

**Item 1: Cover Page for Part 2A Appendix 1 of Form ADV:  
Wrap Fee Program Brochure  
December 2021**



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This brochure provides information about the qualifications and business practices of DeDora Capital, Inc. If you have any questions about the contents of this brochure, please contact us by telephone at (707) 253-0681. 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 DeDora Capital, Inc. 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 DeDora Capital, Inc. 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**

DeDora Capital, Inc. is required to advise you of any material changes to the Wrap Brochure (“Wrap Brochure”) from our last annual update. Clients can request a fully copy of our Wrap Brochure or contact us with any questions that they may have about the changes.

Since the last annual amendment filed on 02/26/2021, the following changes have been made:

- Our firm has ceased our relationship with PKS. Please refer to Item 9 for additional information.
- Our firm has begun a new relationship with Mutual Securities. In doing so, we now offer a Mutual Securities Financial Consulting Service. Please refer to our ADV 2A Firm Brochure as well as Item 9 below for additional information.

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## Item 4: Services, Fees & Compensation

Our firm manages assets for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. As a fiduciary, it is our duty to always act in the client's best interest. This is accomplished in part by knowing the client. Our firm has established a service-oriented advisory practice with open lines of communication. Working with clients to understand their investment objectives while educating them about our process, facilitates the kind of working relationship we value.

Our firm sponsors and offers a wrap fee program, which allows clients to pay a single fee for investment advisory services and associated custodial transaction costs. Transaction fees will be paid by our firm either based on a percentage of the dollar amount of assets in the account(s) or via individual transaction charges depending on the custodian. Because our firm absorbs client asset-based fees, an incentive exists to limit trading activities in client accounts.

One of our recommended custodians, TD Ameritrade, Inc., however, does not charge asset-based fees for U.S. listed equities and exchange traded funds. Since we pay the asset-based fees as well as other fees charged by the custodian to clients participating in our wrap fee program, this presents a potential conflict of interest because we could be incentivized to recommend equities and exchange traded funds over other types of securities in order to reduce our costs. Further, by participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged for the same or similar non-wrapped portfolio management services.

Additionally, our other recommended custodian, Charles Schwab & Co. Inc. has eliminated commissions for online trades of equities, ETFs and options (subject to \$0.65 per contract fee). This means that, in most cases, when we buy and sell these types of securities, we will not have to pay any commissions to Schwab. We encourage you to review Schwab's pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately. To see what you would pay for transactions in a non-wrap account please refer to Schwab's most recent pricing schedules available at [schwab.com/aspricingguide](https://www.schwab.com/aspricingguide).

### **Our Wrap Advisory Services**

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#### **Wrap Comprehensive Portfolio Management:**

Our comprehensive portfolio management service encompasses asset management as well as providing financial planning/financial consulting or Ultra High Net Worth & Corporate Consulting services to clients. It is designed to assist clients in meeting their financial goals through the use of financial investments. We conduct at least one, but sometimes more than one meeting (in person if possible, otherwise via telephone conference) with clients in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, we propose an investment approach to the client. We may propose an investment portfolio, consisting of exchange traded funds, exchange traded notes, mutual funds, individual stocks or bonds, or other securities. Upon the client's agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client's portfolio. Once the relevant accounts are under our management, we review such accounts on a regular basis and at least quarterly. We may periodically rebalance or adjust client accounts under our management. If

the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client's investments.

### **Fee Schedule**

<b>Assets Under Management</b>	<b>Annual Percentage of Assets Charge</b>
\$0 to \$999,999.99	1.20%
\$1,000,000.00 to \$4,999,999.99	1.00%
\$5,000,000 to \$9,999,999.99	0.80%
Over \$10,000,000	0.70%

Fees to be assessed will be outlined in the advisory agreement to be signed by the client. Our firm's annualized fees are billed on a pro-rata basis monthly in arrears based on the average daily balance of your account. Fees are negotiable and will be deducted from your managed account. As part of this process, the client is made aware of the following:

- a) Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms. We send our invoice directly to the custodian; and
- c) If we send a copy of our invoice to you, it will include a legend urging you to compare information provided in our statement with those from the qualified custodian.

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

You may pay custodial fees, 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 and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees, fees for trades away from custodian, and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm.

We do not recommend or offer the wrap program services of other providers. Our investment advisory representatives receive a portion of the advisory fee that you pay us, either directly as a percentage of your overall fee or as their salary from our firm. In cases where our investment advisory representatives are paid a percentage of your overall advisory fee, this may create an incentive to recommend that you participate in a wrap fee program rather than a non-wrap fee program (where you would pay for trade execution costs) or brokerage account where commissions are charged. This is because, in some cases, we may stand to earn more compensation from advisory fees paid to us through a wrap fee program arrangement if your account is not actively traded.

## **Item 5: Account Requirements & Types of Clients**

We do not impose requirements for opening and maintaining accounts or otherwise engaging us.

Types of clients we typically manage wrap fee accounts on behalf of, include:

- Individuals and High Net-Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension, Profit Sharing Plans, and Retirement Plans;
- Corporations, Limited Liability Companies and/or Other Business Types.

## **Item 6: Portfolio Manager Selection & Evaluation**

Our firm and its related persons act as portfolio manager(s) for this wrap fee program. This may create a conflict of interest in that other investment advisory firms may charge the same or lower fees than our firm for similar services. Our related person portfolio managers are not subject to the same selection and review as outside portfolio managers that participate in the wrap fee program. This is because we have chosen not to utilize outside portfolio managers.

### **Advisory Business:**

See Item 4 for information about our wrap fee advisory program. We offer individualized investment advice to clients utilizing our Wrap Comprehensive Portfolio Management service. 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 Comprehensive Portfolio Management service.

### **Participation in Wrap Fee Programs:**

Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts.

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

We do not charge performance fees to our clients.

### **Methods of Analysis, Investment Strategies & Risk of Loss:**

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

**Fundamental Analysis:** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the security is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be a time to sell).

Fundamental analysis does not attempt to anticipate market movements. 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 a security.

**Technical Analysis:** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

**Charting Analysis:** Charting is a techniques that attempts to forecast future market movies by studying historical data on charts.

**Business & Economic Cycle:** This technique looks at cycles, specifically analyzing the way prices follow certain patterns and trends.

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 (Securities Held At Least a Year);
- Short Term Purchases (Securities Sold Within a Year);
- Trading (Securities Sold Within 30 Days);
- Short Sales;
- Margin Transactions;
- Option Writing, including Covered Options, Uncovered Options or Spreading Strategies.
- Socially Responsible Screening.
- Asset Allocation

**Quantitative Analysis** uses statistical models to estimate the impact of user-defined “factors” on a security’s price movement, and attempts to extrapolate future movements based on that analysis. Models are an imperfect representation of reality, and therefore, there is no guarantee they will lead to accurate results.

### **Investment Strategy**

Asset Allocation helps us to determine the optimal mix of asset classes in order to maximize your portfolio objectives and minimize the associated risks. Asset allocation is more than deciding to invest in stocks and bonds; it is balancing this mixture with changing market conditions and the level of volatility that matches your risk tolerance.

A risk of 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. DeDora Capital does rebalance portfolios to lessen this risk.

In general, we seek competitive rates of return with minimized volatility compared to the relevant benchmark. Within each asset category, we seek holdings that consistently out-perform their peers through various market conditions.

For clients seeking appreciation, we use a blend of Value and Growth fundamental analysis. Depending on the client’s objectives, holdings may include individual companies or more diversified securities such as mutual funds or exchange traded funds.

For clients seeking an income stream that has the potential to increase over time, we invest in a combination of bond and equity income holdings that reflect the client’s investment objectives. Depending on the client’s objectives, holdings may include individual companies or more diversified securities such as mutual funds or exchange traded funds.

For clients with an interest in more speculative investments, the Portfolio manager may consider additional custom strategies if they are deemed to demonstrate a potential for sufficient reward for the risk, align with the client’s investment objectives & resources, and fit the firm’s capabilities.

## **Selection, Monitoring, and Risk Management**

Once the Asset Allocation is determined, we use fundamental and technical analysis to narrow the field of holdings down to a short list of contenders in each relevant class and category. Then we conduct an in-depth analysis of each investment and the management team to determine what we believe to be the most appropriate holding. Securities may include mutual funds, exchange traded funds, closed end funds, stocks, bonds, master limited partnerships, commodities, currency, American depository receipts, and other strategies.

If a holding ends up not meeting the criteria we have established for the strategy, it will be identified for replacement. A variety of factors may cause us to sell a position. Examples of factors may include deterioration of the technical position of an investment, sector, or overall market; reaching a stop loss point; taking a partial profit, and/or reaching a profit target.

A core component of our investment strategy is to identify and address major economic, market, and business cycle threats to investments through active tactical Risk Management. Examples of Risk management strategies may include additional allocation towards cash, purchasing commodities such as gold, utilizing stop loss orders, or purchasing an inverse exchange traded fund.

We cannot eliminate the potential for losses in portfolio value. Markets have normal periods of price expansion and price contraction, market rallies and corrections. We believe that these normal market fluctuations are advantageous. For example, they generate opportunities to buy investments while they are on “sale.”

**Socially Responsible Investment Strategies.** We can also provide Socially Responsible Strategies. First, we incorporate Philanthropy into the planning process. This way our clients’ Philanthropic goals are a seamless part of their Plan. Next, we offer both Conventional and Socially Responsible Investment Strategies (including Fossil Free Investing) tailored to each client’s personal risk tolerance and time horizon. Third, we can conduct & implement Fossil Fuel Divestment plans for clients that want to take their socially responsible investing to the next level. We are clear with our clients about the honest debates within the environmental investing community, and implement actively managed, globally diversified investment strategies. Socially Responsible Investing is not for everyone, and we evaluate it on a case by case basis with our clients.

## **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.

## **Voting Client Securities:**

We do not and will not accept the 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 7: Client Information Provided to Portfolio Manager(s)**

We are required to describe the information about you that we communicate to your portfolio manager(s), and how often or under what circumstances we provide updated information. Our firm communicates with your portfolio manager(s) on a regular basis as needed (daily, weekly, monthly, etc.) to ensure your most current investment goals and objectives are understood by your portfolio manager(s). In most cases, we will communicate such information as part of our regular investment management duties. Nevertheless, we will also communicate information to your portfolio manager(s) when you ask us to, when market or economic conditions make it prudent to do so, etc.

### **Item 8: Client Contact with Portfolio Manager(s)**

Clients are always free to directly contact their portfolio manager(s) with any questions or concerns they have about their portfolios or other matters.

### **Item 9: Additional Information**

#### **Disciplinary Information**

We have determined that our firm and management have no disciplinary information to disclose.

#### **Financial Industry Activities & Affiliations**

Representatives of our firm may be licensed insurance agents/brokers. 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. DeDora serves on the TD Ameritrade Institutional President's Council ("Council"). He was invited to serve on the Council for an ongoing term by TD Ameritrade Institutional senior management. The Council consists of former Advisor Panel Members who are independent investment advisors that advise TD Ameritrade Institutional ("TDA Institutional") on issues relevant to the Independent Advisor community. Mr. DeDora may be called upon periodically to attend Advisor Panel meetings and participate on conference calls or outreach on an as needed basis. TD Ameritrade does not compensate Mr. DeDora nor does the benefits received by our firm or its related persons depend on the amount of brokerage directed to TD Ameritrade. However, the potential receipt of economic benefits by Mr. DeDora or our firm in and of itself creates a potential conflict of interest that may indirectly influence our firm's recommendation of TD Ameritrade for custody and brokerage services. To mitigate this potential conflict, Mr. DeDora, as a fiduciary, will act in the client's best interest.

Brokerage Customers. Broker/dealers pay compensation to our firm for providing investment consulting services to Customers. This consulting arrangement does not include assuming discretionary authority over Brokerage Customers' brokerage accounts or the monitoring of securities. These consulting services offered to Brokerage Customers may include a general review of Brokerage Customers' investment holdings, which may or may not result in our firm's investment

adviser representative making specific securities recommendations or offering general investment advice. Brokerage Customers will execute a written advisory agreement directly with our firm.

This relationship presents conflicts of interest. Potential conflicts are mitigated by Brokerage Customers consenting to receive investment consulting services from our firm; by our firm not accepting or billing for additional compensation on broker/dealers' Assets Under Management beyond the consulting fees disclosed in Item 5 of our firm's Form ADV 2A in connection with the Mutual Securities Financial Consulting Services; and by our firm not engaging as, or holding itself out to the public as, a securities broker/dealer. Our firm not affiliated with any broker/dealer.

### **Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

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 policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. 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. We have a fiduciary duty to all clients. 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. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. 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. 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. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

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.

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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 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.

## **Best Practices Fiduciary Advisor Affirmation Program**

Our firm has voluntarily subscribed to the “Best Practices for Financial Advisors” published by The Institute for the Fiduciary Standard. The Best Practices offer a simple code of conduct and outline a commitment to clients of subscribing financial advisors. They seek to clearly articulate what a client can expect to receive from a subscribing financial advisor. These Best Practices do not replace our regulatory compliance obligations or duties to clients under relevant laws, rules, or regulations. The Institute for the Fiduciary Standard’s role is limited to publishing the Best Practices as well as maintaining a corresponding register of subscribing financial advisors. You can find a complete list of the Best Practices on our website or at <http://www.thefiduciaryinstitute.org/wp-content/uploads/2016/09/BestPracticesSpecificRequirementsSeptember132016.pdf> and verify our subscription status at [www.thefiduciaryinstitute.org](http://www.thefiduciaryinstitute.org).

## **Review of Accounts**

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We review accounts on at least an annual basis for our clients subscribing to our Wrap Comprehensive Portfolio Management service. The nature of these reviews is to learn whether clients’ accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Financial Advisors or Portfolio Managers will conduct reviews. We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we meet with clients who subscribe to our Wrap Comprehensive Portfolio Management service.

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.

## **Custodian & Brokers Used**

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Our firm does not maintain custody of client assets (although our firm may be deemed to have custody of client assets if give the authority to withdraw assets from client accounts. See *Item 15 Custody*, below). Client assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. Our firm recommends that our wrap fee clients use either Schwab Advisor Services division of Charles Schwab & Co. Inc. (“Schwab”), a FINRA-registered broker-dealer, member SIPC or TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. (“TD Ameritrade”) member FINRA/SIPC as the qualified custodian. However, our firm only recommends TD Ameritrade for our non-wrap fee clients. Our firm is independently owned and operated, and not affiliated with either TD Ameritrade or Schwab (“Custodians”). The Custodians will maintain custody of client assets in a brokerage account and buy and sell securities for the client’s accounts when instructed.

While our firm recommends that clients use the Custodians as custodian/broker, clients, including those under ERISA or IRA rules or regulations in which the client is acting as either the plan sponsor or IRA accountholder, will decide whether to do so and open an account with either Schwab or TD Ameritrade (if a wrap client) or TD Ameritrade (if a non-wrap client) by entering into an account agreement directly with that Custodian. Our firm does not open the account. Even though the account is maintained at the Custodians, our firm can still use other brokers to execute trades, as described in the next paragraph.

## How Custodians & Brokers Are Selected

Our firm seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. A wide range of factors are considered, including, but not limited to:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- timeliness and capability to execute, clear and settle trades (buy and sell securities for client accounts)
- timeliness and accuracy of trade confirmations
- record keeping services provided
- frequency and correction of trading errors
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- ability to access a variety of market venues
- availability of investment research, ideas, expertise as it relates to specific securities, and tools that assist in making investment decisions quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- business reputation, quality of service, financial strength and stability of the provider
- prior service to our firm and our other clients
- availability of other products and services that benefit our firm, as discussed below (see *"Products & Services Available from Custodians"*)

## Custody & Brokerage Costs

The Custodians generally does not charge a separate for custody services but are compensated by charging commissions or other fees to clients on trades that are executed or that settle into the Custodians account.

TD Ameritrade enables us to obtain many no-load mutual funds without asset-based charges and other no-load funds at nominal asset-based charges. For some accounts, TD Ameritrade may charge the client's account a percentage of the dollar amount of assets in the account in lieu of commissions. TD Ameritrade's commission rates and/or asset-based fees applicable to client accounts were negotiated based on our firm's commitment to maintain a minimum threshold of assets statement equity in accounts at TD Ameritrade. This commitment benefits clients because the overall commission rates and/or asset-based fees paid are lower overall than they would be if our firm had not made the commitment or had the account been a customary retail account which is subject to retail commission rates.

TD Ameritrade may charge brokerage commissions for effecting certain securities transactions. 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. However, the commission fees charged by TD Ameritrade may be higher or lower than those charged by other custodians and broker-dealers.

In addition to commissions or asset-based fees (if client is custodied with TD Ameritrade), the Custodians charge a flat dollar amount as a “prime broker” or “trade away” fee for each trade that our firm has executed by a different custodian/broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the Custodians account. These fees are in addition to the commissions or other compensation paid to the executing custodian/broker-dealer. Because of this, in order to minimize client trading costs, our firm has the Custodians execute most trades for client accounts.

### **Products & Services Available from Custodians**

The Custodians offer independent investment advisory firms like our firm access to their institutional trading and custody services. They provide our firm and clients with access to its institutional brokerage – trading, custody, reporting, trade execution, clearance and settlement of transactions and related services – many of which are not typically available to the Custodians retail customers.

For Schwab, these services generally are available to independent investment advisors on an unsolicited basis (our firm does not have to request them), at no charge to them so long as a total of at least \$10 million of our firm’s clients’ assets are maintained in accounts at Schwab Advisor Services.

For TD Ameritrade, certain research and brokerage services are also available to our firm at no additional cost.

The availability of the Custodians products and services is not based on the provision of particular investment advice, such as purchasing particular securities for clients. Here is a more detailed description of the Custodians support services:

### **Services that Benefit Clients**

As noted above, the Custodians institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through the Custodians include some to which our firm might not otherwise have access or that would require a significantly higher minimum initial investment by firm clients. The Custodians services described in this paragraph generally benefit clients and their accounts.

### **Services that May Not Directly Benefit Clients**

The Custodians also make available other products and services that benefit our firm but may not directly benefit clients or their accounts. These products and services assist in managing and administering our client accounts. They include investment research services obtained by the Custodians directly or from independent research companies, as selected by our firm (within specific parameters).

Research products and services provided by the Custodians to our firm may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by the Custodians and/or PAS to our firm in the performance of our investment decision-

making responsibilities. This research may be used to service all or some substantial number of client accounts, including accounts not maintained at the Custodians. In addition to investment research, the Custodians also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.

The aforementioned research and 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.

### **Services that Generally Benefit Only Our Firm**

The Custodians also offer other services intended to help manage and further develop our business enterprise. These services may include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

The Custodians may provide some of these services itself. In other cases, the Custodians will arrange for third-party vendors to provide the services to our firm. The Custodians may also discount or waive fees for some of these services or pay all or a part of a third party's fees. The Custodians may also provide our firm with other benefits, such as occasional business entertainment for our personnel.

Irrespective of direct or indirect benefits to our client through the Custodians, our firm strives to enhance the client experience, help clients reach their goals and put client interests before that of our firm or associated persons.

### **Our Interest in the Custodians Services.**

The availability of these services from the Custodians benefits our firm because our firm does not have to produce or purchase them. Our firm does not have to pay for these services, and they are not contingent upon committing any specific amount of business to the Custodians in trading commissions or assets in custody. With the sole exception being Schwab's requirement that our firm have at least \$10 million of our firm's clients' assets maintained in accounts at Schwab Advisor Services.

As a result of receiving the services discussed above for no additional cost, we may have an incentive to continue to use or expand the use of the Custodians.

In light of our arrangements with the Custodians, a conflict of interest exists as our firm may have an incentive to continue to use or expand the use of the Custodians based on our interest in receiving the services that benefit our firm rather than based on client interest in receiving the best value in custody services and the most favorable execution of transactions.



However, as part of our fiduciary duty to our clients, our firm will endeavor at all times to put the interests of our clients first. While clients should be aware that the receipt of economic benefits by our firm or our related persons creates a potential conflict of interest and may indirectly influence our firm's choice a custodial recommendation, our firm has examined this potential conflict of interest when we chose to enter into the relationship with the Custodians and we have determined that the relationship is in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a custodian/broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Although our firm will seek competitive rates, to the benefit of all clients, our firm may not necessarily obtain the lowest possible commission rates for specific client account transactions. Our firm believes that the selection of the Custodians as a custodians and brokers are in the best interest of our clients. It is primarily supported by the scope, quality and price of the Custodians services, and not the services provided by the Custodians that only benefit our firm.

As noted above, our firm participates in TD Ameritrade's institutional customer program and we 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 our Clients, although our firm receives 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 our firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our firm's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duty to clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our 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.

Our firm also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services entitles our firm to receive up to \$10,000 in total Additional Services for the use of Orion Reporting Software. TD Ameritrade provides the Additional Services to our firm in its sole discretion and at its own expense. Our firm does not pay any fees to TD Ameritrade for the Additional Services. Our firm and TD Ameritrade have entered into

a separate agreement (“Additional Services Addendum”) to govern the terms of the provision of the Additional Services.

Our firm’s receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to our firm, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, our firm’s Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with our firm, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, our firm may have an incentive to recommend to its Clients that the assets under management by our firm be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Our firm’s receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

### **Client Referrals**

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Our firm does not 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.

### **Financial Information**

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We are not required to provide financial information in this Brochure because we do not require the prepayment of more than \$1,200 in fees and six or more months in advance, we do not take custody of client funds or securities, and our firm has never been the subject of a bankruptcy proceeding.

Our firm has obtained financial assistance by participating in Paycheck Protection Program (“PPP”) established by the U.S. Small Business Administration (“SBA”). PPP is intended to assist us with maintaining our firm’s business in response to the COVID-19 pandemic by providing low-interest loans for business essentials such as payroll expenses. These loans are eligible for forgiveness, but it is not guaranteed as it will be based on factors such as staff retention and being used for payroll or firm overhead.