

FORM ADV PART 2A

**Harrington Asset Management, Inc.
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December 2020

This brochure provides information about the qualifications and business practices of Harrington Asset Management, Inc. If you have any questions about the contents of this Brochure, please contact us at (614) 798-1345. 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 Harrington Asset Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Any references to Harrington Asset Management, Inc. as a registered investment adviser or its related persons as registered advisory representatives does not imply a certain level of skill or training.

Item 2 - MATERIAL CHANGES

At least annually, this section will discuss only specific material changes that are made to the Brochure and provide you with a summary of such changes. The date of the last annual update of the brochure was December 31, 2019.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year, which is December 31st. We may further provide other ongoing disclosure information about material changes as necessary.

Additionally, we will further provide you with a new brochure as necessary based on change or new information, at any time, without charge.

Our brochure may be requested free of charge by contacting Thomas Harrington at (614) 798-1345 or tkh@ham-inc.com. Additional information about Harrington Asset Management, Inc. is also available via the SEC's website www.adviserinfo.sec.gov. The website also provides information about any persons affiliated with Harrington Asset Management, Inc. who are registered, or are required to be registered, as investment adviser representatives of Harrington Asset Management, Inc.

December 2020

Assets Under Management amount was changed on page 7.
A Solicitor was removed on page 19.

Item 3 - **TABLE OF CONTENTS**

Item 1 – COVER PAGE	Cover Page
Item 2 - MATERIAL CHANGES	2
Item 3 - TABLE OF CONTENTS	3
Item 4 - ADVISORY BUSINESS	4
General Information.....	7
Item 5 - FEES AND COMPENSATION	7
Item 6 - PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT.....	11
Item 7 - TYPES OF CLIENTS	11
Item 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	12
Item 9 - DISCIPLINARY INFORMATION	15
Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	15
Item 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	16
Item 12 - BROKERAGE PRACTICES.....	17
Item 13 - REVIEW OF ACCOUNTS.....	18
Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION.....	18
Item 15 - CUSTODY	20
Item 16 - INVESTMENT DISCRETION.....	20
Item 17 - VOTING CLIENT SECURITIES.....	20
Item 18 - FINANCIAL INFORMATION	21
Item 19 - REQUIREMENTS FOR STATE REGISTERED ADVISERS.....	21
Brochure Supplements	

Item 4 - ADVISORY BUSINESS

Harrington Asset Management, Inc. (hereinafter referred to as “HAM”) is an investment advisory firm offering a variety of advisory services customized to your individual needs.

- A. HAM was established September 1993. The Principal Executive Officer of Harrington Asset Management, Inc. is Thomas K. Harrington, CFP and sole owner. Additional business information about Thomas K. Harrington is disclosed on the Supplemental Brochure attached to this Brochure. HAM has been an SEC Registered Investment Adviser since 1993. Registration as an Investment Advisor does not imply a certain level of skill or training.
- B. HAM offers the following advisory services. Each of the services is more fully described below.
- Asset Management - VISION2020 Wealth Management Platform – Advisor Managed Portfolios
 - Third Party Asset Management Platforms
 - Vision2020 Wealth Management Platform – Model Portfolios Program
 - Retirement Plan Consulting Services
 - Financial Planning Services

Harrington Asset Management, Inc.’s representatives offer advice on the following: Equity Securities: exchange-listed securities; securities traded over-the counter; foreign issues; Corporate debt securities (other than commercial paper); exchange-traded funds (ETF); Commercial paper; Certificates of Deposit; Municipal securities; Investment company securities, including variable life insurance variable annuities, and mutual fund shares; United States Government securities; Options contracts on securities; Interests in partnerships investing in real estate as well as oil and gas interests.

VISION2020 Wealth Management Platform – Advisor Managed Portfolios

The Wealth Management Platform – Advisor Managed Portfolios Program (“Advisor Managed Portfolios”) provides continuous and ongoing investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing LLC (“Pershing”).

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire (“Questionnaire”) and discussions that we have together regarding, among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you. Managed portfolios will include one more type of securities including of mutual funds, exchange traded funds, equities, options, debt securities, variable life, variable annuity sub-accounts (certain restrictions apply) and other investments.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

For further Advisor Managed Portfolio details, please see the Advisor Managed Portfolios Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in Advisor Managed Portfolios. Please read it thoroughly before investing.

Vision2020 Wealth Management Platform – Model Portfolios Program

The Wealth Management Platform – Model Portfolios Program (“Model Program”) offers clients managed asset allocation models (“Asset Allocation Models”) of mutual funds or exchange traded funds (“ETFs”) diversified across various investment styles and strategies. The Asset Allocation Models are constructed by managers (“Program Managers”) such as Russell Investment Management Company, ICON Advisers, Inc., and Morningstar Associates, LLC.

Based upon the risk tolerance of each Client, the Model Program utilizes a system that selects a specific Asset Allocation Model which contain either 1) a combination of mutual funds or 2) a combination of exchange traded funds (“ETFs”) depending on which Program Manager is used. Together, we will select a recommended Asset Allocation Model. After the Asset Allocation Model is chosen, we, with the assistance of the Model Program sponsor, will open a Model Program account. Your assets will be invested in the specific investments contained within the recommended Asset Allocation Model. You can place reasonable restrictions on investments held within the Model Program account.

For further Model Program details, including a full list of Program Managers, please see the Model Program Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in the Model Program. Please read it thoroughly before investing.

Retirement Plan Consulting Services

We offer retirement consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor (the “Company”) in meeting its management and fiduciary obligations to the plan under ERISA. Retirement consulting services will consist of general or specific advice, and includes any one or all the following:

1. Platform Provider Search and Plan Set-up;
2. Strategic Planning and Investment Policy Development/Review;
3. Plan Review;
4. Plan Fee and Cost Review;
5. Acting as Third Party Service Provider Liaison;
6. Assessment of Plan Investments and Investment Options;
7. Plan Participant Education and Communication;
8. Investment Advice to Participants;

9. Plan Benchmarking;
10. Plan Conversion to New Vendor Platform;
11. Assistance in Plan Merger;

We will determine with the Company in advance the scope of services to be performed and the fees for all requested services. Prior to engaging us to provide pension consulting services, the Company will be required to enter into a written agreement with us setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the relevant fees and fee paying arrangements. The services outlined above that we provide are explained in more detail in the written agreement. We will also provide additional disclosures about our services and fees, where required by ERISA.

When we perform our agreed upon services, we will not be required to verify the accuracy or consistency of any information received from the Company.

We serve in a nondiscretionary ERISA fiduciary capacity with respect to some, but not all, of the services that we provide which will be further explained in the written agreement we sign with the Company. The Company is always free to seek independent advice about the appropriateness of any recommendations made by us.

Financial Planning

Financial plans can be generated by Advisory Representatives for clients on an ad hoc basis. Advisory Representatives are available to advise clients on specialized financial needs without preparing a full financial plan (i.e., college funding, retirement planning, etc.). When providing financial planning advice for clients, Advisory Representatives provide advice and recommendations in the areas of budgeting and recordkeeping, insurance planning, tax planning, retirement planning, college education funding, debt management, investment planning, estate planning and other areas related to the individual's financial affairs as agreed upon in the initial agreement.

Investment advisory service is available for the development of an investment portfolio based upon the client investment parameters. Advisory Representative(s) can develop an investment portfolio and make recommendations as to portfolio holdings. Active management will not occur with this arrangement and additional work on the portfolio will incur additional charges to the client as future work is performed on the account.

Other financial planning services that we provide include ongoing financial counseling, account review, securities research and other advisory services related to investments.

- C. HAM tailors the advisory services it offers to your individual needs. You can impose restrictions and/or limitations on the investing in certain securities or types of securities. HAM will meet with you and conduct an interview and data gathering session to continue the due diligence process. The information gathered by HAM will assist HAM to provide you with the requested services and customize the services to your financial situation. Depending on the

services you have requested, HAM will gather various financial information and history from you including, but not limited to:

- Retirement and financial goals
- Investment objectives
- Investment horizon
- Financial needs
- Cash flow analysis
- Cost of living needs
- Education needs
- Savings tendencies
- Other applicable financial information required by HAM in order to provide the investment advisory services requested.

- D. There is no significant difference between how HAM manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a client determines to engage HAM on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody). The services included in a wrap fee agreement will depend upon each client's particular need. If the client determines to engage HAM on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody). **Please Note:** When managing a client's account on a wrap fee basis, HAM shall receive as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted. Wrap programs are more suitable for clients who will have active management in their account and transactions will not generally involve transactions where transaction fees are not charged. Asset management services that involve the use of no transaction fee funds and/or a more static management strategy, therefore, infrequent trading, will be more suitable for a non-wrap or unbundled program.
- E. As of December 31, 2020, we have approximately \$225,719,971 of client assets under our discretionary management and \$0 on a non-discretionary basis.

General Information

The investment recommendations and advice offered by HAM are not legal advice or accounting advice. You should coordinate and discuss the impact of financial advice with your attorney and/or accountant. It is necessary to inform HAM promptly with respect to any changes in your financial situation and investment goals and objectives. Failure to notify HAM of any such changes could result in investment recommendations not meeting your needs.

Item 5 - FEES AND COMPENSATION

VISION2020 Wealth Management Platform – Advisor Managed Portfolios Program

We offer Advisor Managed Portfolios as an account where no separate transaction charges apply, and a single fee is paid for all advisory services and transactions ("Wrap Account").

Harrington Asset Management, Inc.

Additionally, we offer Advisor Managed Portfolios with separate advisory fees and transaction charges (“Non-Wrap Account”). As such, in addition to the quarterly account fee described below for advisory services, you will also pay separate per-trade transaction charges.

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event you terminate your client agreement with us within five (5) business days of signing. If you terminate after the first five (5) days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additionally, ancillary fees apply. Please see the Advisor Managed Portfolios Wrap Fee Program Brochure for further details.

Our Advisor Managed Portfolios account fee range schedule is as follows: Your specific fee will be negotiated and agreed upon before your account is established:

Asset Level	Client Fee Range (Min – Max %)
\$0.00 - \$99,999.99	0.250% - 2.500%
\$100,000.00 - \$249,999.99	0.200% - 2.500%
\$250,000.00 - \$499,999.99	0.175% - 2.250%
\$500,000.00 - \$749,999.99	0.150% - 2.000%
\$750,000.00 - \$1,249,999.99	0.125% - 1.750%
\$1,250,000.00 - \$1,999,999.99	0.100% - 1.500%
\$2,000,000.00 - \$4,999,999.99	0.075% - 1.250%
\$5,000,000.00 - \$24,999,999.99	0.050% - 1.250%
Over \$25,000,000.00	0.025% – 1.000%

Vision2020 Wealth Management Platform – Model Portfolios Program

We offer the Model Program as an account where no separate transaction charges apply, and a single fee is paid for all advisory services and transactions (“Wrap Account”).

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional ancillary Model Program fees apply. Please see the Model Program Wrap Fee Program Brochure for further details.

For Genesis portfolios, the minimum initial investment varies by provider. Please see program brochure for details.

Harrington Asset Management, Inc.

The following is the range of fees we charge in the Model Program – minimum to maximum. Your specific fee will be negotiated and agreed upon before your account is established:

Asset Level	Client Fee Range (Min – Max %)
\$0.00 - \$99,999.99	0.250% - 2.500%
\$100,000.00 - \$249,999.99	0.200% - 2.500%
\$250,000.00 - \$499,999.99	0.175% - 2.250%
\$500,000.00 - \$749,999.99	0.150% - 2.000%
\$750,000.00 - \$1,249,999.99	0.125% - 1.750%
\$1,250,000.00 - \$1,999,999.99	0.100% - 1.500%
\$2,000,000.00 - \$4,999,999.99	0.075% - 1.250%
\$5,000,000.00 - \$24,999,999.99	0.050% - 1.250%
Over \$25,000,000.00	0.025% – 1.000%

Financial Planning

Financial planning advice is provided on an hourly fee. The Advisory Representative will generate reports needed to communicate to the client their current position and the financial planning recommendations.

Hourly fees are negotiated and will range between \$125 and \$200 per hour. Client will be billed at the completion of the plan and will write a check payable to Harrington Asset Management, Inc. in payment thereof.

When you receive financial planning services you have the opportunity and option to purchase securities or insurance products offered through Royal Alliance Associates, Inc. (Royal Alliance). Members of our Firm receive commissions as Registered Representatives of Royal Alliance or insurance agents in connection with such transactions. The receipt of compensation as a result of implementation of any recommendations is a conflict of interest. Commissions are higher or lower than what is available through other firms. To mitigate this conflict this disclosure is provided to you and you are encouraged to consult other financial professionals.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with our providing you with financial planning services, or any advisory service that we offer.

Clients have the right to terminate services without penalty, upon written notice prior to commencement of plan documentation preparation. Only that portion of work completed at the time of receipt of written termination notice will be billed to the client.

Additional Fees and Expenses:

Mutual fund investments in the programs that we offer are no-load or load at NAV. Your mutual fund investments are subject to early redemption fees, and mutual fund management fees as well as other mutual fund expenses. These fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details.

Variable annuity companies generally impose internal fees and expenses on your variable annuity investment, including contingent deferred sales charges and early redemption fees. In addition, variable annuity companies generally impose mortality charges of approximately 1.25% annually. These fees are in addition to the fees and expenses referenced above. Complete details of such internal expenses are specified and disclosed in each variable annuity company's prospectus. Please review the Variable Annuity prospectus for full details.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you will incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

In addition to providing advisory services, our Advisory Representatives also sell you securities products and other investment and insurance products in their capacity as registered representatives of Royal Alliance and as licensed insurance agents. We will receive compensation in connection with this activity and the amount of compensation will depend on the type of product purchased.

Retirement Plan Consulting Services

We will bill the Company for Retirement Plan Consulting Services at either a predetermined hourly rate or a fixed fee. The exact fee is negotiated in advance of services rendered and is disclosed in the executed written agreement that we sign with the Company. Fees will be billed quarterly in arrears. In special circumstances, other fee paying arrangements are negotiated.

The written agreement is terminated by us or the Company at any time upon 60 days' prior written notice. Upon termination, we will deliver a final billing statement for unbilled work performed prior to termination, and the Company will have a period of 30 days within which to deliver payment.

Our Retirement Plan Consulting Services fee schedule is as follows:

\$200.00 to \$250.00 per hour
Minimum fee: \$2,500.00

Additional Information

Advisory Representatives of HAM are dually registered representatives of Royal Alliance Associations, Inc. ("Royal Alliance"), a registered broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and SIPC. If you elect to implement investment advice received from HAM through HAM Advisory Representatives, such advice can be implemented on a fee basis through HAM or on a fee and/or commission basis through Royal Alliance. HAM Advisory Representatives will receive a portion of the fee and/or commission. This practice presents a conflict of interest and gives HAM and its Advisory Representatives an incentive to recommend investment products based on the compensation received rather than on a client's needs.

Advisory Representatives in the capacity as a Registered Representatives receive trail commissions (i.e. 12b-1 fees) so long as the client holds those funds and the Advisory Representative remains

registered with a broker/dealer. Load and no-load mutual funds pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from your assets. 12b-1 fees are initially paid to Royal Alliance and a portion passed to the Advisory Representatives. The receipt of such fees represents an incentive for the Advisory Representatives to recommend funds with 12b-1 fees over funds that have no fees or lower fees. As a result, there is a conflict of interest. 12b-1 fees on funds held in a fee based account is refunded to the client and will not be paid to the Advisory Representative.

Registered investment company securities such as mutual funds, and variable products offer the securities in various share classes. Different share classes are priced differently and have varying levels of internal costs and share classes other than institutional share classes will involve higher internal costs that over time will cost you more. Institutional share classes often have higher trading costs, however, the internal costs of the fund are lower. Over a period of time, share classes other than institutional shares will become more expensive if held in the account for a long period time. Consideration needs to be given to several variables including the amount being invested and the length of anticipated holding to make a decision as to the share class most suitable to the client. Please read the disclosures under Item 10 below for important information about the advice and recommendations offered by advisory representatives and registered representatives. Representatives will attempt to select the lowest share class funds available and appropriate to the situation. Further, 12b-1 fees for shares held in fee based accounts will be credited to the client account. When attempt to select the lowest share class, trading costs are sometimes higher. Selecting the lowest share class appropriate to the situation does not imply the lowest cost share class but means what the Representative deems lowest cost for the situation. Representatives consider the anticipated holding period, cost structure, and administrative and transaction costs associated with selecting a share class. However, there is no way to predict the future and there will be occasions where a holding is liquidated sooner or held longer resulting in higher costs to the client. Additional information about share classes can be found in an Investor Alert issued by the Securities and Exchange Commission at <https://www.investor.gov/additional-resources/news-alerts/alerts-bulletins/investor-bulletin-mutual-fund-classes> and <https://www.investor.gov/additional-resources/news-alerts/alerts-bulletins/investor-bulletin-mutual-fund-classes>. Additionally, the SEC and FINRA provides investor information at www.sec.gov and www.finra.org.

You can purchase the securities recommended by HAM directly or through other brokers or agents not affiliated with HAM.

Item 6 - PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

This section is not applicable. HAM does not charge performance based fees.

Item 7 - TYPES OF CLIENTS

The following describes the makeup of our clients:

51 – 75% are individuals (other than high net worth individuals);

- 26 – 50% are high net worth individuals;
- Up to 10% are pension and profit sharing plans (other than plan participants);
- Up to 10% are charitable organizations;
- 11 – 25% are corporations or other businesses not listed above.

The category “individuals” includes trusts, estates, 401(k) plans and IRAs of individuals and their family members, but does not include businesses organized as sole proprietorships.

Item 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis:

When analyzing investments that we deem appropriate for you, we use both Fundamental and Technical Analysis. Fundamental analysis is security analysis grounded in basic factors such as company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Information such as interest rates, GNP, inflation and unemployment are be used to predict the direction of the economy and therefore the stock market. Technical analysis is the practice of using statistics to determine trends in security prices and make or recommend investment decisions based on those trends. Technical analysis focuses on matters such as trade volume, demand, and volatility to help determine the market forces at work on a certain security or on the securities market as a whole.

Stock market, business financial and economic information is obtained from the Internet and through a variety of Internet-based resources, including but not limited to Morningstar Office for both Mutual Funds and Stocks, Marketsmith and Investors Business Daily for Stocks. Additionally, other sources include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases.

Investment Strategies:

Subject to suitability requirements, we generally advise the long-term purchase of mutual funds to our clients. Long-term purchases are typically defined as the purchase of securities held for at least a year.

The investment strategies used by HAM, Inc. to implement any investment advice given to you also include short term purchases (securities sold within a year), trading (securities sold within 30 days), and margin transactions. The method of asset allocation that HAM, Inc. employs includes the following approaches:

Strategic Asset Allocation – uses historical data in an attempt to understand how the asset has performed and is likely to perform over long periods of time. The goal is not to “beat” the market, but to establish a long-term investment strategy using a core mix of assets.

Tactical Asset Allocation – uses periodic assumptions regarding the performance and characteristics of the assets and/or the economy. This approach attempts to improve portfolio performance by making “mid-course” changes in the long-term strategy based on near-term expectations.

Methods of Analysis Risks:

Fundamental Analysis – When using Fundamental Analysis, we generally rely on, among other things, company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Data we review is generally considered reliable, but we cannot guarantee, nor have we verified, its accuracy. In addition, the data that we review is sometimes subjective in nature and open to interpretation. Even if our data and interpretation of the data is correct, there are other factors that determine the value of securities other than those considered in Fundamental Analysis.

Technical Analysis – When using Technical analysis, we review statistics to determine trends in security prices and make our investment decisions based on those trends. This analysis is only used to estimate how an investment will perform short-term.

In addition, this analysis does not take into account, the more fundamental properties of what an investment is worth such as company performance and balance sheet variables which plays a part in determining the value of an investment.

Investment Strategy Risks:

Long-term purchases – Using a long-term purchase strategy generally assumes the Financial Markets will go up in the long-term which is not always the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall Financial Markets advance. Purchasing investments long-term creates an opportunity cost - “lockingup” assets that are better utilized in the short-term in other investments.

Short-term purchases – Using a short-term purchase strategy generally assumes that we can predict how Financial Markets will perform in the short-term which is very difficult. There are many factors that can affect Financial Market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but have a smaller impact over longer periods of times.

Short sales – A short sales strategy is profitable when the price of the security that is “sold short” declines. If you purchase a security, the maximum amount of money you can lose is the value of the investment (the price goes to \$0). If you “sell short” the same security, and the price of the security increases, your potential for loss is unlimited.

Margin – Using margin involves the use of leverage by borrowing money to purchase securities. If the price of the purchased security decreases, you risk losing significantly more money than your initial investment. Further risks are disclosed in the margin agreement you will sign before we engage your account in this activity.

Security Type Risks:

Stocks – Investing in stocks involves the assumption of risk including:

- Financial Risk: which is the risk that the companies we recommend to you perform poorly which will affect the price of your investment.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities we recommend to you with it.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.
- Political and Governmental Risk, which is the risk that the value of your investment changes with the introduction of new laws or regulations.

Bonds – Investing in bonds involves the assumption of risk including:

- Interest Rate Risk: which is the risk that the value of the bond investments we recommend to you will fall if interest rates rise.
- Call Risk, which is the risk that your bond investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.
- Default Risk, which is the risk that the bond issuer is unable to pay you the contractual interest or principal on the bond in a timely manner or at all.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the bond.

Mutual Funds – Investing in mutual funds involves the assumption of risk including:

- Manager Risk: which is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities contained within the mutual funds we recommend to you.
- Industry Risk, which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.
- Inflation Risk, which is the risk that the rate of price increases in the economy deteriorates the returns associated with the mutual fund.

Associated Risks:

When using Fundamental Analysis, we generally rely on, among other things, company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Data we review is generally considered reliable, but we cannot guarantee, nor have we verified its accuracy. In addition, the data that we review is sometimes subjective in nature and open to interpretation. Even if our data and interpretation of the data is correct, there are other factors that determine the value of securities other than those considered in Fundamental Analysis.

When using Technical Analysis, we review statistics to determine trends in security prices and make our investment decisions based on those trends. This analysis aids us to estimate how investment will perform short-term. In addition, this analysis does not take into account, the more fundamental

properties of what an investment is worth such as company performance and balance sheet variables which play a part in determining the value of an investment.

Listed above are some of the primary risks associated with the way we recommend investments to you; please do not hesitate to contact us to discuss these risks and others in more detail.

Investing in securities involves risk of loss that you should be prepared to bear.

HAM does not represent, warrant or imply that the services or methods of analysis used by HAM can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that your goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by HAM will provide a better return than other investment strategies.

Item 9 - DISCIPLINARY INFORMATION

Investment Advisers must disclose any legal or disciplinary events that would be material to your evaluation of HAM or the integrity of our services. There is no reportable disciplinary information required for HAM or its management persons that is material to your evaluation of HAM, its business or its management persons.

Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

- A. As previously stated, Advisory Representatives are dually registered as advisory representatives of HAM and as registered representatives of Royal Alliance. You are under no obligation to purchase or sell securities through your Advisory Representative. However, if you choose to implement the plan, commissions will be earned in addition to any fees paid for advisory services. Commissions are higher or lower at Royal Alliance than at other broker/dealers. Advisory Representatives have a conflict of interest in having you purchase securities and/or insurance related products through Royal Alliance in that the higher their production with Royal Alliance the greater potential for obtaining a higher pay-out on commissions earned.
- B. HAM is not and does not have a related person who is a: futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities. Further, HAM is not and does not have a related person who is: broker/dealer or other similar type of broker or dealer; investment company or other pooled investment vehicle, other investment adviser or financial planner; futures commission merchant or commodity pool operator; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of a limited partnership.
- C. Certain Advisory Representatives are licensed insurance agents and offer insurance products and services through multiple insurance companies. If insurance products or services are

obtained through the Advisory Representatives, commissions will be earned. The receipt of compensation is a conflict of interest. You are not obligated to purchase insurance products or services through Advisory Representatives and the insurance products and services will be higher or lower than the insurance products and services offered through other agents.

HAM attempts to mitigate the conflicts of interest with the receipt of commissions if recommendations are implemented by providing you with these disclosures. Further, you are encouraged to consult other professionals and implement recommendations through other financial professionals.

- D. As stated under Item 4, *Advisory Business* above, HAM recommends other investment advisers and refers clients to advisory platforms sponsored by another investment adviser and will receive a portion of the fee charged to you. Since HAM has an interest in the compensation this is considered a material conflict of interest. There are other third party managers and platforms available and costs and expenses will be higher and lower than the programs offered by HAM.

Item 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING
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We have adopted a Code of Ethics (the “Code”) to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code and to avoid conflict of interest or any abuse of an employee’s position of trust and responsibility;
- The fiduciary principle that information concerning the identity of your security holdings and financial circumstances are confidential; and
- The principle that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request.

HAM and its associated persons buy or sell securities identical to those securities recommended to you. Therefore, HAM and/or its associated persons have an interest or position in certain securities that are also recommended and bought or sold to you. HAM and its associated persons will not put their interests before your interest. HAM and its associated persons may not trade ahead of you or trade in such a way to obtain a better price for themselves than for you or other clients.

Item 12 - BROKERAGE PRACTICES

As described in Item 10, our Advisory Representatives are also Registered Representatives of Royal Alliance, a FINRA registered broker-dealer. In order to meet its FINRA supervisory obligations, Royal Alliance requires that all investment advisory activities that we conduct be processed through Royal Alliance's clearing relationships with Pershing LLC ("Pershing"). As a result, we do not have the discretion to choose the broker-dealer or commission rates to be paid. However, we do believe that Pershing's blend of execution services, commission and transaction costs as well as professionalism will allow us to seek best execution and competitive prices.

HAM does not maintain custody of your assets, although we are deemed to have custody of your assets if you give us authority to withdraw our advisory fee directly from your managed account. Your assets must be maintained in an account at a qualified custodian. Generally, a qualified custodian is a broker/dealer or bank.

Not all investment advisers require you to maintain accounts at a specific broker/dealer. You can maintain accounts at another broker/dealer. However, the services provided by HAM will be limited to only advice and will not include implementation. If you select another brokerage firm for custodial and/or brokerage services, you will not be able to receive asset management services from HAM.

How We Select Brokers/Custodians

We seek to select a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- Ability to service you and us
- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Capability to execute, clear and settle trades (buy and sell securities for your account)
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Technology and educational resources
- Confidentiality and security of your information

There is an incentive for HAM and the Advisory Representatives to recommend a broker/dealer over another based on the products and services that will be received rather than your best interest. Therefore, clients pay commissions higher than those charged by other broker/dealers in return for the products and services received by HAM and/or its Advisory Representatives. The products and services HAM and its Advisory Representatives receive from the broker/dealer or account custodian

will be used to benefit all clients including those clients who elect to maintain their accounts elsewhere.

Royal Alliance also provides Advisory Representatives, and therefore the HAM, with back-office operational, technology, and other administrative support. Other services include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. Such services are intended to help Advisory Representatives and HAM manage and further develop its business enterprise.

From time to time we aggregate your orders with those of other clients in a bunched trade or trades when securities are purchased or sold. For each account that we include in the bunched trade, we must reasonably believe that the bunched order is consistent with our duty to seek best execution and benefit you and each client participating in the aggregated order. The average price per share of each bunched trade is allocated to each account that participates in the bunched trade. Accounts that participate in the same bunched trade are charged transaction costs, if applicable, in accordance with their advisory contracts.

If a bunched order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation. Partial fills will be allocated in a way that does not consistently advantage or disadvantage particular client accounts and are generally filled pro-rata among participating accounts.

Item 13 - REVIEW OF ACCOUNTS

Investment advisory representatives of Harrington Asset Management, Inc. will review the performance of all client investment accounts no less than annually,. The frequency of review is determined by the complexity of the account(s), market activity, and client preference. Investment recommendations are made in light of the clients' identified needs, objectives, and established investment policy as well as the current economic and market conditions.

Reviews will be conducted by your Advisory Representative. You will be provided with your advisory representative's Form ADV Part 2B.

It is important that you notify your Advisory Representative promptly of any changes to your financial goals, objectives or financial situation as such changes require him review the portfolio allocation and make recommendations for changes.

Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION

HAM, Inc. has solicitation agreements with accounting firms for the referral of clients to HAM, Inc.'s Advisory Services, as follows: All solicitors' agreements are in compliance with Rule 206(4)-2 of the Investment Advisers Act of 1940. All clients procured by solicitors will be given full written disclosure describing the terms and fee arrangements between the adviser and the solicitor. The amount of the compensation will be equal to a percentage of the gross fee charged before any

Harrington Asset Management, Inc.

offsets. The fee will be paid quarterly and will continue as long as the solicitation agreement remains in effect. The following organizations have agreements to receive compensation for client referrals:

1. Ronald E. Kopco, CPA
5336 Meadow Lane Court
Sheffield Village, OH 4403
2. Somers Agency, LLC
Lorenzo Gentile & Daniel Kelley
5311 N. Leavitt Rd.
Lorain, OH 44053
3. Tate & Associates, Inc.
Mark Tate
4615 W. Streetsboro Rd., Ste. 203
Richfield, OH 44284

As discussed previously, our Advisory Representatives are Registered Representatives of Royal Alliance. This arrangement requires us to offer you advisory services and programs sponsored or approved by Royal Alliance. Royal Alliance sets limits on how much we can charge you for these advisory services. Some advisory programs have higher fee limits than others. As such, there is an incentive for us to recommend advisory services or programs with higher limits. To mitigate this conflict, we will discuss these types of accounts with you at the time of account opening, provide this disclosure, and you can review all platforms by obtaining a copy of the Form ADV to all programs.

In addition, Royal Alliance offers our Advisory Representatives educational, training and incentive programs for those Advisory Representatives that meet certain sales production goals. However, this does not change our investment process, which is dictated by the client's financial objectives and Risk Tolerance Profile.

We offer two types of Wrap Accounts and the fee for transactions executed in your account are included in your quarterly account fee. We also have incentive to trade your account less often to lessen our transaction fees or to trade your account with certain securities where Royal Alliance reduces or eliminates the transaction charges (such as the FundVest Program mentioned below) to us.

Our Advisory Representatives participate in the FundVest Program, provided by Royal Alliance. In these programs, transaction charges for purchasing securities that participate in these programs are reduced or waived. This provides us with incentive to invest your account in these securities over securities that do not participate in these programs to reduce our transaction costs.

Certain Advisory Representatives receive incentives from Royal Alliance Associates, Inc. in the form of transition or retention loans. Included in the note is the opportunity for loan forgiveness provided the individual achieves production thresholds set by Royal Alliance Associates, Inc. and/or remains registered with Royal Alliance Associates, Inc. for a stated period of time. There is a conflict of interest for the individual to generate business through Royal Alliance Associates, Inc. to sell a product or the fee charged to you in order to achieve the established production thresholds and qualify for loan forgiveness. To mitigate this conflict of interest this disclosure has been provided to you.

Additionally, Royal Alliance Associates, Inc. offers incentives to attend certain conferences based on achieving production thresholds. There is no requirement to sell a certain product or amount of a specific product. Qualification for trips and conferences is based on overall production and meeting the production levels determined by Royal Alliance Associates, Inc. If the thresholds are satisfied, Royal Alliance Associates, Inc. covers certain travel and conference costs. This is a conflict of interest. To mitigate this conflict of interest, this disclosure has been provided to you.

Product vendors recommended by HAM provide monetary and non-monetary assistance with client events, provide educational tools and resources. HAM does not select products as a result of any monetary or non-monetary assistance. The selection of product is first and foremost. HAM's due diligence of a product does not take into consideration any assistance it receives.

Item 15 - CUSTODY

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct your account custodian to deduct our advisory fees directly from your account or if you grant us authority to move your money to another person's account. Additionally, if you have a third party standing letter of authorization and HAM has the ability to change the timing or the amount of the transfer upon your request, we are deemed to have custody. Your account custodian maintains actual custody of your assets. You will receive account statements directly from your account custodian at least quarterly. They will be sent to the email or postal mailing address you provided. You should carefully review those statements promptly when you receive them.

Item 16 - INVESTMENT DISCRETION

We manage your accounts on a discretionary basis upon obtaining your consent. Your consent is typically granted and evidenced in the client agreement that you sign with us. We define discretion as: the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds, with the exception of deduction of our advisory fees from your managed account.

Item 17 - VOTING CLIENT SECURITIES

HAM does not vote your securities. Securities proxies will be sent directly to you by the account custodian or transfer agent. You can contact HAM about questions you have and opinions on how to vote the proxies. However, the voting and how you vote the proxies is solely your decision.

Item 18 - FINANCIAL INFORMATION
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- A. HAM will not require you to prepay more than \$1,200 and six or more months in advance of receiving the advisory service.
- B. As stated above, HAM has discretionary authority over client accounts; however, that authority does not extend to the withdrawal of any client assets, with the exception of deduction of HAM's advisory fees from your accounts. We are financially stable. There is no financial condition that is likely to impair our ability to meet our contract actual commitment to you or any other client.
- C. Neither HAM nor any of its Advisory Representatives has been the subject of a bankruptcy petition.

Item 19 - REQUIREMENTS FOR STATE REGISTERED ADVISERS

This section is not applicable to HAM. HAM is not state registered. HAM is registered with the Securities and Exchange Commission.