



**Erman Retirement Advisory, Inc.**

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**July 1, 2021**

This Brochure provides information about the qualifications and business practices of Erman Retirement Advisory, Inc. (CRD #113903) If you have any questions about the contents of this Brochure, please contact us at (562) 546-6021 or [AskHow@ErmanRetirementAdvisory.com](mailto:AskHow@ErmanRetirementAdvisory.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Erman Retirement Advisory is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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



## **Item 2- Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated July 1, 2021 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Jill Sterling-Erman, Director of Operations at (562) 546-6021 or AskHow@ErmanRetirementAdvisory.com. Our Brochure is also available on our web site ErmanRetirementAdvisory.com, also free of charge.

Additional information about Erman Retirement Advisory, Inc. is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Erman Retirement Advisory who are registered, or are required to be registered, as investment adviser representatives of Erman Retirement Advisory.

### **Material Changes: (since our last update on March 24, 2021):**

#### **Investment Advisor Representative Departure**

Brendan Grimes (CRD# 3206695) is no longer an investment advisor representative with Erman Retirement Advisory.



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#### **Item 4 – Advisory Business**

##### **Firm Description:**

Erman Retirement Advisory, Inc. was founded in 2000 by Howard D. Erman, CFP®. There are eight employees, including one Certified Financial Planner® registrant and seven administrative staff. One staff member, who works as an independent contractor, is a tax preparer and an Enrolled Agent (EA). There are also numerous independent contractors who provide support services in the nature of general office support, as well as technical assistance such as data reconciliation and information technology support on an ongoing open-ended basis. The firm is in the process of registration with the Securities and Exchange Commission ("SEC") as a Registered Investment Advisor (RIA).

Erman Retirement Advisory, Inc. provides personal financial planning and investment management to individuals, families and their related entities, trusts and estates with a particular focus on retirement planning, both pre-retirement and post-retirement. Erman Retirement Advisory, Inc., works with clients to define financial objectives and to develop strategies for reaching those objectives, some of which may include: identification of financial problems, cash flow and budget management, tax planning, risk exposure review, investment management, education funding, retirement planning, estate planning, charitable goals, special needs planning, family business succession issues, and/or other issues specific to the client.

The firm's compensation is primarily from fees paid directly by clients with a minority percentage derived from ongoing service fees (commonly known as 12b-1 fees) through common industry practices of mutual funds and insurance companies, a small percentage derived from commissions on mutual funds and insurance products and a minority percentage from fees derived from tax preparation services. The firm pays no referral fees and does not accept referral fees. No benefits are received from custodians or broker dealers based on client securities transactions ("soft dollar benefits").

Assets under the direct management of Erman Retirement Advisory, Inc., are held by Pershing Advisor Solutions (PAS), an independent custodian which provides clearing services to Registered Investment Advisors nationally. These assets are held in the client's name. Erman Retirement Advisory, Inc. does not act as a custodian of client assets.

We may recommend other professionals (e.g. lawyers, accountants, insurance agents, mortgage brokers, real estate agents, etc.) at the request of the client. These professionals are engaged directly by the client on an as-needed basis even when recommended by the Advisor. Conflicts of interest will be disclosed to the client and managed in the best interest of the client.

##### **Principal Owners:**



Howard D. Erman – 49% and Jill Sterling-Erman – 49% are the principal owners of Erman Retirement Advisory, Inc. There are no intermediate subsidiaries.

### **Types of Advisory Services**

The primary type of advisory service offered by Erman Retirement Advisory, Inc., is financial planning with an emphasis on retirement planning. Erman Retirement Advisory, Inc. also provides investment supervisory services (i.e. asset management) and furnishes investment advice, but only as part of an ongoing financial planning relationship.

In performing its services, Erman Retirement Advisory, Inc., is not required to verify any information received from the client or from the client's other professionals. Each client is advised that it remains his/her responsibility to promptly notify Erman Retirement Advisory, Inc., when there is any change in his/her financial situation and/or financial objectives for the purpose of reviewing, evaluating, or revising previous recommendations and/or services.

The following are typical financial planning arrangements offered to clients:

### **Comprehensive Financial Planning**

This service includes retirement planning, financial planning, implementation, and ongoing asset management/monitoring services. Retirement and financial planning may include identification of financial problems, cash flow and budget management, tax planning, risk exposure review, investment management, education funding, retirement planning, estate planning, charitable goals, fringe benefits, special needs planning or other issues specific to the client. A written evaluation of the client's current situation and their goals is provided to the client. The engagement also includes implementation of recommendations accepted by client, unlimited telephone support, meetings as required, on-going financial planning services, reminders of the specific courses of action that need to be taken, and quarterly, semi-annual or annual written portfolio reviews as negotiated with each client. More frequent reviews may occur but are not necessarily communicated to the client unless immediate changes are recommended.

### **Tactical Asset Management Services (TAMS)**

TAMS is an asset management service that is based on Modern Portfolio Theory (MPT). MPT was developed primarily by Harry Markowitz while a graduate student at the University of Chicago. His theory, which was his graduate Ph.D thesis, was first published in 1952 in the Journal of Finance. In 1990, Harry Markowitz was awarded the Nobel Prize in Economics for his contribution to MPT.

Tactical Asset Management System (TAMS), as applied by Erman Retirement Advisory, Inc., includes strategic allocation and tactical allocation, hence the name. Strategic asset allocation is a process by



which we develop target percentages and assign these to asset classes. Strategic allocation does not require ongoing management.

Tactical asset allocation takes the targets set by the strategic allocation process and measures these allocations on a quarterly basis. If the actual asset allocation per asset class is deviated by a pre-defined variance, then a repositioning is required to bring the asset class percentage to close proximity to the strategic allocation targets. By this repositioning process, the actual tactical asset allocation is managed closely to the client's tolerance for risk. Risk is defined by a statistical measure called standard deviation, which in turn is a measure of portfolio volatility. This is the sole goal of TAMS, risk management to meet the client's tolerance of risk.

Typically, there is a necessary portfolio rate of return that meets the client's retirement objectives. Knowing the required rate of return will allow TAMS to guide us toward the particular portfolio that will achieve that level of risk. TAMS will suggest an allocation that minimizes the risk needed to achieve the projected returns.

There can be no guarantee that any particular rate of return will be achieved. All planning efforts and investment management efforts are done on a "best efforts" basis.

### **Financial Snapshot**

This service includes financial planning services only. No implementation services or ongoing asset management services are provided. Financial planning may include identification of financial problems, cash flow and budget management, tax planning, risk exposure review, investment management, education funding, retirement planning, estate planning, charitable goals, special needs planning or other issues specific to the client. A written evaluation of the client's current situation and their goals is provided to the client. Recommendations are given in each area specifically requested by the client.

### **Special Projects**

Projects may be undertaken that are not described in other types of agreements, including implementation of Financial Snapshot recommendations, periodic investment portfolio review, assistance with tax planning, or other services specifically described in an engagement letter.

### **Investment Management Services**

Investment management may be provided as a stand-alone service. Occasionally, members of a client's family or related charitable organization may receive investment management services as part of the client's financial planning objectives.

### **Managed Assets**



As of March 24, 2021, Erman Retirement Advisory Inc. supervises approximately \$193,359,925 in assets on a discretionary basis for 229 accounts.

## **Item 5- Fees and Compensation**

### **Description**

Erman Retirement Advisory, Inc. bases its fees on a percentage of Assets under Management (AUM). There are also financial planning charges, typically on a fixed basis per assignment. However, there could be an hourly basis for charges, depending on the engagement. Fees may be negotiable.

### **Comprehensive Financial Planning**

Initial financial planning fees for the Comprehensive Financial Planning agreement are calculated on a fixed fee basis for a presentation that includes the commonly accepted elements of financial planning. Specifically, these include an insurance review, a tax planning review, an estate planning analysis, and an investment management examination. A cash flow analysis will be included as necessary. The specific fee will be dependent on the scope of the client's requirements. The range for these services will be \$1,500 to \$5,000 per engagement, agreed upon in advance. Initial fees are determined at the outset by an engagement letter and are based on a variety of factors, including but not limited to historical relationship, total assets, investable assets, type of assets, complexity of financial planning needs, related accounts, or negotiations with clients.

Unless otherwise stated in an engagement letter, Financial Snapshot engagements are billed 50% upon signing the agreement and 50% on completion of specified work.

### **Tactical Asset Management Services (TAMS)**

The retainer fee for this service is based on a tiered schedule as follows:

\$0 - \$250,000	1.95%
\$250,000 - \$500,000	1.40%
\$500,000 - \$1,000,000	1.00%
\$1,000,000 - \$5,000,000	.70%
\$5,000,000 - \$10,000,000	.65%
\$10,000,000+	.60%

The fees are calculated on an annualized basis and billed quarterly in arrears. As listed above, adjustments may be made as appropriate. Fees may be negotiable on a case by case basis.

### **Financial Snapshot**



See description for Comprehensive Financial Planning as above.

Unless otherwise stated in an engagement letter, Financial Snapshot engagements are billed 50% upon signing the agreement and 50% on completion of specified work.

### **Concierge Services and Special Projects**

Special Projects involving principal Howard Erman are billed at the rate of \$350/hour. Special projects involving a senior planner (with the CFP® designation) are billed at \$300/hour. Special Projects involving an associate planner (without the CFP® designation) are billed at \$150/hour. Non-planner staff time for special projects is billed at \$75/hour. Estimates are provided and a deposit requested. Since the nature of the work often involves variables or circumstances unknown at the start of the engagement, estimates are not guaranteed.

**Financial Planning Disclosure:** We are required to disclose if a conflict exists between the interests of the investment adviser and the interests of the client. If so, the client is under no obligation to act upon the investment adviser's recommendation, and, if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser.

### **Investment Management Services**

Investment management is not provided as a stand-alone service and is not billed separately as such.

### **Fee Billing**

Clients using Comprehensive Financial Planning services may choose to have fees deducted quarterly from a designated brokerage account at their qualified custodian to facilitate billing, or to be invoiced quarterly. The client must consent in advance to direct debiting of their investment account for financial planning fees. We send a copy of our invoice to the custodian or trustee at the same time that we send a copy to the *client*. This is the normal practice.

### **Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds, stocks, bonds, and exchange-traded funds. These transaction charges are usually relatively small and are incidental to the purchase or sale of a security. In some cases, custodians also charge monthly, quarterly or annual custody fees. Fees for custody are disclosed to clients when this type of arrangement is recommended.

Mutual funds and exchange traded funds generally charge a management fee for their services as investment managers. The management fee is included in the expense ratio. Mutual fund fees also include transaction charges for the purchase or sale of securities within the fund and may charge other





fees as disclosed in the fund prospectus. These fees are in addition to the fees paid by the client to Erman Retirement Advisory, Inc. Erman Retirement Advisory makes every effort to avoid transaction fees. In the TAMS program, the transaction fees are quite small and unrelated to what is typically referred to as “sales charges”.

Please see the section entitled “Brokerage Practices” for more information.

**Advisory Fees in General:** Clients should note that lower fees for comparable services may be available from other sources.

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

Erman Retirement Advisory, Inc. reserves the right to stop work on any account that is more than 60 days overdue. In addition, Erman Retirement Advisory, Inc. reserves the right to terminate any financial planning engagement where a client has not delivered pertinent information about financial situations when necessary and appropriate to providing proper financial advice, per the judgment of Erman Retirement Advisory, Inc. Clients may terminate their agreement with 30 days written notice.

#### **Compensation for Sales of Investment Products**

The firm’s compensation is primarily from fees paid directly by clients. The firm may receive commission based on the client’s purchase of a financial product, including insurance, through its registered representative relationship with Cetera Advisors Networks. Cetera Advisors Networks is a FINRA-member broker/dealer and registered investment advisor with the Securities and Exchange Commission (SEC). Any fees related to transactions from Cetera Advisors Networks will typically apply to non-management clients. It would be highly unusual, but possible, for transaction fees to apply to the accounts of management clients. In the event that this may happen, an offset will apply to the related client management fees.

#### **Item 6- Performance-Based Fees and Side-By-Side Management**

Erman Retirement Advisory, Inc. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client. However, the nature of asset-based fees allows Erman Retirement Advisory, Inc. to participate in the growth of the client’s wealth. This also means that our fees can decline when the client’s portfolio declines in value.

#### **Item 7- Types of Clients**

Erman Retirement Advisory, Inc. generally provides investment advice to individuals, families, trusts and estates. Advice may extend to entities related to the client such as small businesses and charitable



organizations, including foundations and endowments. Client relationships vary in scope and length of service. Erman Retirement Advisory, Inc. does not impose a minimum dollar value of assets or other condition for opening or maintaining an account.

#### **Item 8- Methods of Analysis**

Security analysis method at Erman Retirement Advisory includes both fundamental and technical analysis. The main sources of information include Thomson Reuters Investment View reports, fund prospectuses, financial newspapers and magazines, research materials prepared by others, and internet based resources. Employees of Erman Retirement Advisory, Inc. also attend on- and off-site visits with fund and portfolio managers, conference calls, and industry conferences.

#### **Investment Strategies**

The primary investment strategy we use for client accounts is Modern Portfolio Theory (MPT). MPT can be applied to strategic asset allocation and tactical asset allocation. We may use passively-managed index and exchange-traded funds when appropriate for the client and actively- managed funds, dividend paying stocks, and individual municipal bonds where there are opportunities to make a difference by security selection. Portfolios are generally globally diversified to control the risk associated with traditional markets. We may also at times recommend unrelated, third party investment managers who have a greater expertise in certain disciplines when appropriate for the client.

The investment strategy for a specific client is based upon the objectives, income needs, and tax situation stated by the client during consultations. The client may change these objectives at any time. The client's goals and objectives are recorded during meetings and via correspondence with the client. Each client portfolio is selected to correspond with the client's specific goals.

The primary strategy employed is Tactical Asset Allocation. Please see the section Tactical Asset Management (TAMS) service above.

#### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach keeps the risk of loss in mind. However, as with all investments, clients face investment risks including the following: loss of principal risk, interest-rate risk, market risk, inflation risk, currency risk, reinvestment risk, business risk, liquidity risk, and financial risk.

#### **Item 9- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Erman Retirement Advisory, Inc., or the integrity of Erman Retirement Advisory, Inc. Management has no information applicable to this Item.



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

The principals of Erman Retirement Advisory, Inc., Howard Erman and Jill Sterling- Erman, are both registered representatives of Cetera Advisors Networks a FINRA-member broker/dealer and registered investment advisor with the Securities and Exchange Commission (SEC). Howard Erman is also an investment advisor representative with Cetera Advisors Networks. The principal owners are also licensed as supervisory principals with Cetera Advisors Networks and also registered as advisory associates with Cetera Advisors Networks. Mr. Erman is also a licensed insurance agent and he receives compensation from these activities.

Additionally, it is the policy of the firm to retain licensed representatives as staff members in order to provide a high level of service to our management clients.

#### **Item 11- Code of Ethics**

The employees of Erman Retirement Advisory, Inc. have committed to a Code of Ethics and Fiduciary Oath as outlined by the Financial Planning Association (FPA) and as required by our status as Registered Investment Advisors. The key points are: putting the clients' interest first, objectivity, confidentiality, competence, fairness and suitability, integrity and honesty, regulatory compliance, full disclosure, and professionalism. CFP® designees are also held to a Code of Ethics as outlined by the CFP® Board of Standards. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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

Erman Retirement Advisory, Inc. and its employees may at times buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the firm's "Policies & Procedures Manual".

The Chief Compliance Officer of Erman Retirement Advisory, Inc. is Jill Erman. Her personal trades are reviewed by President Howard Erman. The personal trading reviews ensure that the personal trading of employees was not based on inside information and that clients of the firm receive preferential treatment. The trades are not of a significant enough value to affect the securities markets.

#### **Item 12- Brokerage Practices**

##### **Selecting Brokerage Firms**

Erman Retirement Advisory, Inc. does not have any affiliation with product sales firms. Specific custodian recommendations are made to clients based on their need for such services. The firm has an exclusive relationship with Pershing Advisor Solutions (PAS) to provide the execution of orders at no commission rates, and for their quality of client service.



Pershing Advisory Solutions is a unit of Pershing LLC, which in turn is a subsidiary of BNY Mellon, the nation's oldest continuously operating bank, and one of the world's leading providers of securities services. Pershing has over \$907.5 billion in assets held in custody. Pershing's parent company, The Bank of New York Mellon Corporation, has \$25.0 trillion in assets under custody and administration.

Trading fees charged by PAS are incidental to the value of the account and Erman Retirement Advisory, Inc. does not receive any portion of the trading fees.

Additionally, Erman Retirement Advisory has a longstanding relationship with Cetera Advisors Networks. For those clients that require investment products unavailable through PAS or outside of the management program, Cetera Advisors Networks will be utilized to access such investment products. These may include insurance products such as variable annuities, equity index annuities, open ended investment companies (mutual funds), Exchange Traded Funds (ETF), individual stock or bond, FDIC insured CD, or other applicable investment program.

#### **Item 13- Review of Accounts**

The frequency of reviews is quarterly for clients on the TAMS management program. This review will be done jointly by the staff and by Howard Erman. The review typically encompasses a measurement of the actual allocation by asset class versus the target for such asset class. A deviation of a pre-set amount, currently established at plus or minus 4%, will trigger an automatic rebalancing to restore the risk parameters to their assigned goal.

Additionally, it is the goal of the firm to have personal meetings semi-annually with each management household. This may be face to face meetings, but may also be accomplished remotely using the computer in a linked mode. The goal of these "renewal" meetings is to review the client's circumstance, assess any changes that may affect the financial plan currently in effect or the investment posture of the client household and to discuss changes that may result from the update. These ongoing meetings are an essential component of the planner/client relationship and to the successful completion of the financial and retirement planning assignment.

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

##### **Incoming Referrals**

Erman Retirement Advisory, Inc. has been fortunate to receive many client referrals over the years. The referrals have come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other sources.

##### **Referrals to Other Professionals**

Erman Retirement Advisory, Inc. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.



### **Item 15- Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets.

Erman Retirement Advisory, Inc. urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Statements Provided by Erman Retirement Advisory, Inc.**

Clients are provided account statements, net worth statements, and net worth graphs that are generated from our portfolio accounting and financial planning software. Net worth statements may contain approximations of bank account balances provided by the client, as well as the value of land, real estate, limited partnerships, and other hard-to-price assets. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks. The book values of hard to price assets are reviewed whenever supplemental information relating to valuation is received. Otherwise, these assets are priced at client cost. Clients are urged to compare the statements they receive from us to those they receive from their qualified custodians.

### **Safeguarding:**

Erman Retirement Advisory has custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee.

We maintain written authorization from the client to deduct advisory fees from the account held with the qualified custodian.

Each time a fee is directly deducted from a client account, Erman Retirement Advisory concurrently:

- Sends our qualified custodian an invoice or statement of the amount of the fee to be deducted from the client's account; and
- Sends the client an invoice or statement itemizing the fee. Itemization includes the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the time period covered by the fee.
- Erman notifies the Commissioner in writing that the investment adviser intends to use the safeguards provided above.

### **Item 16- Investment Discretion**

#### **Discretionary Authority for Trading**



Erman Retirement Advisory, Inc. accepts discretionary authority to manage securities accounts on behalf of clients. Erman Retirement Advisory, Inc. has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, if discretionary authority or a limited power of attorney has not been given, Erman Retirement Advisory, Inc. consults with the client prior to each trade to obtain concurrence.

Discretionary trading authority facilitates placing trades in clients' accounts on their behalf so that we may promptly implement the investment policy that they have approved. In most cases, clients are provided with an opportunity for review and discussion prior to implementation of recommendations. Third party investment managers have full discretion over trades and do not consult with Erman Retirement Advisory, Inc. or with clients before placing trades.

#### **Limited Power of Attorney**

Clients must sign a limited power of attorney before Erman Retirement Advisory, Inc. is given discretionary authority.

The limited power of attorney is included in the qualified custodian's account application for our main custodians. For accounts not held with our main custodians, clients may sign a separate limited power of attorney document giving discretionary authority to Erman Retirement Advisory, Inc.

#### **Item 17- Voting Client Securities**

As a matter of firm policy and practice, Erman Retirement Advisory, Inc. does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Erman Retirement Advisory, Inc. may provide advice to clients regarding the clients' voting of proxies and often does so.

#### **Item 18- Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Erman Retirement Advisory, Inc., financial condition. Erman Retirement Advisory, Inc., has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Erman Retirement Advisory, Inc. does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because the firm does not serve as a custodian for client funds or securities, other than as described above, and does not require prepayment of fees of more than \$500 per client, six months or more in advance.

**Paycheck Protection Plan Loan Disclosure:** On 05/04/2020, Erman Retirement Advisory received a Paycheck Protection Plan Loan in the amount of \$94,772.00 through the SBA in conjunction with the relief afforded from the CARES [Act]. The firm will use the proceeds of the loan to continue payroll for the firm and the practice did not suffer any interruption of service to our clients.



**Conflict of Interest Disclosure:** Any material conflict of interest relating to you or your representatives and employees that could be reasonably expected to impair the rendering of unbiased or objective advice should be disclosed. Conflicts of interest may include, but are not limited to, (a) compensation arrangements connected with advisory services which are in addition to the advisory fees, (b) other financial industry activities or affiliations, or (c) participation of interest in client transactions.

### **Business Continuity Plan**

#### **General**

Erman Retirement Advisory, Inc. has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space or communications.

#### **Disasters**

The Business Continuity Plan covers natural disasters such as hurricanes, tornados, fire, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived on- and offsite.

#### **Alternate Offices**

Alternate work locations are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

### **Information Security Program**

#### **Information Security**

Erman Retirement Advisory, Inc. maintains an information security program to reduce the risk that personal and confidential information may be breached.

#### **Privacy Notice**

Erman Retirement Advisory, Inc. is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us. The categories of nonpublic information that we collect from our clients may include information about personal finances, information about health to the extent that it is needed for the financial planning process, information about transactions between clients and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help our clients meet their personal financial goals.



Only with our clients' permission do we disclose limited information to attorneys, accountants, and mortgage lenders with whom they have established a relationship. Clients may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With client permission, we share a limited amount of information with the client's brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that our clients' information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our company records and personal records as permitted by law.

Personally identifiable information will be maintained while still a client of Erman Retirement Advisory, Inc. and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify our clients in advance if our privacy policy is expected to change. We are required by law to deliver this Privacy Notice to our clients annually, in writing.