

**Item 1 – Cover Page**

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Date of Brochure: February 2021

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This brochure provides information about the qualifications and business practices of Independent Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (231) 929-1086. 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 Independent Wealth Management, LLC is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view information on this website by searching for Independent Wealth Management LLC's name or by using its CRD number: 124242.

\*Registration as an investment advisor does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

Since our last update was filed in February 2021, the following material change has been made to this Disclosure Brochure:

- In February 2021, the firm reached the level of assets under management to the point where we are required to change our primary regulatory authority from the state of Michigan to the U.S. Securities and Exchange Commission.

We will ensure you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31st, so you will receive the summary of material changes, if any, no later than April 30 each year. At that time, we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 – Advisory Business**

### **Ownership**

Independent Wealth Management, LLC (“IWM”, “Advisor” or “we”) was initially approved as an investment advisor registered in June 2009. We are a Michigan limited liability company and our owners are Jay B. Berger, Stephen M. Fisher and Scott C Hackney.

### **General Description of Primary Advisory Services**

We offer personalized investment advisory services in the form of financial planning and asset management. We also offer our Wealth Management Program, which combine both planning and management aspects. The following are brief descriptions of our primary services. A detailed description is provided in **Item 5, Fees and Compensation**, so that clients and prospective clients (“clients” or “you”) can review the services and description of fees more thoroughly.

#### ***Financial Planning Services (Plans and Consultations)***

Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning and other areas. The role of a financial planner is to find ways to help clients understand their overall financial situation and help them set financial objectives.

We offer advisory services in the form of financial plans. These services do not involve actively managing your accounts. Instead, comprehensive planning services focus on your overall financial situation. Modular planning services focus on specific areas of concern to you.

Consultation services can be general (i.e., a topic of interest or concern to you) or can be of a more specific nature (i.e., advising and reporting on retirement plan portfolios or other assets not formally managed).

#### ***Asset Management Services***

We offer asset management services providing you with continuous and on-going supervision over your accounts. This means that we continuously monitor your account and make trades in that account when necessary.

#### ***Use of Unaffiliated Investment Advisory Firms as Sub Advisors***

In our Wealth Management Essential Program, we offer various programs that allows IWM to select third-party non-affiliated investment managers (“Sub Advisors”) to manage your assets.

We will assist you in completing a client profile questionnaire and review the information you provide. We will then select a Sub Advisors and corresponding model portfolio that aligns with your disclosed risk tolerance and investment objectives. We are only able to recommend/select Sub Advisors which have been approved by the sponsoring advisory platform.

The advisory platforms require that these Sub Advisors follow certain parameters when building and managing a model portfolio the sub advisor will be given discretionary authority to select the specific investments for your account based on information and/or signals provided by the Sub Advisors; we will not have discretionary authority to select any specific funds for your account under this program. The sub advisor will implement the model for your account by acquiring the fund shares that are represented in the selected model portfolios. We will be available to answer questions that you may have regarding your account and act as the communication conduit between you and the Sub Advisors. If you grant us discretion, we will have the ability to hire and fire the Sub Advisors as well as the ability to reallocate funds from or to the model portfolio managed by the Sub Advisors and funds in other accounts over which you have granted us discretionary authority.

You should be aware that there may be other third-party managed programs not recommended by our firm, that are suitable for you and that may be less costly than arrangements recommended by our firm. No guarantees can be made that your financial goals or objectives will be achieved through the managed account program or by a recommended/selected Sub Advisor. Further, no guarantees of performance can ever be offered by our firm (*Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more details.*)

### **Retirement Plan Services**

We offer retirement plan services to clients that are retirement plan sponsors. For a corporate sponsor of a retirement plan, services can include, but are not limited to:

#### Fiduciary Consulting Services

We provide the following Fiduciary Retirement Plan Consulting Services:

- Investment Selection Services. We will provide you with recommendations of investment options consistent with ERISA section 404(c).
- Investment Monitoring. We will assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement and we will make recommendations to maintain or remove and replace investment options.

We acknowledge that in performing the Fiduciary Consulting Services described above that we are acting as a “fiduciary” as such term is defined under Section 3(21)(A)(ii) of Employee Retirement Income Security Act of 1974 (“ERISA”) for purposes of providing non-discretionary investment advice only. We will act in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause us to be a fiduciary as a matter of law. However, in providing the Fiduciary Consulting Services, we (a) have no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of your retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of your retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of your retirement plan or the interpretation of your retirement plan documents, (b) are not an “investment manager” as defined in Section 3(38) of ERISA and do not have the power to manage, acquire or dispose of any plan assets, and (c) are not the “Administrator” of your retirement plan as defined in ERISA.

## Fiduciary Management Services

We provide with the following Fiduciary Retirement Plan Management Services:

- Discretionary Investment Selection Services. We will monitor the investment options of the Plan and add or remove investment options for the Plan. We will have discretionary authority to make all decisions regarding the investment options that will be made available to Plan participants.
- Investment Management. We will provide discretionary management of your plan assets that are designated for our investment management services. We will monitor investment options and investment plan assets in securities that conform to the guidelines set forth in the investment policy statement.
- Default Investment Alternative Management. We will develop and actively manage qualified default investment alternative(s) ("QDIA"), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election.
- Investment Management via Model Portfolios. We will provide discretionary management via model portfolios. We manage Model Portfolios which are comprised of investment options available to Plan participants. If a Plan has elected to include our Model Portfolios as available options for the qualified retirement plan, then each Plan participant will have the option to elect or not elect the Model Portfolios managed by us and will be allowed to impose reasonable restrictions upon the management of each account by providing written instructions to us.

If you elect to utilize any of our Fiduciary Management Services, then we will be acting as an Investment Manager to the Plan, as defined by ERISA section 3(38), with respect to our Fiduciary Management Services, and we hereby acknowledge that we are a fiduciary with respect to our Fiduciary Management Services.

## Non-Fiduciary Services

Although an investment adviser is considered a fiduciary under the Investment Advisers Act of 1940 and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-fiduciary should not be considered fiduciary services for the purposes of ERISA since we are not acting as a fiduciary to the Plan as the term "fiduciary" is defined in Section 3(21)(A)(ii) of ERISA. The exact suite of services provided to a client will be listed and detailed in the Qualified Retirement Plan Agreement.

We provide clients with the following Non-Fiduciary Retirement Plan Consulting Services:

- Investment Education. We provide educational presentations for Plan participants. Presentations to Plan participants are informational in nature and intended to provide an overview of the Plan and the Plan's investment selections. Educational presentations will not take into account the individual circumstances of each participant and individual recommendations will not be provided unless otherwise agreed upon. Plan participants are responsible for implementing transactions in their own accounts. Under no circumstances will we implement transactions in the individual Plan participant accounts.

All recommendations of investment options and portfolios will be submitted to the client for the client's ultimate approval or rejection. Therefore, it is always the client's responsibility to implement transactions based upon our investment recommendations.

In the event that a plan client contracts with us to provide one-on-one consulting services with plan participants, such services are consultative in nature and do not involve us implementing recommendations in individual participant accounts. It will be the responsibility of each participant to implement changes in the participant's individual accounts.

We do not act as custodian for any client account or have access to client funds or securities (with the exception of, some accounts, having written authorization from the client to deduct our fees).

To the extent required by ERISA Regulation Section 2550.408b-2(c), we will disclose to you any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Qualified Retirement Plan Agreement and any compensation or fees received in connection with the Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learn of such error or omission.

### **IRA Rollover Disclosure**

When recommending that a client rollover his or her account from current retirement plan to an IRA, Independent Wealth Management and its investment adviser representatives have a conflict of interest. Independent Wealth Management and its representatives can earn investment advisory fees by recommending that a client rollover his or her account at the retirement plan to an IRA; however, Independent Wealth Management and its investment adviser representatives will not earn any investment advisory fee if client does not rollover the funds in the retirement plan (unless a client retained Independent Wealth Management to provide advice about the client's retirement plan account). Thus, Independent Wealth Management and its investment adviser representatives have an economic incentive to recommend a rollover of the retirement plan account, which is a conflict of interest. Independent Wealth Management has taken steps to manage this conflict of interest arising from rolling over funds from an ERISA covered retirement plan to an IRA and has adopted an impartial conduct standard through its code of ethics whereby Independent Wealth Management and its investment adviser representatives will (i) provide investment advice to ERISA covered retirement plan participant regarding a rollover of funds from the ERISA covered retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in Independent Wealth Management receiving unreasonable compensation related to the rollover of funds from the ERISA covered retirement plan to an IRA, and (iii) fully disclose compensation received by Independent Wealth Management and its supervised persons



and any material conflicts of interest related to Independent Wealth Management recommending the rollover of funds from the ERISA covered retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

To the extent Independent Wealth Management provides investment advice to a participant in a retirement plan under Employee Retirement Income Security Act of 1974 as amended ("ERISA") regarding whether to maintain investments and/or proceeds in an ERISA retirement plan, rollover such investment/proceeds from the ERISA retirement plan to an individual retirement account ("Rollover IRA account") or make a distribution from the ERISA retirement plan, Independent Wealth Management hereby acknowledges its fiduciary obligations with regard to its investment advice about whether to maintain, rollover or distribute proceeds from those ERISA retirement plans, and as such a fiduciary with respect to its investment advice about whether to maintain, rollover or distribute proceeds from those ERISA retirement plans, Independent Wealth Management and its representatives shall act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk, tolerance, financial circumstances, and a client's needs, without regard to the financial or other interests of Independent Wealth Management or its affiliates.

### **Advice on Investment Types**

We offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives. These investment products can include, but are not limited to:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issues
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States government securities
- Option contracts on securities and commodities
- Futures contracts on tangibles and intangibles
- Interests in real estate partnerships investing in real estate and oil and gas interests

Please refer to **Item 8, Methods of Analysis, Investment Strategies and Risk of Loss** for more information.

### **Tailor Advisor Services to Individual Needs of Clients**

Our services are always provided based on your specific needs. You have the ability to impose restrictions on your accounts, including specific investment selections and sectors. However, we will not enter into an investment advisor relationship with a prospective client whose investment objectives may

be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Wrap-Fee Program versus Portfolio Management Program**

In traditional management programs, advisory services are provided for a fee but transaction services are billed separately on a per-transaction basis. In wrap-fee programs, advisory services and transaction services are provided for one fee. We do not act as a portfolio manager of or sponsor wrap fee programs.

### **Client Assets Managed by Advisor**

The amount of client's assets managed by Advisor totaled \$123,951,189 as of December 31, 2020, with \$114,039,009 managed on a discretionary basis and \$9,912,180 managed on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

In addition to the information provided in **Item 4, Advisory Business**, this section provides additional details regarding our services along with descriptions of each service's fees and compensation arrangements.

You have sole discretion about whether or not to contract for our services. In addition, you have sole discretion about whether or not to implement any recommendations made by our representatives. If you do decide to implement recommendations, you are responsible for taking any actions or implementing any transactions required. You are free to select any broker/dealer and/or insurance agent to implement our recommendations. Please see **Item 10, Other Financial Activities and Affiliations**, and **Item 12, Brokerage Practices**, for additional discussion.

### **Wealth Management Premier Services**

Our Wealth Management Premier Services are for clients who want to receive a combination of financial planning, consulting and management services. As a part of the financial planning services, our investment advisor representatives ("representatives") meet with you to gather both the information and documentation needed to perform an analysis and review of your situation as well as your objectives and goals. This may take one or more meetings in order to gather all needed information. We rely on the information provided by you and, therefore, it is very important that the information you provide is complete and accurate. We are not responsible for verifying the information supplied by you. Our services do not include legal or tax advice. You are urged to work closely with your attorney, accountant or other professionals regarding your financial and personal situation.

After completing a review and analysis of the information and documents received, our representatives develop their analyses and recommendations and present either a full or modular (segmented) written financial plan. These plans can take into account your investments, insurance, retirement, education, estate planning and tax and cash flow needs. A full plan focuses on your overall financial situation while a modular (segmented) plan focuses only on one or more specific area(s) of concern. With modular (segmented) plans, you should be aware that other important issues may not be taken into consideration when our representatives develop their analyses and recommendations.

You may also wish to consult with us on any topic(s) of interest or concern to you and these consultations can be a one-time event or involve multiple meetings. The consultations can include, but are not limited to, analyses and recommendations regarding your 401(k) plan or other benefit plans and consultations regarding 529 plans held at various custodians. These assets are considered advisement assets only; they are not managed by us and are not included when calculating our management fees. Consultations can also include a review and update of a previously prepared financial plan.

In addition, wealth management services include investment management services. We require that your assets be maintained in a brokerage account with Fidelity Institutional Wealth Services ("Fidelity"), except for variable products, retirement plans and 529 college savings plans. Variable products are maintained at the specific insurance company issuing the product and retirement plans are maintained at the custodian designated by the retirement plan. See **Item 12, Brokerage Practices**, for additional discussion on our recommendation and use of Fidelity. We assist you in establishing a managed account through Fidelity, and Fidelity maintains custody of your funds and securities. Neither we nor our representatives act as custodian and we do not have access to your funds and securities except to have advisory fees deducted from your account by the custodian with your prior written authorization and then paid to us.

We are granted trading authorization on your accounts and provide management services on either a discretionary or non-discretionary basis. You must provide us with written authorization to exercise discretionary authority and can place reasonable restrictions and limitations on the authority and portfolio holdings. You should promptly notify us if there are ever any changes in your financial situation or investment objectives or if you wish to impose any reasonable restrictions on our management services. See **Item 16, Investment Discretion**, for additional discussion on discretionary and non-discretionary authority.

Management services on variable life/annuity products and/or individual employer sponsored retirement plans are managed on a non-discretionary basis only unless the annuity contract allows for limited discretion. When providing services on these investments on a non-discretionary basis, we either direct or recommend the allocation of your assets among the various mutual fund sub-divisions that comprise the variable life and variable annuity product or the retirement plan. If the annuity contract allows for discretion, we implement the trade on your behalf.

Fees for wealth management services are charged as a percentage of the market value of the managed assets. The annual fee is prorated and charged quarterly in advance based on the market value of the assets on the last day of the previous quarter, as follows:

<b>Portfolio Value</b>	<b>Annual Fee</b>
First \$1,000,000	1.00%
Next \$1,000,000	0.60%
Next \$1,000,000	0.50%
Above \$3,000,000	0.40%

Fees are negotiable based on several factors including the type of client, the complexity of the client's situation, the composition of the client's account, the potential for additional account deposits, the length of the client relationship with the firm, the relationship of the client with the investment adviser. Effective at the start of the 6<sup>th</sup> year of IWM providing continuing service to a client in our Wealth Management Premier service the first tier of the above fee schedule will be reduced to .75%.

There are no pro-rata fees for accounts opened mid-quarter. Accounts opened mid-quarter are not billed until the beginning of the next full quarter. There is no account minimum for starting or maintaining a managed account, although there is a minimum fee of \$1,250 per quarter (\$5,000 per year). At our sole discretion, we may lower or waive the minimum annual fee. We may also negotiate the management fees charged based upon certain criteria (i.e., financial planning services actually provided, complexity of your financial situation, relationship to existing clients, anticipated future additional assets, etc.). In addition, you can bundle your household accounts in order to obtain a higher account value and therefore a lower quarterly fee.

Fees are generally deducted from your account. However, you can request fees be billed directly to you. If you elect to fees deducted from your account, you must provide the custodian with written authorization to have the fees deducted and paid to us. When fees are deducted from an account, we send a billing statement to you at least seven days before the funds are deducted from the account by the account custodian. The billing statement shows the amount to be deducted, the manner in which the fee was calculated, any adjustments to the fee and an explanation of any such adjustments. At least quarterly, the custodian sends you a statement showing all disbursements from the account, including any advisory fees deducted. You should review account statements received from the account custodian and verify that appropriate advisory fees are being deducted and that account holdings are accurate. If you pay directly, payment is due upon receipt of our billing statement.

Fidelity may charge separately for maintaining custody of your accounts and may also charge brokerage commissions and/or transaction fees directly to you. We do not receive any portion of the commission or fees from either the custodian or from you. In addition, you may incur certain charges imposed by third parties other than us in connection with investments made through your account, including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges and IRA and qualified retirement plan fees. Our fees are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each security prospectus.

You can make additions to and withdrawals from your account at any time, subject to our right to terminate an account. If assets are deposited into or withdrawn from your account after the inception of a quarter, the fee payable with respect to such assets is not be adjusted or prorated based on the number of days remaining in the quarter. You can withdraw account assets on notice to us, subject to usual and customary securities settlement procedures. We design portfolios as long-term investments and withdrawing asset may impair your ability to achieve your investment objectives.

Additions can be in cash or securities provided that we reserve the right to liquidate any transferred securities or decline to accept particular securities into your account. We consult with you about the options and ramifications of transferring securities. However, when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and may have tax ramifications.

Your managed account may also hold assets which were purchased prior to contracting for our services or which we did not recommend for investment. These assets may be excluded from our monitoring/management services and also excluded from account totals when calculating fees. Cash positions in your account are monitored/managed and are included when calculating account totals for fee billing purposes. The assets covered under our wealth management services are those holdings in accounts included on a client's quarterly performance statement from Advisor. However, some assets

listed on the performance statement may be excluded from our management services and management fee calculation; these assets are specifically noted in the Advisory Services Agreement.

Wealth management services can include other non-investment related matters (i.e., tax planning, tax preparation, estate planning, insurance review, etc.). If requested, we offer a professional services credit based on the amount of assets under management:

<u>Account Value</u>	<u>Professional Services Credit</u>
\$500,000 to \$1,000,000	\$ 750
\$1,000,000 to \$2,000,000	\$1,000
\$2,000,000 to \$3,000,000	\$2,000
Above \$3,000,000	\$3,000

The professional service credit is available the first year you pay a minimum of \$5,000 in advisory fees. The credit resets every calendar year. A credit that is not used cannot be carried over into the next calendar year.

For example, if you contract for these services you may also need assistance with tax preparation. We can recommend a tax preparer to you or you can elect to use a tax preparer of your own choosing. There are two ways to use the professional service credit. The first way is for you to pay these separate services and then provide us with a copy of the billing statement for the professional services. We then credit your Fidelity account for the amount of the professional services, up to the limit as shown above. The second way is for us to contact the professional consultant on your behalf, receive the bill from the consultant and pay it directly. Our payment to the consultant is limited to the amount of professional services credit as shown above; any amount charged over that credit maximum is your responsibility and is billed separately to you by the consultant. You must agree to share your non-public information with any professional consultant contacted by us on your behalf. Any referrals we provide to you for professional consultants are arms-length in nature and we do not receive any solicitor/referral fee. You are not obligated to use the services of anyone we may recommend.

Wealth management services can be terminated at any time by either party by providing written notice to the other party. Termination is effective immediately. Fees are prorated to the effective date of termination and you receive a refund of any unearned fees. In the event the quarterly fee has not yet been received, the prorated fee is due and payable immediately. We send you a billing statement detailing the prorated fee.

### **Wealth Management Essentials**

Clients that do not qualify to participate in our Wealth Management Premier program can choose to participate in our Wealth Management Essentials program.

All wealth Management Essential accounts will participate in the Fidelity AMP program and will be managed through a relationship established with a Sub-Advisor.

Advisor will exercise discretion to utilize specific sub-adviser(s) (individually "Sub-Adviser" and collectively Sub-Advisers) to manage Account or a portion of the assets of Account. We will conduct due diligence of any recommended Sub-Adviser and monitor the performance of Sub-Adviser with respect to the Sub-Advisor's management of the designated assets of Account relative to appropriate peers and/or

benchmarks. Your Investment Advisor Representative will be available to answer questions Client may have regarding any portion of Client's Account managed by a Sub-Adviser and will act as the communication conduit between Client and the Sub-Adviser.

A complete description of the Sub-Adviser's services and fees will be disclosed in the Sub-Adviser's Form ADV Part 2A Appendix 1 that will be provided to client.

Fees for Wealth Management Essential services are charged as a percentage of the market value of the managed assets. Clients will be charged a fixed annual asset management fee of .85%. Independent Wealth Management will pay all fees charged by Fidelity and receive the balance of the management fee charged. The annual fee is prorated and charged quarterly in advance based on the market value of the assets on the last day of the previous quarter.

Due to the limited nature of this program, our Wealth Management Essentials Program requires clients to agree to receive all communications electronically. Wealth Management Essentials clients with account balances of over \$100,000 will be eligible for an annual consultation with their Investment Advisor Representative.

### **Financial Planning Services**

For persons not wanting to utilize our wealth management services, we also offer clients a broad range of stand-alone financial planning and consulting services. These services may include tax-related and other non-investment related matters. Prior to providing financial planning you are required to enter into a written agreement with us setting forth the terms and conditions of the engagement and describing the scope of the services to be provided and fees charged.

### ***Financial Plans***

We offer financial planning services consistent with your current financial and tax status, financial goals, investment attitudes and risk/reward parameters. Our investment advisor representatives ("representatives") meet with you to gather information and documentation needed to perform an analysis and review of your situation as well as your objectives and goals. One or more meetings may be required in order to gather all needed information and determine the services best suited to help meet your needs. We rely on the information provided by you. Therefore, it is very important that the information you provide is complete and accurate. We are not responsible for verifying the information supplied by you. Our services do not include legal or tax advice. You are also urged to work closely with your attorney, accountant or other professionals regarding your financial and personal situation.

After completing a review and analysis of the information and documents received, our representatives develop their analyses and recommendations and present either a full or modular (segmented) written financial plan. A full plan focuses on a client's overall financial situation and covers several of the areas previously noted, as needed by your specific situation. A modular (segmented) plan focuses only on one or more specific area(s) of concern, and you should be aware that other important issues may not be taken into consideration when our representatives develop their analyses and recommendations.

We charge an hourly rate based upon the blended hourly rates of the IWM professionals required to work on your planning project.

The current rate schedule is:

- Administrative Professionals: \$40 - \$70 per hour
- Financial Planner: \$70 - \$100 per hour
- Certified Financial Planner: \$100 - \$175 per hour
- Partner and Certified Financial Planner: \$175 - \$225 per hour

The total blended per hour fee that will be charged for a Financial Planning Engagement will be specific in the Client Agreement executed before any services are provided. Prior to beginning any services, our representatives provide you with an oral estimate of the time needed to complete the requested services. You are charged the actual time used, whether over or under the oral estimate given. In addition to the hourly advisory fees, an administrative fee of \$40 per hour is charged to cover the functions performed by our personnel relative to the financial planning process. These non-advisory functions include, but are not limited to, data entry and scanning, information processing and sorting and application processing. The administrative fee is disclosed to you in the client agreement and itemized on our billing statement. All fees are due upon presentation of the plan and receipt of our billing statement.

Financial planning services terminate upon presentation of the written financial plan. Either party can terminate services by providing the other party with written notice. Termination is effective immediately. You are responsible for our services and expenses incurred through the effective date of termination and the prorated fees are due upon receipt of our detailed billing statement.

### ***Limited Consultations***

You may also contract with us for limited consultation services on any topic(s) of interest or concern to you, including, but not limited to, analyses and recommendations regarding your 401(k) or other benefit plan portfolio holdings. Consultations may be a one-time event or involve multiple meetings, as you ultimately determine.

Fees for limited consultations are charged at a rate of \$175 per hour and our representatives provide you with an oral estimate of the time needed to complete the consultations prior to providing any services. You are charged the actual time used, whether over or under the oral estimate given. In addition to the hourly advisory fees, an administrative fee of \$40 to \$70 per hour is charged to cover the functions performed by our personnel relative to the requested consultations. These non-advisory functions include, but are not limited to, data entry and scanning, information processing and sorting and application processing. The administrative fee is disclosed to you in the client agreement and itemized on our billing statement. All fees are due upon completion of the consultations and receipt of our billing statement.

Services terminate upon completion of the requested consultations. Either party can terminate services by providing the other party with written notice. Termination is effective immediately. You are responsible for our services and expenses incurred through the effective date of termination and the prorated fees are due upon receipt of our detailed billing statement.

### ***Advice and Reporting Services***

We also offer advisory services to clients who desire an analysis and/or recommendation regarding portfolio holdings that may not otherwise be formally managed. These holdings can include assets held at insurance companies issuing variable annuity or variable life products or a custodian designated by sponsors or your retirement plans. At your request, we can also provide quarterly performance and position reports on these holdings using portfolio management and/or other software tools. When providing these services, our representatives review your financial situation, goals and objectives as well

as the portfolio holdings statements and information provided by you. Based on this analysis, we provide you with initial recommendations and, if requested, position and/or performance reports. You are under no obligation to act on our representatives' recommendations. However, if you elect to do so, you are solely responsible for implementing transactions. These services are not management services and our representatives do not have any trading or discretionary authority over your account. You can request the services as a one-time event or as an on-going service provided on your desired time frame (e.g., quarterly when updated account statements are received).

Fees for advice and reporting services can be charged separately as a percentage of assets under advisement or can be aggregated with managed assets (as described above in **Wealth Management Services**). If charged separately, the fee does not exceed 1.00% annually. If aggregated with managed assets, fees are charged at a tiered rate as follows:

Portfolio Value	Annual Fee
First \$1,000,000	1.00%
Next \$1,000,000	0.60%
Next \$1,000,000	0.50%
Above \$3,000,000	0.40%

Fees are negotiable based on several factors including, but not limited to, the complexity of your situation, the size and composition of the portfolio on which advice is provided and the research required to provide the requested services. Fees are billed quarterly in advance and based on the market value of the assets on the last day of the previous quarter. Fees can be deducted from an account that you designate or you can request fees be billed directly to you. If you elect to have fees deducted from an account, you must provide the custodian with written authorization to have the fees deducted and paid to us. For fees deducted from an account we manage, we include fee notification information with our quarterly statements that are mailed to you on or about the 15<sup>th</sup> of the month following quarter end. At least quarterly, the custodian sends you a statement showing all disbursements from the account, including any advisory fees deducted. You should review account statements received from the account custodian and verify that appropriate advisory fees are being deducted. If you pay directly, payment is due upon receipt of our quarterly billing statement.

Services terminate upon completion of the requested services, but either party can terminate services by providing the other party with written notice. Termination is effective immediately. You are responsible for our services and expenses incurred through the effective date of termination and we provide you with a billing statement detailing the prorated fees due from or the prorated refund due to you.

### ***Travel Offset***

We encourage clients contracting for advice and reporting services, investment management services and/or wealth management services to visit us once a year, especially those clients that live some distance from our office. To help facilitate this visit, we offer to cover hotel and/or travel costs with appropriate proof of expenses incurred. If clients elect to do this, we waive or reduce our advisory fee charged by the amount of the travel expenses up to a maximum of \$150.



## **Retirement Plan Services**

For retirement plan sponsors, the Plan will be charged the following annual fee based upon the amount of Plan assets:

<u>Plan Assets</u>	<u>Annual Fees</u>
First \$1,000,000	1.00%
Next \$1,000,000	0.60%
Next \$1,000,000	0.50%
Above \$3,000,000	0.40%

For retirement plan sponsors fees are billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period.

Clients can elect to have the fee deducted from their account or billed directly and due upon receipt of the billing notice. If clients elect to have the fee automatically deducted from an existing account, they are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to us. We will provide the custodian with a fee notification statement.

Either party may terminate services by providing written notice of termination to the other party. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

We do not reasonably expect to receive any other compensation, direct or indirect, for our Services. If we receive any other compensation for such services, we will (i) offset that compensation against our stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

## **Additional Compensation**

We do not accept additional compensation of any kind.

## **Comparable Services**

We believe our fees for advisory services are reasonable with respect to the services provided and the fees charged by other investment advisors offering similar services. However, lower fees for comparable services may be available from other sources.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. We do not receive performance-based fees.

## **Item 7 – Types of Clients**

We generally provide investment advice to:

- Individuals (including high-net worth individuals)
- Pension plans
- Profit sharing plans
- Trusts, estates and charitable organizations
- Corporations and other business entities.

### **Minimum Investment Amounts Required**

There are no minimum fees charged for financial planning services.

There is no account minimum for starting or maintaining a wealth management account, although there is a minimum fee of \$1,250 per quarter (\$5,000 per year) for our Wealth Management Premier Program and a \$750 Annual Fee for our Wealth Management Essentials Program. At our sole discretion, we may lower or waive the minimum annual fee. We may also negotiate the management fees charged based upon certain criteria (i.e., financial planning services actually provided, complexity of your financial situation, relationship to existing clients, anticipated future additional assets, etc.). In addition, you can bundle your household accounts in order to obtain a higher account value and therefore a lower quarterly fee.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis**

We use fundamental and technical analysis when considering investment strategies and recommendations for clients.

#### ***Fundamental***

Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. In other words, fundamental analysts try to determine its true value by looking at all aspects of the business, including both tangible factors (e.g., machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, “brand” names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

## ***Technical***

This method of evaluating securities analyzes statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

There are risks with using this analysis method. Fundamental analysis takes a long-term approach to analyzing markets, often looking at data over a number of years. The data reviewed is released over years (e.g., quarterly financial statements). Therefore, fundamental analysis could mean a gain is not realized until a security's market price rises to its "correct" value over the long run--perhaps several years. The less frequent trading practices of fundamental analysis could also have a positive or negative impact on a client's portfolio value, but likely has reduced brokerage and transaction costs.

## ***Analysis Risks***

Fundamental analysis takes a long-term approach to analyzing markets, often looking at data over a number of years. The data reviewed is released over years (e.g., quarterly financial statements). Technical analysis uses a shorter timeframe, often weeks or days. The price and volume data reviewed is released on a daily basis. Therefore, fundamental analysis could mean a gain is not realized until a security's market price rises to its "correct" value over the long run, perhaps several years.

As a general statement, technical analysis is used for a trade while fundamental analysis is used for an investment. It could also be said that traders buy assets they believe they can sell to someone else at a greater price while investors buy assets they believe will increase in value. The frequency of trading securities using technical analysis could have both a positive or negative impact and could also lead to increased brokerage and transaction costs, thus lowering performance. The less frequent trading practices of fundamental analysis could also have a positive or negative impact on a client's portfolio value, but likely has reduced brokerage and transaction costs.

## **Investment Strategies**

We use long term purchases (securities held at least a year), short term purchases (securities sold within a year) and trading (securities sold within 30 days) when implementing advice given to clients.

We gather information from a variety of sources that can include:

- Financial newspapers and magazines
- Inspection of corporate activities
- Research materials prepared by others
- Corporate ratings services
- Timing services
- Annual reports, prospectuses and filings with the Securities and Exchange Commission
- Company press releases

## **Risk of Loss**

Investing in securities involves a risk of loss that you should be prepared to bear, including loss of your original principal. However, you should be aware that past performance of any security is not necessarily indicative of future results. Therefore, you should not assume that future performance of any specific investment or investment strategy will be profitable. We do not provide any representation or guarantee that your goals will be achieved. Further, depending on the different types of investments, there may be varying degrees of risk. Several types of risk are listed below:

- **Market Risk.** Either the market as a whole, or the value of an individual company, goes down, resulting in a decrease in the value of client investments. This is referred to as systemic risk.
- **Equity (Stock) Market Risk.** Common stocks are susceptible to fluctuations and to volatile increases/decreases in value as their issuers' confidence in or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.
- **Company Risk.** There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).
- **Options Risk.** Options on securities may be subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options are highly specialized activities and involve greater than ordinary investment risk. Puts and calls are the right to sell or buy a specified amount of an underlying asset at a set price within a set time.
- **Fixed Income Risk.** Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- **ETF and Mutual Fund Risk.** ETF and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also incur brokerage costs when purchasing ETFs.
- **Management Risk.** Your investments also vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our strategies do not produce the expected returns, the value of your investments will decrease.

## **Recommended Securities**

We recommend any product that may be suitable for each client relative to their specific circumstances and needs.

## **Item 9 – Disciplinary Information**

We have no legal or disciplinary events that are material to your evaluation of our business or the integrity of our management. Therefore, this item is not applicable to our brochure.

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

We do not have a related person that is:

- A broker/dealer, municipal securities dealer or government securities dealer or broker
- An investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
- A futures commission merchant, commodity pool operator or commodity trading advisor
- A banking or thrift institution
- Accountant or accounting firm
- An insurance company or agency
- A lawyer or law firm
- A pension consultant
- A real estate broker or dealer
- A sponsor or syndicator of limited partnerships

We are an independent registered investment registered advisor and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. We do not sell products or services other than investment advice.

## **Advisory Services**

Jay B. Berger, a member (owner) and a representative of Advisor, is also licensed as investment advisor representative with Rehmann Capital Advisory Group, LLC, doing business as Rehmann Financial (“Rehmann Financial”). Advisor and Rehmann Financial are not affiliated. While Mr. Berger can provide similar advisory services through Rehmann Financial, he provides those services only to previously existing clients. No new advisory clients will be established through Rehmann Financial unless they are the adult children of current Rehmann Financial clients or unless mutually agreed to by Rehmann Financial and Mr. Berger. Mr. Berger receives advisory fees when providing advisory services through Rehmann Financial. He spends approximately 60% of his workweek providing advisory services to Rehmann Financial clients.

### **Sub-Advisors**

As described in *Item 4 – Advisory Business* and *Item 5 – Fees and Compensation*, IWM has formed relationships with independent, investment advisers to serve as sub-advisors.

IWM may recommend clients work directly with third-party sub-advisors. When we refer clients to a third-party sub-advisor, you need to know that our firm will receive a portion of the fee charged by the sub-advisor. Therefore, we have a conflict of interest because we only recommend sub-advisors that agree to compensate our firm by paying us a portion of the fees billed to your account managed by the sub-advisor.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics Summary**

According to federal and state rules and regulations, an investment advisor is considered a fiduciary and has a fiduciary duty to clients. We have established a Code of Ethics that reflects our fiduciary obligations and those of our supervised persons and requires compliance with federal securities laws. Our Code of Ethics covers all individuals that are classified as “supervised persons.” All employees, officers, directors and investment advisor representatives are classified as supervised persons. We require our supervised persons to consistently act in clients’ best interests in all advisory activities. We impose certain requirements on our affiliates and supervised persons to ensure that they meet our fiduciary responsibilities to clients. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is only intended to provide current and potential clients with a description of our Code of Ethics. If current or potential clients wish to review the Code of Ethics in its entirety, they are provided a copy promptly upon request.

Some of our representatives are also Certified Financial Planners™ (CFP®) and abide by the Code of Ethics and Responsibility of the Certified Financial Planner™ Board of Standards, Inc. The Code of Ethics and Responsibility requires CFP® certificants to not only comply with all applicable laws and regulations but to also act in an ethical and professional responsible manner in all professional services and activities. The principles guiding CFP® certificants are:

- Integrity
- Objectivity
- Competence (in providing services and maintaining knowledge and skills to do so)
- Fairness (to clients, principals, partners and employers and disclosing any conflicts of interest in providing services)
- Confidentiality (keeping all client information confidential without the specific client consent unless in response to legal process or in defense of charges of wrongdoing or civil dispute)
- Professionalism
- Diligence

You can obtain a copy of the Code of Ethics and Responsibility Code by requesting a copy from us.

## **Participation in Client Transactions and Personal Trading**

Both we and our associated persons may buy or sell securities for our own accounts that are recommended to clients. We may also recommend the purchase or sale of different securities for different clients at different times. This could result in contrary advice being given or action taken on behalf of clients and in our personal accounts.

We are and will continue to be in compliance with all federal and state rules and regulations. To prevent conflicts of interest, we have developed policies and procedures that include personal investment and trading policies for our associated persons, employees and their immediate family members:

- Associated persons cannot prefer their own interests to that of the client
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investment public upon reasonable inquiry
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider"
- Associated persons are discouraged from frequent personal trading
- Associated persons are generally prohibited from serving as board members of publicly-traded companies unless an exception has been granted by our Chief Compliance Officer

To the extent we or an associated person maintains an outside account, the associated person must make arrangements to send quarterly statements to us and complete an annual certification concerning their personal securities activities. They must also provide additional information about personal trading activities as may be required under our insider trading policy and Code of Ethics. Any associated persons not observing our policies may be subject to sanctions up to and including termination.

## **Item 12 – Brokerage Practices**

If you wish to implement our advice, you are free to select any broker/dealer or investment advisor you wish and are so informed. If we assist you in implementing any recommendations, we have a duty to ensure that you receive the best execution possible. Best execution does not necessarily mean the lowest price but includes the overall services received from a broker/dealer. You should understand that not all investment advisors require the use of a particular broker/dealer. There may be other platforms that are less expensive and may provide faster execution capabilities.

If you elect to utilize our management services, you are required to establish brokerage accounts at Fidelity Institutional Wealth Services. Fidelity provides us with access to their institutional trading and custody services, which are typically not available to retail investors. The services from Fidelity include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Fidelity also makes available to us other products and services that benefit us but may not benefit our clients' accounts. Some of these other products and services assist us in managing and administering client accounts, including:

- Providing access to client account data (such as trade confirmation and account statements, including receiving duplicate client confirmations and bundled duplicate statements)
- Facilitating trade execution (and allocation of aggregated trade orders for multiple client accounts) through a trading desk exclusively for Fidelity Registered Investment Advisor Group participants
- Access to block trading
- Providing research, pricing information and other market data
- Facilitating payment of our fees from client accounts
- Assisting with back-office functions, recordkeeping and client reporting

Many of these services generally may be used to service all or a substantial number of our accounts. Fidelity also makes available other services intended to help us manage and further develop our business. These services may include:

- Consulting, publications and conferences on practice management
- Information technology
- Business succession
- Regulatory compliance
- Marketing

In addition, Fidelity may make available, arrange and/or pay for these types of services rendered to us by independent third party providing these services to us. As a fiduciary, we endeavor to act in your best interest. Our recommendation that you maintain your assets in accounts at Fidelity may be based in part on the benefit to us in the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Fidelity. This creates a conflict of interest.

You are under no obligation to act on our recommendations. You may select a broker/dealer or account custodian other than Fidelity, although in this case we cannot assist you with asset management services.

### **Directed Brokerage**

Clients should understand that not all investment advisors require the use of a particular broker/dealer or custodian. Some investment advisors allow their clients to select whichever broker/dealer the client decides. By requiring clients to use a particular broker/dealer, we may not achieve the most favorable execution of client transactions and the practice requiring the use of specific broker/dealers may cost clients more money than if the client used a different broker/dealer or custodian. However, for compliance and operational efficiencies, we have decided to require our clients to use broker/dealers and other qualified custodians determined by us.

### **Soft Dollar Benefits**

An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.



We do not have a soft dollar agreement with a broker-dealer or a third-party.

### **Best Execution**

While we do not allow directed brokerage, we must still use reasonable diligence to make certain that best execution is obtained for clients when implementing any transactions. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions surrounding the transaction execution is in the best interests of clients. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with existing systems of the advisor, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back-office services, technology and pricing of services offered. We perform periodic reviews to determine that the relationship with Fidelity is still in the best interests of clients.

### **Trade Errors**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and we absorb any loss resulting from the trade error if we caused the error. If the error is caused by the broker/dealer, the broker/dealer is responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain remains in the client's account unless the same error involved other client account(s) that should also receive the gains. It is not permissible for all clients to retain the gain. We may also confer with clients to determine if they should forego the gain (e.g., due to tax reasons). We never benefit or profit from trade errors.

### **Block Trades**

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading, or block trading and may be used when we believe such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders

are placed independently. Under this procedure, transactions are averaged as to price and are allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day.

In the event we determine that a prorated allocation is not appropriate under the particular circumstances, the allocation is made based on other relevant factors, which may include:

- (i) When only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates;
- (ii) Allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts;
- (iii) If an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed);
- (iv) With respect to sale allocations, allocations may be given to accounts low in cash;
- (v) In cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, we may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or
- (vi) In cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons may invest, we do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation or remuneration as a result of blocking trades.

## **Item 13 – Review of Accounts**

### **Account Reviews**

Financial planning and consultation services terminate upon presentation of the plan or completion of the consultations and no reviews are conducted except on an “as needed” basis (i.e., determined and requested by you.) If you contract for wealth management services, the financial planning component of those services can include a review and update of your financial plan. Wealth management services accounts are reviewed at least quarterly. Managed accounts are reviewed by the investment advisor representative assigned to the account.

The calendar is the main triggering factor, although reviews may also be conducted due to your request. Absent your specific instructions, we review accounts to verify proper allocation, to ascertain that an investment policy statement has been created and remains viable, that cash reserves are appropriate and that fund selection continues to work towards your goals and objectives.

At least annually, we contact you to review our previous services and recommendations and to discuss the impact from any changes to your financial situation and/or investment objectives.

## **Account Reports**

Financial planning clients do not receive any reports other than the written plan originally contracted for.

Wealth management clients receive a statement at least quarterly from the custodian where your account is maintained. In addition, they receive quarterly performance and position reports from us prepared using our portfolio management system.

Clients contracting for advice and reporting services can request and receive quarterly performance and position reports on their holdings. We use portfolio a management system and other licensed softwares to prepare these reports.

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

We do not directly or indirectly compensate anyone for client referrals to us.

Please see **Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations** and **Item 12, Brokerage Practices**, for additional discussion concerning other compensation.

## **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined as having access or control over client funds and/or securities, but does **not** include the ability to execute transactions in client accounts. Custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody for purposes of the *Investment Advisers Act of 1940* and must ensure proper procedures are implemented. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody. We are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. However, because of the policies and procedures our firm implements we are deemed not to have custody of our clients' funds and securities.

For accounts where we are deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the creation of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from us. When clients have questions about their account statements, they should contact us or the qualified custodian preparing the statement.

## **Item 16 – Investment Discretion**

In addition to having trading authority on your accounts, we may implement trades on a discretionary or non-discretionary basis. On a discretionary basis, we make all decisions to buy, sell or hold securities, cash or other investments in the managed account in our sole discretion without consulting with you before implementing any transactions. You must provide us with written authorization to exercise this discretionary authority.

When discretionary authority is granted, it is limited. We do not have access to your funds and/or securities with the exception of having advisory fees deducted from your account and paid to us by the account custodian. Any fee deduction is done pursuant to your prior written authorization provided to the account custodian. You have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. You may also place reasonable limitations on the discretionary power granted to us so long as the limitations are specifically set forth or included as an attachment to the client agreement.

When management services are provided on a non-discretionary basis, we always contact you before implementing any transactions in an account. You must accept or reject our investment recommendations, including (1) the security being recommended, (2) the number of shares or units and (3) whether to buy or sell. Once these factors are agreed upon, we are responsible for making decisions regarding the timing of the purchase or sale and the price at which it is bought or sold. You should know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of implementing trades and we may not achieve the optimal trading price.

## **Item 17 – Voting Client Securities**

We do not vote proxies on your behalf. You should read the information provided with the proxy document and make a determination based on the information provided. Upon your request, we may provide clarifications of issues presented in the proxy materials or provide an opinion on how you should vote on an issue. However, you are solely responsible for all proxy voting decisions.

## **Item 18 – Financial Information**

This item is not applicable to our brochure. We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.