

**Item 1      Cover Page**

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# DELTA

Capital Management, LLC

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FIRM BROCHURE  
Part 2A of Form ADV

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[www.DeltaAdvisor.com](http://www.DeltaAdvisor.com)

February 2021

This brochure provides information about the qualifications and business practices of Delta Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at [MJohnson@DeltaAdvisor.com](mailto:MJohnson@DeltaAdvisor.com) or 407-422-2423. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Delta Capital Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The firm's CRD number is 128350.

## **Item 2      Material Changes**

This brochure, dated February 2021, provides you with a summary of Delta Capital Management, LLC (“DCM” or the “Firm”) advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. Any material changes made since the last Brochure update in March 2020 will be listed below.

### **Material Changes**

Should a material change in our operations occur, depending on the nature of the change, DCM will promptly communicate this change to Clients (and it will be summarized in this Item). “Material changes” requiring prompt notification will include changes in ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates; or any information that is critical to a Client’s full understanding of who the Firm is, how to find us, and how we do business.

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## **Item 4      Advisory Business**

### **About Delta Capital Management, LLC (“DCM”)**

DCM is a Florida limited liability company founded in 2003. DCM is registered with the SEC as an investment adviser with its home office located at 698 North Maitland Avenue, Suite 201, Maitland, Florida, 32751.

Please note that the words “we,” “us,” and “our” may be used to refer to DCM throughout this brochure, as the context may require. Furthermore, the words “you,” “your,” and “Client” may be used to refer to you as either a client or a prospective client of DCM, as the context may require.

DCM’s principal shareholder (i.e., those individuals and/or entities controlling 25% or more of this company) is:

- Sean Donovan Casterline, Managing Member

### **Advisory Services Offered**

Prior to forming an investment advisor-client relationship, DCM may offer a complimentary general consultation to prospective Clients to discuss the nature of its service offerings and to determine the possibility of a potential advisory relationship. Investment advisory services begin only after the prospective Client and DCM formalize their relationship with a properly executed written advisory agreement.

### **Portfolio Management**

DCM provides continuous advice to a Client regarding the investment of Client funds. Through personal discussions and the data gathering process, the Client’s goals and objectives based on his/her particular circumstances are established to determine the appropriate manner in which to manage the Client’s portfolio. During our data gathering process, we determine the Client’s individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client’s prior investment history, as well as family composition and background.

DCM manages these advisory accounts on a discretionary basis. Account supervision is guided by the client’s stated objectives and tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

DCM’s investment recommendations are not limited to any specific product or service offered by a broker/dealer or insurance company. Because some types of investments involve certain additional degrees of risk, they will only be implemented or recommended when consistent with the Client’s stated investment objectives, tolerance for risk, liquidity, and suitability.

### Selection of Broker by DCM

As a condition of participation in most services with DCM, Clients are generally required to maintain their brokerage account(s) at National Financial Services, LLC and Fidelity Brokerage Services, LLC (collectively with affiliates, "Fidelity").

### Financial Planning Services

DCM provides financial planning services. Financial planning is a comprehensive evaluation of a Client's current and future financial state by using currently known variables to predict the future cash flows, asset values, and withdrawal plans. Through the financial planning process, all questions, information, and analysis are considered as they impact and are impacted by the entire financial and life situation of the Client. Clients purchasing this service receive a written report which provides the Client with a detailed financial plan designed to assist the Client in achieving his/her financial objectives.

Generally, the financial plan addresses any or all of the following areas: personal situations, tax and cash flow, investments, insurance, retirement, death and disability, and estate. DCM gathers required information through written information and documentation provided by the Client, as well as in-depth personal interviews. The information gathered includes the Client's current financial status, tax status, future goals, return objectives, and attitudes towards risk. Should the Client choose to implement the recommendations contained in the plan, we will suggest the Client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of the financial plan recommendations is entirely at the Client's discretion.

DCM also provides general non-securities advice on topics that may include tax and budgetary planning, estate planning, and business planning.

Typically, the financial plan is presented to the Client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial planning recommendations are not limited to any specific product or service offered by a broker/dealer or insurance company.

### Employee Contribution Plans

DCM offers investment advisory services to plan providers and sponsors for employee contribution plans (including, but not limited to, 401(k) plans) based on the demographics, goals, objectives, times horizon, and/or risk tolerance of the plan's participants. DCM and its advisors are deemed to be a fiduciary of the Plan only as defined under Section 3(21)(A) of ERISA. DCM and its advisors do not act as investment managers and are not considered to be a Section 3(38) fiduciary.

### *Publication of Periodicals*

DCM publishes a quarterly newsletter providing general information on various financial topics including, but not limited to, estate and retirement planning, market trends, etc. No specific investment recommendations are provided in this newsletter and the information provided does not purport to meet the objectives or needs of any individual. This newsletter is distributed free of charge to our advisory Clients.

### *Consulting*

There are situations in which a DCM investment advisor provides advice on specific topics not involving a comprehensive financial plan. Typically, these situations are associated with events such as divorce, death, retirement, or a child entering college.

### ***Client Tailored Services and Client Imposed Restrictions***

DCM will tailor services for each individual Client based on industry standards and information gathered from Client suitability forms such as the Risk Tolerance Questionnaire and the Client Profile. Clients may impose restrictions in receiving recommendations for investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent DCM from making proper recommendations for the Client account, DCM reserves the right to end the relationship.

### ***Client Assets Under Management***

As of December 2020, DCM provides continuous management services for \$173,711,000 in client assets for 442 clients on a discretionary basis.

## **Item 5      Fees and Compensation**

### **Portfolio Management Fees**

DCM's annual fees for Portfolio Management are based upon a percentage of assets under management up to 1.95%.

The fees are billed quarterly, in advance, at the beginning of each calendar period based upon the value (market value or fair market value in the absence of market value), of the client's account(s) at the end of the previous period. For most Clients, fees will be debited from the account in accordance with the client authorization in the Client Services Agreement; however, under certain circumstances and at DCM's discretion, the Client has the option of being billed for advisory fees.

### **Limited Negotiability of Advisory Fees**

DCM retains the discretion to negotiate alternative fees on a client-by-client basis. Client's facts, circumstances, and needs are considered in determining the fee schedule, including but not limited to, the complexity of the client's situation, assets to be placed under management, anticipated future business, related accounts, portfolio style, account composition, among other factors. The specific annual fee schedule is identified in the investment advisory agreement between DCM and the Client.

DCM may group certain related Client accounts for the purposes of achieving the minimum account size requirements and determining annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons DCM.

### **Financial Planning and Consulting Fees**

DCM's financial planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Financial planning fees are calculated and charged on an hourly basis, ranging from \$195 to \$295 per hour. Although the length of time it takes to provide a financial plan depends on each client's personal situation, DCM will provide an estimate for the total hours at the start of the advisory relationship.

Client is billed quarterly in arrears based on actual hours accrued.

### **Employee Contribution Plan Fees**

DCM charges a fee of up to 1% of plan assets annually to be paid quarterly in arrears as indicated on the advisory contract.

### **General Information**

Management personnel and other related persons of the Firm are licensed as registered representatives of a broker/dealer and/or licensed as insurance agents or brokers. In their separate capacities, these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., commissions, 12b-1 fees or other sales-related forms of compensation). This situation presents a conflict of interest to the extent that these individuals recommend that a client invest in a security which results in a commission being paid to the individuals. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

### **Termination of the Advisory Relationship**

A client agreement may be canceled at any time, by either party, upon receipt of 30 days' prior written notice.

### **Mutual Fund Fees**

All fees paid to DCM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or exchange traded funds. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a Client may pay an initial or deferred sales charge. A Client can invest in a mutual fund directly, without utilizing our services. In that case, the Client would not receive the services provided by DCM which are designed, among other things, to assist the Client in determining which mutual fund or funds are most appropriate to each Client's financial condition and objectives. Accordingly, the Client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the Client and to thereby evaluate the advisory services being provided.

### **Additional Fees and Expenses**

In addition to our advisory fees, clients are also responsible for other fees and expenses charged by custodians and imposed by broker/dealers, including but not limited to, any transaction charges imposed by a broker/dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to Item 10 of this brochure, "Brokerage Practices", for additional information.



### ERISA Accounts

Pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986, the Firm is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts. As such, we are subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, we may only charge fees for investment advice about products for which the Firm and/or related persons do not receive any commissions or 12b-1 fees, except that the Firm and/or related persons may provide investment advice about products for which we receive commissions or 12b-1 fees, only if such fees are used to offset our advisory fees.

### Advisory Fees in General

Clients should note that similar advisory services may or may not be available from other investment advisers for similar or lower fees.

### Limited Prepayment of Fees

DCM does not require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

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

DCM does not charge performance-based fees.

## **Item 7      Types of Clients**

DCM provides advisory services to a variety of Clients including, but not limited to:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Corporations or other businesses not listed above
- Employee contribution plans

### Minimum Account Size

DCM does not have a minimum account size.

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

### **Methods of Analysis**

The firm uses the following methods of analysis in formulating our investment advice and/or managing client assets:

#### **Charting**

In this type of technical analysis, DCM reviews charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

#### **Fundamental Analysis**

DCM attempts to measure 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 company 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, which presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

#### **Technical Analysis**

DCM analyzes past market movements and applies that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company and, therefore, presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

#### **Cyclical Analysis**

In this type of technical analysis, DCM measures the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

#### **Risks for all forms of analysis**

DCM securities analysis methods rely on the assumption that the companies whose securities DCM purchases and sells, the rating agencies that review these securities, and other publicly available sources of information about these securities are providing accurate and unbiased data. While DCM is alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **Investment Strategies**

DCM uses 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**

DCM purchases securities with the idea of holding them in the Client's account for a year or longer. Typically, we employ this strategy when we believe the securities to be currently undervalued and/or want exposure to a particular asset class over time, regardless of the current projection for this class.

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

### **Short-Term Purchases**

When utilizing this strategy, DCM purchases securities with the idea of selling them within a relatively short time (less than a year). Typically, we employ this strategy in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses the risk that, should the anticipated price swing not materialize, we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

### **Trading**

DCM purchases securities with the idea of selling them very quickly (30 days or less), in an attempt to take advantage of brief price swings.

Utilizing a trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize. Moreover, under those circumstances, we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, because this strategy involves more frequent trading than does a longer-term strategy, there will be a resultant increase in brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

### Short Sales

DCM borrows shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client's account realizes the profit.

### Margin Transactions

DCM will purchase stocks for a Client's portfolio with money borrowed from the Client's brokerage account. Purchasing on margin allows a Client to purchase more stock than he/she would be able to with his/her available cash and allows us to purchase stock without selling other holdings.

### Option Writing

DCM may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we believe that the stock will increase substantially before the option expires.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we believe that the price of the stock will fall before the option expires.

DCM will use options to hedge on the possibility of a sharp price swing or hedge a purchase of the underlying security. In other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for the Client's portfolio.

DCM uses "covered calls", in which we sell an option on a security the Client owns. In this strategy, the Client receives a fee for making the option available, and the person

purchasing the option has the right to buy the security from the Client at an agreed upon price.

We use a “spreading strategy”, in which two or more option contracts for the same underlying security. This strategy effectively puts the Client on both sides of the market, but with the ability to vary price, time, and other factors.

### **Risks of Loss**

The assets in the portfolios are financial securities. Any investment of this type involves a risk of loss, not only of income but of investment dollars which the investor client must be prepared to bear. An extended period of market uncertainty or economic recession could result in significant loss of value.

## **Item 9      Disciplinary Information**

DCM is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

There are no reportable disciplinary events for DCM or its management personnel.



## **Item 10 Other Financial Industry Activities & Affiliations**

### **Sean Casterline, Managing Member & Co-Principal**

#### **Broker-Dealer**

Sean Casterline is Principal, CEO, CCO and a registered representative of Delta Securities Company, LLC ("DSC") where he can effect the sale of securities and insurance products. Mr. Casterline may receive separate, yet customary, compensation for effecting securities transactions. This represents a potential conflict of interest because he has an incentive to effect securities or insurance product transactions through DSC for the purpose of generating compensation rather than solely based on your needs.

Certain clients of DSC may become Clients of DCM. However, should such relationships arise, neither DSC nor DCM will consider such relationships as occurring pursuant to advisor-to-advisor referrals and no compensation with respect to such relationships will be exchanged between DSC and DCM. DSC generally will not provide services to Clients of DCM in connection with such Clients' relationships with DCM and vice-versa; although, DCM and DSC may share clients. Further, DSC is not expected to provide services to any Client of DCM with respect to such Client's relationship with DCM or to DCM, individually.

#### **Registered Investment Advisers**

Mr. Casterline is the managing member and an investment adviser representative of Aegis Wealth Management, LLC, a SEC registered investment advisor; the President and CEO of Delta Advisory Group, Inc., a state registered investment advisor; and an investment adviser representative of Cafaro Greenleaf Advisors, LLC, a SEC registered investment advisor. In this capacity, Mr. Casterline delivers advisory services through all three entities that are distinct from those provided by us and are provided for separate, yet customary, compensation.

#### **Private Investment Companies**

Mr. Casterline solicits investments for Villas at Tuscan Gardens of Palm Coast Mezzanine Debt Fund and Tuscan Gardens Senior Living Fund (together the "Tuscan Funds"). Mr. Casterline is also the Managing Director of Private Equity for Tuscan Gardens Group, LLC, the parent company to the Tuscan Funds. The Tuscan Funds raise capital funding for assisted living facilities. In the event that it is suitable and in the best interest of the Client or prospective Client, Mr. Casterline and/or DCM will recommend investment in the Tuscan Funds, which would result in a conflict of interest because Mr. Casterline is incentivized through additional compensation. Clients are hereby advised that Mr. Casterline has an incentive to recommend the Tuscan Funds over other investments given this affiliation. However, Clients are under no obligation to make any investment in the Tuscan Funds and should refer to the private offering

documents of the Tuscan Funds for full disclosure of the risks, fees and other pertinent information.

Mr. Casterline solicits investments for Storage Units Income Fund ("SUIF"). SUIF raises capital funding for personal storage facilities. In the event that it is suitable and in the best interest of the Client or prospective Client, Mr. Casterline and/or DCM will recommend investment in the SUIF, which would result in a conflict of interest because Mr. Casterline is incentivized through additional compensation. Clients are hereby advised that Mr. Casterline has an incentive to recommend the SUIF over other investments given this affiliation. However, Clients are under no obligation to make any investment in the SUIF and should refer to the private offering documents of the SUIF for full disclosure of the risks, fees and other pertinent information.

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

### **Code of Ethics**

DCM has adopted a Code of Ethics ("Code") which sets forth high ethical standards of business conduct that DCM requires of its employees, including compliance and applicable federal securities laws.

The Code further includes our policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

The Code is designed to ensure that the personal securities transactions, activities, and interests of our employees will not interfere with: (i) making decisions in the best interest of advisory clients; and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

A copy of the Code is available to our advisory clients and prospective clients. You may request a copy by email to [MJohnson@DeltaAdvisor.com](mailto:MJohnson@DeltaAdvisor.com), or by calling us at 407-422-2423.

### **Material Conflicts of Interest**

From time to time, when it is appropriate to recommend investment in a private placement and suitable to the Client, Sean Casterline and/or DCM and its advisors recommends investment in the Tuscan Funds. Mr. Casterline sells Tuscan Funds through DSC and receives separate, yet customary, compensation for those recommendations. This represents a conflict of interest because he has an incentive to recommend investment in the Tuscan Funds for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to invest in the Tuscan funds through any person affiliated with our firm.

From time to time, when it is appropriate to recommend investment in a private placement and suitable to the Client, Sean Casterline and/or DCM and its advisors recommends investment in the SUIF. Mr. Casterline sells SUIF through DSC and has an ownership interest for which he receives separate, yet customary, compensation for those recommendations. This represents a conflict of interest because they each have an incentive to recommend investment in SUIF for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to invest in the SUIF funds through any person affiliated with our firm.

### **Participation or Interest in Client Transactions & Personal Trading**

From time to time, DCM and/or individuals associated with DCM may buy or sell securities for their personal accounts that are identical to or different from those recommended to the Clients. In addition, any related person may have an interest or position in a certain security which may also be recommended to a Client.

It is our expressed policy that no person employed by DCM may purchase or sell any security prior to transactions being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

DCM may aggregate employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and will share equally the transaction costs on a pro rata basis. In the instances where there is a partial fill of a particular batched order, DCM will allocate all purchases pro rata, with each account paying the average price. Our employee accounts will be included in the pro rata allocation.

## **Item 12      Brokerage Practices**

DCM has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively with affiliates, “Fidelity”) through which Fidelity provides us with “institutional platform services”. The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services that assist us in managing and administering clients’ accounts include software and other technology that: (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients’ accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

We will arrange for the execution of securities brokerage transactions for the account through Fidelity. In seeking best execution, the determinative factor is not lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealers’ service, including the value of research provided, execution capability, commission rates and responsiveness. Accordingly, although we will seek competitive commission rates, we may not necessarily obtain the lowest possible commission rate for account transactions.

Clients are encouraged, but not required, to establish an account with Fidelity. The client may direct DCM to use a particular broker-dealer (subject to our right to decline and/or terminate the engagement) to execute some or all transactions for the client’s account. In such event, the Client will negotiate terms and arrangements for the account with that broker-dealer and DCM will not seek better execution services or prices from other broker-dealers. As a result, Client may pay higher commissions or other transaction costs or greater spreads or receive less favorable net prices on transactions for the accounts than would otherwise be that case. In the event that transactions for client accounts are executed through a broker-dealer that refers clients to DCM, the potential for conflict of interest may arise.

We do not receive specific soft dollar benefits from Fidelity or other brokerage firms. Additionally, we receive no client referrals as an incentive to use Fidelity or any other brokerage to hold client assets.

## **Item 13      Review of Accounts**

### **Portfolio Management**

While the underlying securities within accounts for which DCM provides Portfolio Management services are continually monitored, Client accounts are reviewed quarterly. Accounts are reviewed in the context of each Client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the Client's individual circumstances, or the market, political, or economic environment.

### **Financial Planning**

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for financial planning clients unless the Client contracts for additional services.

Financial planning Clients will receive a completed financial plan. Additional reports will not typically be provided unless the client contracts for additional services.

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

It is our policy not to engage solicitors or to pay related or non-related persons for referring potential clients to DCM.

### **Other Compensation**

DCM and/or its associated persons are eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of investment product.

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest and may influence the judgement of these individuals when making recommendations.

As listed in Item 10, DCM's principal and some access persons receive additional compensation from their outside business activities. Some of these outside business activities can create a conflict of interest because these persons are incentivized by commissions to make certain recommendations.

## **Item 15     Custody**

As a paying agent for DCM, Fidelity (or other independent custodian) will directly debit most accounts for the payment of our advisory fees. The ability to deduct advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities.

Some Clients also have standing letters of instruction (“SLOI”) that allow DCM’s advisors to disburse funds or move funds between specified accounts on the Client’s behalf. This ability causes DCM to exercise custody over the funds or securities for which there is a SLOA. However, DCM is not subject to an annual surprise examination by an independent accountant.

You will receive account statements from Fidelity at least quarterly. The account statements from Fidelity or other independent custodian will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements sent to you reflecting the amount of advisory fee deducted from your account.

You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.



## **Item 16      Investment Discretion**

Clients may hire DCM to provide discretionary asset management services, in which case we are not required to obtain the client's permission prior to placing trades in a client's account. This discretionary authority includes the ability to determine the security to buy or sell and/or the amount of the security to buy or sell without first contacting the client.

Clients give DCM discretionary authority when they sign a discretionary agreement with us and may limit this authority by giving us written instructions. Clients may also amend such authority by providing us with written instructions.

## **Item 17      Voting Client Securities**

We do not accept authority to vote client securities. Clients will receive proxies and other solicitation material directly from Fidelity or other brokerage holding their securities.

## **Item 18      Financial Information**

As an advisory firm that maintains discretionary authority, or is deemed to have custody of client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. DCM has no such financial circumstances to report.

Furthermore, we have not been the subject of a bankruptcy petition at any time during the past ten years.