

# Disclosure Brochure

March 31, 2021

## **Maxele Advisors, LLC**

*A Registered Investment Adviser*

This brochure provides information about the qualifications and business practices of Maxele Advisors, LLC (hereinafter "Maxele"). If you have any questions about the contents of this brochure, please contact Stephen M. Erken at (314) 961-1850. 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 Maxele Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Maxele Advisors, LLC is a state registered investment adviser. Registration does not imply any level of skill or training.

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## **Item 2. Material Changes**

This Item discusses only the material changes that have occurred since Maxele's last annual update dated March 31, 2020. There are no material changes to report pursuant to this Item.

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## Item 4. Advisory Business

Maxele (alternatively referred to as the “firm”) provides financial planning and wealth management services. Prior to engaging Maxele to provide any of the foregoing advisory services, the client is required to enter into one or more written agreements with Maxele setting forth the terms and conditions under which Maxele renders its services (collectively the “*Agreement*”).

Maxele is a state registered investment adviser that began offering services to its clients February 2013. The firm’s sole owner and principal is Stephen M. Erken. As of March 31, 2021, the firm had \$120,155,451 assets under management, all of which were managed on a discretionary basis.

This Disclosure Brochure describes the business of Maxele. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of Maxele’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Maxele’s behalf and is subject to Maxele’s supervision or control.

### Financial Planning Services

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Maxele may provide its clients with a broad range of comprehensive and/or modular financial planning services. Comprehensive financial planning considers multiple aspects of a client’s financial situation. Topics generally include taxes, asset allocation, insurance needs, education, retirement, and estate planning. The firm’s modular financial planning services may address each of these topics on a one-off basis.

- Taxes – analysis of the client’s current tax situation to discuss strategies to maximize gains and minimize taxes.
- Asset Allocation – review of the client’s current asset allocation to discuss the appropriateness of the allocation.
- Insurance Needs – review of the client’s current insurance situation, future expectations and needs, and possible suitable insurance products for the future.
- Education – creation of a savings plan based on the estimated cost of future higher education expenses expected by the client and based on the potential earnings of the client.
- Retirement – review of current retirement plans and vehicles with suggestions for improving existing situations or a creation of a new retirement plan based on client’s situation and risk tolerance levels.
- Estate Planning – a review of current estate plans and/or the creating of a new plan taking into account the client’s wishes, tax concerns, and asset transference issues.

In performing its services, Maxele is not required to verify any information received from the client or from the client’s other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Maxele may recommend the services of itself or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Maxele recommends its own

services. The client is under no obligation to act upon any of the recommendations made by Maxele under a financial planning engagement or to engage the services of any such recommended professional, including Maxele itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of Maxele's recommendations. Clients are advised that it remains their responsibility to promptly notify Maxele if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Maxele's previous recommendations and/or services.

### **Wealth Management Services**

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Clients can engage Maxele to manage all or a portion of their assets on a discretionary or non-discretionary basis. Maxele primarily allocates clients' wealth management assets among equity securities, exchange-traded funds ("ETFs"), mutual funds, and individual debt and/or options in accordance with the investment objectives of the client. Additional information regarding the firm's investment strategy is available in response to Item 8. Maxele also provides advice about any type of investment held in clients' portfolios.

Maxele tailors its advisory services to the individual needs of clients. Maxele consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. Maxele ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify Maxele if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon Maxele's management services. Clients may impose reasonable restrictions or mandates on the management of their account if, in Maxele's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

### **Sponsor / Manager of Wrap Program**

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Maxele is not the sponsor or manager of a wrap fee program.

## **Item 5. Fees and Compensation**

Maxele offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management.

### **Financial Planning Fees**

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Maxele generally charges an hourly fee or a fixed fee for financial planning services based on the estimated hours involved in a project. The firm's hourly rate is generally \$200 per hour, but ranges from \$150 to \$250 depending on the investment adviser representative ("IAR") rendering the advice and the

complexity involved in providing the financial planning services. For an IAR with more than 10 years of experience the hourly rate is generally \$250; for an IAR with 5 to 10 years of experience the hourly rate is generally \$200; for an IAR with less than 5 years of experience the hourly rate is generally \$150. These fees are negotiable.

In general, comprehensive financial plans require 10 to 50 hours of time, which fluctuates based on the individual needs, complexity, and net worth of the client. For example, an individual with a net worth of up to \$2,000,000 generally does not have as complicated of a financial situation as an individual with a net worth of at least \$10,000,000. Therefore, the financial planning involved for the former individual might average 10 to 20 hours, whereas the financial planning involved with the latter individual might average up to 50 hours. Based on an hourly rate of \$200, the firm generally provides more basic comprehensive financial planning services for \$2,000 to \$4,000 and more involved comprehensive financial planning services for up to \$10,000. In the firm's experience, individuals with net worth's in excess of \$10,000,000 have more involved comprehensive financial planning services that generally necessitate at least 50 hours of review time and preparation work to provide tax analysis, asset allocation, investment needs analysis, and retirement and estate planning. At an average rate of \$200 per hour, the firm believes a fixed fee of \$10,000 is appropriate.

For modular financial planning services, the hourly rates are based on the type of module. Education planning generally requires 1 to 2 hours, or \$200 to \$400. Estate and/or retirement planning are generally more involved modules and may require up to 10 hours, or \$2,000. Asset allocation, insurance needs, and taxes planning generally fall in the middle depending on the level of involvement requirement of the firm's investment adviser representatives.

Once clients have received an initial financial plan, the firm offers ongoing financial planning services. For ongoing financial planning services, the firm may charge an annual retainer fee of \$500 to \$2,500, which is prorated and charged quarterly.

If the client engages Maxele for additional investment advisory services, Maxele may offset all or a portion of its fees for those services based upon the amount paid for the financial planning services. Prior to engaging Maxele to provide financial planning services, the client is required to enter into a written agreement with Maxele setting forth the terms and conditions of the engagement. Except for ongoing financial planning clients, Maxele generally requires one-half of the financial planning fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

### **Wealth Management Fee**

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Maxele provides wealth management services for an annual fee based upon a percentage of the market value of the assets being managed by Maxele. Maxele's annual fee is exclusive of, and in addition to

brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Maxele does not, however, receive any portion of these commissions, fees, and costs.

Maxele's annual wealth management fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Maxele on the last day of the previous quarter. The firm does not base its billing periods on calendar quarters, but rather the quarter-end depends on the initial date the client engaged the firm for wealth management services. The annual fee varies between 0.50% to 1.50% depending upon the market value of the assets under management and the type of wealth management services to be rendered.

If the firm is not managing the assets on an ongoing basis, but providing account oversight services to assets held and managed by other firms, the annual fee is 0.25% to 0.75%, which is prorated and charged quarterly, in advance, based upon the market value of the assets being advised by Maxele on the last day of the previous quarter. Maxele is not responsible for the selection of the third party money managers, but will advise on these assets as requested by the client.

Maxele, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

### **Fees Charged by Financial Institutions**

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As further discussed in response to Item 12 (below), Maxele generally recommends that clients utilize the brokerage and clearing services of an independent broker-dealer for wealth management accounts.

Maxele may only implement its wealth management recommendations after the client has arranged for and furnished Maxele with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to any broker-dealers recommended by Maxele, broker-dealers directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Maxele's fee.

Maxele's *Agreement* and the separate agreement with any *Financial Institutions* may authorize Maxele to debit the client's account for the amount of Maxele's fee and to directly remit that management fee to

Maxele. Any *Financial Institutions* recommended by Maxele have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Maxele. Alternatively, clients may elect to have Maxele send an invoice for payment.

### **Fees for Management During Partial Quarters of Service**

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For the initial period of wealth management services, the fees are calculated on a *pro rata* basis. If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter.

The *Agreement* between Maxele and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Advisory clients are permitted to terminate the *Agreement* without penalty within five (5) business days of entering into the *Agreement*. Maxele's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to Maxele's right to terminate an account. Additions may be in cash or securities provided that Maxele reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Maxele, subject to the usual and customary securities settlement procedures. However, Maxele designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Maxele may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that 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/or tax ramifications.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

Maxele does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7. Types of Clients**

Maxele provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

The firm does not have any requirements for opening or maintaining an account.



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

### Methods of Analysis

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Maxele's primary methods of analysis includes aspects of fundamental and technical.

*Fundamental analysis* involves the fundamental financial condition and competitive position of a company. Maxele will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

*Technical analysis* involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Maxele will be able to accurately predict such a reoccurrence.

### Investment Strategies

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The firm manages client portfolios through the use of model portfolios. The models are generally composed of individual debt and equity securities, ETFs, mutual funds, but may include other securities such as alternative investments and options. After a review of the client's financial profile (including risk tolerance), Maxele determines which of its model portfolios is appropriate for the individual client. Maxele then manages each model according to its investment strategy.

### Risks of Loss

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#### *Mutual Funds and Exchange Traded Funds (ETFs)*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day,

although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Options*

Options allow investors to buy or sell a security at a contracted "strike" price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

### *Market Risks*

The profitability of a significant portion of Maxele's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Maxele will be able to predict those price movements accurately.

### *Management Through Similarly Managed Accounts*

Maxele manages portfolios by allocating portfolio assets among various securities on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as "*investment strategy*"). In so doing, Maxele buys, sells, exchanges and/or transfers securities based upon the *investment strategy*.

Maxele's management using the *investment strategy* complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the *investment strategy*, with a safe harbor from the definition of an investment company.

Securities in the *investment strategy* are usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to Maxele's clients may be limited. As further discussed in response to Item 12 (below), Maxele allocates investment opportunities among its clients on a fair and equitable basis.

### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

## **Item 9. Disciplinary Information**

Maxele is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Maxele does not have any required disclosures to this Item.

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

Maxele is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Maxele is not engaged in any other financial industry activities and does not have any affiliations that are otherwise material to the firm's advisory business.

## **Item 11. Code of Ethics**

Maxele and persons associated with Maxele ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Maxele's policies and procedures.

Maxele has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). Maxele's *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by Maxele or any of its associated persons. The *Code of Ethics* also requires that certain of Maxele's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When Maxele is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Access Person is completed as part of a batch trade (as defined below in Item 12) with clients; or

- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

Clients and prospective clients may contact Maxele to request a copy of its *Code of Ethics*.

### Item 12. Brokerage Practices

Maxele generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("*Fidelity*") for wealth management accounts.

Factors which Maxele considers in recommending *Fidelity* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Fidelity* enables Maxele to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. In addition, *Fidelity* has agreed to compensate clients for any transfer fees that may be assessed for moving their account(s) to *Fidelity*. The commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by Maxele's clients comply with Maxele's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Maxele determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Maxele seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Maxele periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct Maxele in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account

with that *Financial Institution*, and Maxele will not seek better execution services or prices from other *Financial Institutions* or be able to “batch” client transactions for execution through other *Financial Institutions* with orders for other accounts managed by Maxele (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Maxele may decline a client’s request to direct brokerage if, in Maxele’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless Maxele decides to purchase or sell the same securities for several clients at approximately the same time. Maxele may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Maxele’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Maxele’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Maxele determines to aggregate client orders for the purchase or sale of securities, including securities in which Maxele’s *Supervised Persons* may invest, Maxele generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Maxele does not receive any additional compensation or remuneration as a result of the aggregation. In the event that Maxele determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon 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, Maxele 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.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Maxele in its investment decision-making process. Such research generally will be used to service all of Maxele’s clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing

that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Maxele does not have to produce or pay for the products or services.

### **Software and Support Provided by Financial Institutions**

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Maxele may receive from *Fidelity*, without cost to Maxele, computer software and related systems support, which allow Maxele to better monitor client accounts maintained at *Fidelity*. Maxele may receive the software and related support without cost because Maxele renders wealth management services to clients that maintain assets at *Fidelity*. The software and support is not provided in connection with securities transactions of clients (i.e. not "soft dollars"). The software and related systems support may benefit Maxele, but not its clients directly. In fulfilling its duties to its clients, Maxele endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Maxele's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Maxele's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, Maxele may receive the following benefits from *Fidelity* through the Fidelity Institutional Wealth Services Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Institutional Wealth Services Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

### **Item 13. Review of Accounts**

For those clients to whom Maxele provides wealth management services, Maxele monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom Maxele provides financial planning services, reviews are conducted on an "as needed" basis. Such reviews are conducted by one of Maxele's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Maxele and to keep Maxele informed of any changes thereto. Maxele contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom Maxele provides investment advisory services will also receive a report from Maxele that may include such relevant account and/or market-related information such as an inventory of account

holdings and account performance on a quarterly basis. Clients should compare the account statements they receive from their custodian with those they receive from Maxele.

Those clients to whom Maxele provides financial planning services will receive reports from Maxele summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by Maxele.

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

Maxele is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, Maxele is required to disclose any direct or indirect compensation that it provides for client referrals.

Maxele may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above. The firm does not provide compensation for client referrals.

### **Item 15. Custody**

Maxele's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Maxele through such *Financial Institution* to debit the client's account for the amount of Maxele's fee and to directly remit that management fee to Maxele in accordance with applicable custody rules.

The *Financial Institutions* recommended by Maxele have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Maxele. In addition, as discussed in Item 13, Maxele also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from Maxele.

### **Item 16. Investment Discretion**

Maxele is generally given the authority to exercise discretion on behalf of clients. Maxele is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Maxele is given this authority through a power-of-attorney included in the agreement between Maxele and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Maxele takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and

- When transactions are made.

### Item 17. Voting Client Securities

Maxele is required to disclose if it accepts authority to vote client securities. Maxele does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions* and may contact the firm with any questions by calling the number on the cover of this Disclosure Brochure.

### Item 18. Financial Information

Maxele does not require or solicit the prepayment of more than \$500 in fees six months or more in advance. In addition, Maxele is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Maxele has no disclosures pursuant to this Item.

### Item 19. Requirements for State Registered Investment Advisors

#### STEPHEN M. ERKEN

Born 1960

#### Post-Secondary Education

Washington University | M.B.A., Business Administration | 1985

St. Louis University | B.A., Psychology | 1982

#### Recent Business Background

Maxele Advisors, LLC | Principal and Certified Financial Planner™ Professional | February 2013 – Present

AXA Advisors, LLC | Registered Representative | February 1988 – February 2013

#### Additional State Requirements

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None of the *Supervised Persons* of Maxele are compensated for advisory services with performance-based fees. In addition, neither Maxele nor its management persons have been the subject of the type of disciplinary event in the instructions to Item 19. Neither Maxele nor any of its *Supervised Persons* have a relationship or arrangement with any issuers of securities not disclosed in response to Item 10 (above).



**Maxele Advisors, LLC**  
**A Registered Investment Adviser**

Prepared by:

