved for clients who engage in our ongoing financial planning and consulting services. In all cases, our firm will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 months.

In cases in which we enlist the services of a third-party planner to aid in the development of our financial planning and consulting arrangements, their fee will be factored into the agreed upon fee for this service and will not impact the price the client agreed to in the executed agreement.

An initial payment of 50% of the estimated total financial planning or consulting fee for clients who have selected any of our firm's billing options may be required by our firm upon execution of an agreement. The remainder of the fee will be directly invoiced and due within 30 days of a financial plan or consultation being delivered or rendered for one-time financial planning and consulting clients. For ongoing financial planning and consulting clients, the clients will not be required to pay the second half of the estimated financial plan or consultation upon delivery. Instead, ongoing financial planning or consulting clients will be billed quarterly in advance ongoing until the client terminates our services.

#### *Discretion to Liquidate for Fees*

In cases where our firm has been granted discretion over Client Accounts as part of the Wrap Asset Management service, our firm has the authority to liquidate certain securities positions if sufficient funds are not available to meet the agreed upon quarterly fee requirements for any of our service offerings.

### **Other Types of Fees & Expenses**

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Non-Wrap Clients will incur transaction charges for trades executed by their chosen custodian. These transaction fees are separate from our firm's advisory fees and will be disclosed by the chosen custodian. TD Ameritrade, Inc. ("TD Ameritrade") does not charge transaction fees for U.S. listed equities and exchange traded funds.

Clients may also pay holdings charges imposed by the chosen custodian for certain investments, charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees, initial or deferred sales charges, mutual fund sales loads, 12b-1 fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. Our firm does not receive a portion of these fees.

Wrap clients will not incur transaction costs for trades. More information about this can be found in our separate Wrap Fee Program Brochure.

### **Termination & Refunds**

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Wrap Asset Management and Asset Monitoring services may be terminated by either party at any time. Requests for termination must be provided in writing. RAA charges advisory fees quarterly in advance. Upon receipt of Client's notice of termination, RAA will process a pro-rata refund of unearned advisory fees. If the agreement is terminated within the first 90 days of establishment, the client will be entitled to a full refund of any advisory fees charged over the period. At management's discretion, RA may deduct the transaction costs charged to the firm for transactions made within the Client's accounts during the period from the refund issued. If the

agreement is terminated prior to any advisory fees being deducted from the Client, RAA has the right to invoice the Client to recover any transaction costs charged to the firm for transactions made within the Client's accounts during the period. Refunds are typically issued within 30-days from the end of the quarter in which the relationship was terminated.

The Financial Planning & Consulting Agreement ("FPFC") automatically terminates following the delivery of a financial plan or a consultation's rendering for one-time financial planning and consulting clients who have selected the hourly or flat fee billing option. Prior to the provision of a financial plan or consultation, either party may terminate this Agreement at any time by providing written notice. Upon receipt of the written notice, our firm will process a pro-rata refund based upon the amount of work completed prior to termination. For ongoing financial planning and consulting clients, the FPFC shall stay in effect until written notice of termination has been received by either party. Once written notice has been received, billing and the FPFC shall terminate at the end of the quarter the client has already paid for (i.e., our firm will continue to service the client until the quarter end). However, the client will not be billed for any additional work during this period. Following the delivery of a financial plan or rendering of consultation services, refunds may be given at the discretion of our firm.

Either party to a 401(k) Advisory Services Agreement may terminate at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within 5 business days of signing an agreement. After 5 business days from initial signing, either party must provide the other party 30 days written notice to terminate billing. Billing will terminate 30 days after receipt of termination notice. Clients will be charged on a pro-rata basis, which takes into account work completed by our firm on behalf of the client. Clients will incur charges for bona fide advisory services rendered up to the point of termination (determined as 30 days from receipt of said written notice) and such fees will be due and payable.

### **Commissionable Securities Sales**

We do not sell securities for a commission in our advisory accounts. Representatives of our firm are registered representatives of Purshe Kaplan Sterling Investments, Inc ("PKS"), member FINRA/SIPC. As such they are able to accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds. Clients should be aware that the practice of accepting commissions for the sale of securities presents a conflict of interest and gives our firm and/or our representatives an incentive to recommend investment products based on the compensation received. Our firm generally addresses commissionable sales conflicts that arise when explaining to clients these sales create an incentive to recommend based on the compensation to be earned and/or when recommending commissionable mutual funds, explaining that "no-load" funds are also available. Our firm does not prohibit clients from purchasing recommended investment products through other unaffiliated brokers or agents.

## **Item 6: Performance-Based Fees & Side-By-Side Management**

We do not charge performance-based fees.

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

Our firm provides services to the following types of clients: (1) Individuals and High Net Worth Individuals; (2) Trusts, Estates or Charitable Organizations; (3) ERISA qualified retirement plans; and (4) Corporations, Limited Liability Companies and/or Other Business Types.



Our firm requires a minimum household balance of \$500,000 for our Wrap Asset Management service. This minimum may be waived at management's discretion.

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

### Methods of Analysis

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

- **Charting:** In this type of technical analysis, our firm reviews charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when or how long the trend may last and when that trend might reverse.
- **Cyclical Analysis:** Statistical analysis of specific events occurring at a sufficient number of relatively predictable intervals that they can be forecasted into the future. Cyclical analysis asserts that cyclical forces drive price movements in the financial markets. Risks include that cycles may invert or disappear and there is no expectation that this type of analysis will pinpoint turning points, instead be used in conjunction with other methods of analysis.
- **Fundamental Analysis:** The analysis of a business's financial statements (usually to analyze the business's assets, liabilities, and earnings), health, and its competitors and markets. When analyzing a stock, futures contract, or currency using fundamental analysis there are two basic approaches one can use: bottom up analysis and top down analysis. The terms are used to distinguish such analysis from other types of investment analysis, such as quantitative and technical. Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts. There are several possible objectives: (a) to conduct a company stock valuation and predict its probable price evolution; (b) to make a projection on its business performance; (c) to evaluate its management and make internal business decisions; (d) and/or to calculate its credit risk; and (e) to find out the intrinsic value of the share.

When the objective of the analysis is to determine what stock to buy and at what price, there are two basic methodologies investors rely upon: (a) Fundamental analysis maintains that markets may misprice a security in the short run but that the "correct" price will eventually be reached. Profits can be made by purchasing the mispriced security and then waiting for the market to recognize its "mistake" and reprice the security; and (b) Technical analysis maintains that all information is reflected already in the price of a security. Technical analysts analyze trends and believe that sentiment changes predate and predict trend changes. Investors' emotional responses to price movements lead to recognizable price chart patterns. Technical analysts also analyze historical trends to predict future price movement. Investors can use one or both of these different but complementary methods for stock picking. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

- **Technical Analysis:** A security analysis methodology for forecasting the direction of prices through the study of past market data, primarily price and volume. A fundamental principle of technical analysis is that a market's price reflects all relevant information, so their analysis looks at the history of a security's trading pattern rather than external drivers such as economic, fundamental and news events. Therefore, price action tends to repeat itself due to investors collectively tending toward patterned behavior – hence technical analysis focuses

on identifiable trends and conditions. Technical analysts also widely use market indicators of many sorts, some of which are mathematical transformations of price, often including up and down volume, advance/decline data and other inputs. These indicators are used to help assess whether an asset is trending, and if it is, the probability of its direction and of continuation. Technicians also look for relationships between price/volume indices and market indicators. Technical analysis employs models and trading rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns. Technical analysis is widely used among traders and financial professionals and is very often used by active day traders, market makers and pit traders. The risk associated with this type of analysis is that analysts use subjective judgment to decide which pattern(s) a particular instrument reflects at a given time and what the interpretation of that pattern should be.

## Investment Strategies We Use

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We may use the following strategies in managing client accounts, provided that such strategies are appropriate 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:** Our firm may buy securities for your account and hold them for a relatively long time (more than a year) in anticipation that the security's value will appreciate over a long horizon. The risk of this strategy is that our firm could miss out on potential short-term gains that could have been profitable to your account, or it's possible that the security's value may decline sharply before our firm makes a decision to sell.
- **Short-Term Purchases:** When utilizing this strategy, our firm may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). Our firm does this in an attempt to take advantage of conditions that our firm believes will soon result in a price swing in the securities our firm has purchased.
- **Trading:** Our firm purchases securities with the idea of selling them very quickly (typically within 30 days or less). Our firm does this in an attempt to take advantage of our predictions of brief price swings. Trading involves risk that may not be suitable for every investor and may involve a high volume of trading activity. Each trade generates a transaction charge and the total such charges on a high volume of trading can be considerable. Active trading accounts should be considered speculative in nature with the objective being to generate short-term profits. This activity may result in the loss of more than 100% of an investment.

## Risk of Loss

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Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

## Description of Material, Significant or Unusual Risks

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We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk

conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to Wrap Asset Management as applicable.

## Item 9: Disciplinary Information

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

## Item 10: Other Financial Industry Activities & Affiliations

Our firm also acts as an Insurance Agency, and representatives of our firm are licensed insurance agents. They may offer products and receive normal and customary commissions as a result of these transactions. A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products based on the compensation they may earn.

Mr. Bernstein is a registered representative of PKS, member FINRA/SIPC and a licensed insurance agent. He may offer products and receive normal and customary commissions as a result of these transactions. A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products based on the compensation they may earn.

Mr. Bernstein is the owner of Bernstein & Bernstein CPAs LLP, a tax and accounting firm. These services are independent of our financial planning and investment advisory services and are governed under a separate engagement agreement. The fees for these services are billed separately and are in addition to the client's RAA fees. The rate varies depending on the complexity of the work conducted. Clients of RoundAngle Advisors LLC may be solicited to utilize these services; however, they are under no obligation to do so.

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

An investment adviser is considered a fiduciary and our firm has a fiduciary duty to all clients. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided upon request.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our

policy, we have a quarterly securities transaction reporting system for all of our associates. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics.

Neither our firm nor a related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest. Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day. If related persons' accounts are included in a block trade, our related persons' accounts will be traded in the same manner every time.

Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics.

## Item 12: Brokerage Practices

### Selecting a Brokerage Firm

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Quality of services

With this in consideration, our firm participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an independent [and unaffiliated] SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Our firm receives some benefits from TD Ameritrade through its participation in the program.

TD Ameritrade charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual debt securities transactions). TD Ameritrade does not charge transaction fees for US listed equity securities and exchange traded funds. TD Ameritrade enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. TD Ameritrade commission rates are generally discounted from customary retail commission rates. The commission and transaction fees charged by TD Ameritrade may be higher or lower than those charged by other custodians and broker-dealers.

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associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

## **Soft Dollars**

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Our firm does not receive any soft dollar benefits.

## **Client Brokerage Commissions**

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Our firm does not receive brokerage commissions for client referrals. We do not use client brokerage commissions to obtain research or other products or services. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

## **Directed Brokerage**

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In certain circumstances, our firm will allow client-directed brokerage outside our custodial recommendations. Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. We routinely recommend that a client directs us to execute through a specified broker-dealer. Our firm recommends the use of TD Ameritrade. Each client will be required to establish their account(s) with TD Ameritrade if not already done. Please note that not all advisers have this requirement.

## **Special Considerations for ERISA Clients**

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

## **Aggregation of Purchase or Sale**

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We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

## Item 13: Review of Accounts or Financial Plans

For Wrap Asset Management and Asset Monitoring clients, our Investment Adviser Representatives review client accounts on at least an annual basis to ensure investments are allocated and performing in line with objectives, and then meet with clients to discuss on an annual basis, either in-person or telephonically. The nature of these reviews is to learn whether client accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc. The provision of written reports will be dependent on the topics discussed and/or changes made during at least annual reviews.

Financial Planning & Consulting clients do not receive reviews of their written plans or consultations unless our firm is engaged for On-Going services or the client takes action to schedule a follow up consultation. Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

401(k) Advisory Services clients receive reviews of their retirement plans for the duration of the service. Our firm also provides ongoing services where clients are met with upon their request to discuss updates to their plans, changes in their circumstances, etc. Retirement Plan Consulting clients do not receive written or verbal updated reports regarding their plans unless they choose to engage our firm for ongoing services.

## Item 14: Client Referrals & Other Compensation

### **TD Ameritrade, Inc.**

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As disclosed under Item 12 above, our firm participates in TD Ameritrade's institutional customer program and may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our Clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit its Client accounts. These products or services may assist our firm in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help our firm manage and further develop its business enterprise. The benefits received by our firm or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, our firm endeavors at all times to put the interests of its clients first. Clients should be aware, however,



that the receipt of economic benefits by our firm or its related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

## **Referral Fees**

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We may pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to you. In this regard, we maintain Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, we ensure that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If we are paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

## **Item 15: Custody**

We do not have custody of client funds or securities. All of our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm. We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

## **Third Party Money Movement**

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

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.

- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## **Item 16: Investment Discretion**

Clients have the option of providing our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, we are authorized to execute securities transactions, which securities are bought and sold, and the total amount to be bought and sold. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm's written acknowledgement.

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

We do not accept proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

## **Item 18: Financial Information**

We do not require the prepayment of more than \$1,200 in fees and six or more months in advance and we do not take custody of client funds or securities. Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients. Our firm has never been the subject of a bankruptcy proceeding.