

GEM Asset Management, LLC

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Form ADV Part 2A: Firm Brochure

March 9, 2021

This Brochure provides you information about the qualifications and business practices of GEM Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at 734-737-9108. 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.

GEM Asset Management, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about GEM Asset Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

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ITEM 4 – ADVISORY BUSINESS

Firm Description and Principal Owners

GEM Asset Management, LLC (“GEM Asset,” “us,” “our,” or “we”) is a Michigan limited liability company, formed in 2001 by Steve Alexandrowski and has been registered with the SEC since 2007. We are required to disclose the persons owning twenty-five percent (25%) or more of our firm’s membership interests. Steve Alexandrowski, CFP® and S. Timothy Story each own more than twenty-five percent (25%) of our firm’s membership interests.

Our Advisory Services

We provide our clients with continuous and regular investment management services and financial planning, explained in more detail below. In providing these services, GEM Asset acts in the capacity of a fiduciary and, as such, is obligated to place the interests of our clients first at all times.

When we provide investment management or financial planning services to “related” parties (i.e. husband and wife, parent and child, etc.), our services will be based upon the joint goals communicated to us. We will be permitted to rely upon instructions from either party with respect to the services requested, unless and until such reliance is revoked in writing and provided to us. We will not be responsible for any claims or damages resulting from such reliance or from any change in the status of the relationship between the clients. We cannot and will not treat information provided by either party as confidential from the other related party.

Investment Management Services

Prior to engaging us to provide our services you will be required to enter into an investment management agreement with us setting forth the terms and conditions under which we will provide our services. We provide investment management services for clients on a discretionary basis. If you engage us, we will discuss and help to identify your individual financial needs and objectives based upon the general background and financial information you provide to us.

Any limitations or restrictions applicable to your investments or our services must be provided in writing, so please inform us. We will rely on the information you provide to us and will not verify this information when preparing our recommendations. As your financial situation, goals, objectives, or needs change, you must notify us promptly in writing. We will construct the initial investment portfolio and will periodically rebalance the asset allocation in your portfolio subject to any limitations you have provided to us in writing. As described in further detail below in the “**ITEM 16 – INVESTMENT DISCRETION**” section beginning on page 15, we manage your accounts on a discretionary basis, which means that we determine the securities to buy and sell for your account without obtaining your specific consent prior to each transaction.

Financial Planning Services

We offer investment management as our primary service, but the firm also provides financial planning. If you engage us to provide personal financial planning advice, we will enter into a financial planning agreement with you. We will outline the terms and conditions of our engagement and describe our fee and scope of our services. Generally, clients will select from our services and we will make recommendations regarding income planning, education funding, investment advisory services for “assets held away,” insurance planning, retirement planning, tax planning, estate management and wealth transfer, philanthropy, and budgeting and cash flow planning. Our financial planning agreement will conclude at the presentation of a written financial plan to you and full payment by you to us for our fees.

Initially, we consult with you to gather information about your current financial situation, income and expenses, taxes, estate plan, objectives, needs and goals, and any special or particular circumstance unique to you. After analyzing your individual circumstances and objectives, we present our recommendations to you in writing. When we provide financial planning services, we will rely on the information you provide to us. We will not verify this information when preparing our recommendations.

As part of your financial plan, we may recommend other services we offer or the services of other professionals to implement our recommendations. While recommending our own services presents a conflict of interest, you are under no obligation to act upon any of our recommendations and you are not required to engage the services of any recommended professional, including us as an investment manager. You retain absolute discretion over all financial planning implementation decisions and may accept or reject any of our recommendations.

Assets Under Management

As of December 31, 2020, we managed \$340,267,896 on a discretionary basis.

Item 5 – Fees and Compensation

Investment Management Fee Schedule

Although the fees for our services may be negotiated under certain circumstances, our standard fee schedule is as follows:

Assets Under Management	Annual Percentage Fee
First \$3 Million	0.80%
Amounts above \$3 Million	0.50%

Our fee is billed in arrears on a quarterly basis, based upon the market value of all of the assets, including cash and cash equivalents, as of the last trading day of each calendar quarter. We will rely upon the valuations provided by your custodian without independent verification.

For new clients we pro-rate the fee for your first quarter based on the number of calendar days from the date of the initial contribution to the end of the quarter. When assets are deposited or withdrawn from your account after the initial quarter, we do not adjust or pro-rate our fee with respect to such assets based on the number of days remaining in the quarter.

We reserve the right to negotiate our fee, at our sole discretion. Negotiated fees may be higher or lower than those described in this Brochure. In these circumstances, we will establish the negotiated fee schedule in your investment management agreement. We may change our fees at any time and we always have the right to amend our fees to be lower than the fees set forth above. Any changes will only become effective after 30-days prior written notice unless you terminate our agreement.

Because we are compensated based on the total value of assets we are managing for you, a conflict arises whenever you seek advice from us that would reduce the assets under our management - because reducing the assets under our management will, in turn, reduce our fees. For example, if you withdraw funds to pay off a home mortgage, our investment management fees will be reduced.

Financial Planning Fee Schedule

We charge a flat fee for financial planning services, depending on the plan complexity. The range for the fees charged is from \$1,000 to \$6,000. The fee is due in full when we deliver our written report. We will not charge planning fees to clients who have a current investment management agreement with us. Planning clients who subsequently sign an investment management agreement with us would have the planning fee credited against their initial management fee.

All financial planning fees quoted are for services rendered by us and do not include additional fees you may incur when you work with other professionals like your attorney or accountant.

Payment Methods

You may elect to be billed directly for our fees, or elect to authorize us to directly debit fees from your account. Generally, our clients authorize us under the investment management agreement to deduct our fees directly from their account. If you provide us such authorization, the custodian's periodic statements will show each fee deduction from your account. You may withdraw this authorization for direct billing of these fees at any time by notifying your custodian or us in writing. Fees paid directly by check are due within 10 days of receipt of the fee invoice. If you engage us for financial planning services, we bill you directly, our fee is due and payable by check within 10 days of receipt of the fee invoice.

Transaction Fees and Other Expenses

Mutual funds and exchange traded funds ("ETFs") we may use typically charge their shareholders various advisory fees and expenses associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. We generally use a combination of no-load retail and institutional class mutual funds which may or may not have transaction fees. When selecting a fund, we will consider a variety of factors including its expense ratio and other factors that may vary depending on the client. Based upon these and other considerations, in some instances we may choose a no-load share class having higher on-going expenses over an institutional share class that imposes transaction fees but has a lower on-going expense ratio. Our share class selections are based upon then available information and circumstances, which may later turn out differently for many reasons beyond our control, including your changing investment objectives, financial needs, or time horizon. We receive no portion of these additional charges, fees and commissions which are not included in our fee. Each fund's current prospectus discloses these separate fees and expenses. A copy of the prospectus is available from the fund.

Consequently, for any type of fund investment, it is important for you to understand that you are directly and indirectly paying two levels of advisory fees and expenses: one level of fees to the fund and one level of advisory fees to us. Most mutual funds may be purchased directly, without using our services and without incurring our advisory fees.

In addition to our fee, you may incur other fees and charges not directly related to the execution and clearing of transactions imposed by third-parties, including, but not limited to, transfer taxes, wire transfer and electronic fund fees, check writing fees, custodial termination fees, and other fees and taxes on brokerage accounts and securities transactions. We do not receive any compensation from these fees or commissions.

Termination of Agreement

Our investment management agreement may be terminated, without cost or penalty, within the first five business days after the date on the agreement. Thereafter, you may terminate the agreement at any time by giving one business days' prior written notice, and we may terminate the agreement at any time by providing you one business days' prior notice. In the event of termination, fees are calculated on a pro-rata basis, according to the terms of the investment management agreement. Termination of our agreement shall not affect liabilities or obligations incurred from transactions initiated under our agreement prior to the termination date, such as the purchase of investments by us for your account. You are responsible for any cost incurred in transferring assets from your account to a different account and any management fees accrued and unpaid at the time of termination. After the termination date, we shall have no further duties or obligations to you under our agreement.

You may terminate the financial planning agreement at any time by providing us written notice to terminate, and we may terminate the agreement at any time by providing you notice. We waive all financial planning fees if you terminate the financial planning agreement prior to our completion of the financial plan.

Additional Information on Compensation

Neither GEM Asset Management, LLC, nor our employees receive any compensation for sales of securities or investment products, including asset-based sales charges, commissions, service fees or price markups. We believe this practice would represent a conflict of interest between the firm and our clients by giving an incentive to recommend investments based on compensation received, rather than on clients' needs. Accordingly, GEM Asset earns 100% of our revenues from investment management and financial planning fees.

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

We do not charge any performance-based fees (fees based on a share of client assets' capital gains or appreciation).

Item 7 – Types of Clients

We provide investment management services to individuals, high net worth individuals, pension and profit sharing plans, charitable institutions and foundations. We do not have a minimum account size.

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

Methods of Analysis

We do not typically select individual stocks or bonds for clients. Rather, we rely on global asset allocation. We identify mutual funds or exchange traded funds that are low cost, low turnover and widely diversified. Through our own analysis we also identify active managers in what we believe are less efficient parts of the market such as emerging markets and alternative assets classes such as long/short or managed futures. We typically use both active and passive bond mutual funds.

Investment Strategies

GEM Asset employs multiple investment strategies, such as capital preservation, income, growth or a combination of growth and income. We believe in globally diversified portfolios as the primary investment strategy. The percent of bonds, equity and alternative funds are determined by each client's objectives, income needs and tax situation. The client may change these objectives at any time.

Risk of Loss

Investors bear certain risks in all investment programs. Our approach identifies and seeks to address these risks. We place particular emphasis on constantly assessing and balancing the various risk types in clients' portfolios. We try to determine which risks are acceptable for a client given their goals and objectives, and which risks do not offer sufficient returns to be included in the strategy. Investors face the following investment risks:

Interest-rate Risk: Investment prices can reflect fluctuations in interest rates. For example, when interest rates rise, the value of fixed-income securities generally declines and the value of certain equity securities may be adversely affected. Similarly, portfolios that hold fixed-income securities are subject to the risk that the portfolio's income will decline when interest rates fall.

Market Risk: A security's or fund's price may drop in reaction to tangible and intangible events or conditions. Independent factors, external to a security's underlying circumstances cause this risk. For example, political, economic, and social conditions may trigger market events.

Inflation Risk: When any type of inflation is present, a dollar in the future will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.

Capitalization Risk: Small-cap and mid-cap companies have historically been more volatile than the stocks of larger, more established companies. Common challenges include limited resources or less diverse products or services than larger companies.

Reinvestment Risk: Investment proceeds may have to be reinvested at a lower rate of return than the original investment earned (i.e. interest rate). This primarily relates to fixed income securities.

Business Risk: These risks associate with a particular industry, or a company's operation within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Performance of Underlying Managers: We select the mutual funds and ETFs in the client's portfolios. However, we depend on the underlying manager of such funds to select individual investments in accordance with their stated investment strategy and on their decisions regarding the allocation of the fund's assets.

Exchange-Traded Funds: ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to liquidity risk and/or the fund's shares trading at either a premium or a discount to its "net asset value".

Financial Risk: Excessive borrowing to finance a business' operations increases the risk to profitability, because the company must meet the terms of our obligations in good times and bad. During financially stressful periods, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

The previously mentioned risks will vary for each type of investment; therefore, we will diversify your account in an attempt to mitigate those risks. Nevertheless, diversification alone cannot eliminate the possibility of significant price declines. We will work with you to attempt to identify the balance of risk and reward that is appropriate and comfortable for you. However, it is still your responsibility to ask questions if you do not fully understand the risks associated with any investment or investment strategy.

In addition, while we strive to render our best judgment on your behalf, many economic and market variables beyond our control can affect the performance of your investments and we cannot assure you that your investments will be profitable or assure you that losses will not occur in your investment portfolio. Past performance is one relatively important consideration with respect to any investment or investment advisor, but it is not a predictor of future performance.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the firm's evaluation or our management's integrity. These disclosures would include, but are not limited to, criminal or civil actions, administrative proceedings with the SEC or other federal, state or foreign regulatory agency, or any self-regulatory organization. GEM Asset Management, LLC has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

We must disclose information regarding our business activities, other than giving investment advice, our other activities in the financial industry, and any arrangements with related persons that are material to you or our advisory business. We have no applicable information to disclose. We are also required to disclose if we receive cash or other economic benefits when recommending or selecting third-party investment advisers in connection with advising you. We do not utilize or select other investment advisers to manage client assets.

Item 11 – Code of Ethics

As a registered investment advisor, we adopted and have subsequently amended our Code of Ethics (the "Code"). The Code sets forth the standards of business conduct that we expect all members and employees ("Covered Persons") to follow including our fiduciary duty to act in our clients' best interest. The Code also describes certain reporting requirements with which particular Covered Persons must comply. All Covered Persons must acknowledge the Code's terms, within ten days of hire and as amended.

Our Code addresses a range of topics, including client confidentiality, prohibitions against using insider information, participation in initial public offerings and private securities transactions and other situations where there is a possibility for conflicts of interest. The Code also includes provisions relating to restrictions on accepting significant gifts and reporting certain other gifts and business entertainment items, as well as personal securities trading procedures, and other matters. We encourage our Covered Persons to report Code violations to our Chief Compliance Officer.

Copies of the GEM Asset Management, LLC Code are available upon request free of charge by contacting Steve Alexandrowski at 734-737-9108 or Steve@GEMAsset.net.

Participation or Interest in Client Transactions

Our Covered Persons will often own the same securities we recommend to you or our other clients. Generally, these securities will be shares of open-ended mutual funds, ETFs and/or stocks actively traded on a national securities exchange or market where the time and size of their purchases or sales will not affect transactions for you or our other clients. If we do recommend the purchase or sale of a thinly traded security to you, we will ensure that our Covered Persons' transactions do not adversely affect you nor improperly benefit them. Steve Alexandrowski monitors our Covered Persons' trading under our Code to prevent conflicts of interest between our clients and us.

Item 12 – Brokerage Practices

Directed Brokerage & Soft Dollars

We recommend and have established a relationship with Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, for custodian and brokerage services. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you.

We seek to recommend 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:

- 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, etc.)
- breadth of investment products made available (stocks, mutual funds, exchange traded funds (ETFs), etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services

- competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below (see "Products and Services Available to Us from Schwab")

Our recommendation that clients maintain their assets in accounts at Schwab may be influenced, in part, on the availability of some of the products and services mentioned in this Item which creates a potential conflict of interest. Not all independent investment advisers recommend that their clients use a particular broker.

We do not participate in any specific soft-dollar arrangements with Schwab or any other third party, to use client transaction commissions to cover the expenses for research or other services. Such specific soft-dollar arrangements could create an incentive to trade more frequently, or direct trading without regard to favorable execution or commission rates.

Your Custody and Brokerage Costs

For our clients' accounts Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades may not incur Schwab commission or transaction fees (for example ETFs and Schwab mutual funds). Schwab is also compensated by earning interest on the uninvested cash in your account. Schwab negotiates the commission rates applicable to our client accounts based on several factors including our commitment to maintain assets at Schwab, profitability, competitive pressures and client needs. This commitment benefits you because the overall commission rates you pay are lower than they would be if we had not made the commitment. You may pay commissions in excess of those that another broker may charge for transactional services alone, in recognition of the additional services provided. We are not required to select the broker that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers. Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed in this Item 12 – Brokerage Practices.

Products and Services Available to Us from Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with

access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business.

Services that May Not Directly Benefit You.

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and if requested, allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data; and
- facilitate payment of our fees from our clients' accounts.

Services that Generally Benefit Only Us.

Schwab also makes available products and services that benefit us, but do not benefit our clients' accounts. These services may include business consulting, conferences on practice management, regulatory compliance and marketing, and are intended to help us manage and further develop our business enterprise. Schwab may provide some of these services itself. In other cases, Schwab arranges for third-party vendors to provide the services to us. Schwab may discount or waive its fees for some of these services or pay all or a part of a third party's fees. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate, our recommendation of Schwab as custodian and broker is in the best interest of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only us.

Trade Aggregation

Investment advisers may aggregate the purchase or sale of securities for various client accounts for their administrative convenience and, in some transactions, to obtain better

execution for the aggregated order than might be achieved by processing each of the transactions separately. We do not normally aggregate securities' purchases or sales for our clients. Open-ended mutual fund transactions placed on the same day receive the same executions, and transactions involving individual securities are usually unique to the client and not traded across multiple accounts at the same time. A consequence of not aggregating your order with other orders for the same security is that you may not obtain as good an execution price in a separate transaction as clients whose orders have been aggregated.

Item 13 – Review of Accounts

Account reviews are performed by Steve Alexandrowski, S. Timothy Story, David Lindley, Lisa Carey and Steven Renaldi at least quarterly for our investment management clients. Account reviews are performed more frequently when market conditions dictate. Other conditions that may trigger a review are changes in tax laws, new investment information, and changes in a client's own situation. Reviews are also triggered by a change in our investment outlook or opinion of the risks and returns expected with a specific investment or asset class.

Client Reports

If you are an investment management client the reporting and meeting frequency is individually negotiated with each client and usually includes performance reports, asset allocation reports along with recommendations for any changes. You also receive statements directly from your custodian at least quarterly stating the current balance in each account and any activity that has occurred during the reporting period, including asset management fees paid from your account to us. As described in more detail in "**ITEM 15 – CUSTODY**" beginning on page 15, we urge you to review your statements.

If you are a financial planning client, we provide you with a written report summarizing our analysis and conclusions as agreed to by us in writing. If you utilize our financial planning services, we provide our recommendations upon completion of your project.

Item 14 – Client Referrals and Other Compensation

Third-Party Solicitors

GEM Asset has been fortunate to receive client referrals over the years from clients, attorneys, accountants, employees, friends and other similar sources. GEM Asset does not compensate any third party for referrals, nor does it accept any fees or remuneration from other professionals when referring a client or prospect. Further, GEM Asset does not receive any

economic benefit from third parties for providing investment advice to our clients, such as sales awards or prizes.

Employees

We have an agreement with some of our employees in which we pay those employees a percentage of assets under management for soliciting and/or servicing our clients. You will not receive a separate solicitor brochure with respect to this activity. Our employees are paid out of the normal and customary fee schedule charged by us, which does not result in an increase of our fee to you.

Item 15 – Custody

We do not maintain custody of client assets. Rather, each client appoints a qualified custodian to take possession of all client funds and securities. We do not accept cash or securities. We have procedures in place to direct employees regarding the inadvertent receipt of any client funds or securities. Nevertheless, we are deemed to have custody when we are authorized, by the client, to directly debit our advisory fees from the client's custodian account. We are also deemed to have custody when a client establishes a letter of instruction or other asset transfer authorization arrangement with their qualified custodian, authorizing us to disburse funds to one or more third parties specifically designated by the client.

You will receive statements from the qualified custodian that holds and maintains your investment assets at least quarterly. Our statements may vary from custodial statements due to items such as the timing of posting and settlement of transactions, reporting dates, or valuation methodologies of certain securities. You should notify us promptly if you do not receive statements from all your account custodian(s) on at least a quarterly basis. We urge you to carefully compare the account balances and positions contained in the official custodial records to the balances reflected on your statement received directly from us, as described in the “**ITEM 13 – REVIEW OF ACCOUNTS**” beginning on page 14. If you have any questions or believe there are inconsistencies with these statements, please contact us or the account custodian.

Item 16 – Investment Discretion

We generally receive discretionary authority in writing from clients at the outset of an advisory relationship in the investment management agreement. If you choose to give us discretionary authority, you grant us the ability to determine, without obtaining your specific consent, the securities to purchase or sell for your portfolio, and the amount of securities to be purchased or sold. In all cases, however, such discretion is to be exercised in a manner

consistent with your stated investment objectives for your account and by considering the size of your account and your risk tolerance.

In addition, you may sign an agreement with your custodian, which generally includes a limited power of attorney granting us authority to direct and implement the investment and reinvestment of your assets within your account, but not direct the assets outside of your account.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, we do not have, and will not accept, any authority to vote proxies on advisory clients' behalf. Clients retain the responsibility for receiving and voting proxies from their custodian or transfer agent for any and all securities maintained in their portfolios. We do not provide advice to clients regarding proxy voting.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and have not been the subject of a bankruptcy proceeding.

GEM Asset Management, LLC applied for and received a loan in the principal amount of \$103,000.00 under the Paycheck Protection Program (PPP) authorized pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The PPP is a forgivable loan available to businesses who, because of the current and continuing economic uncertainty, desire to retain and continue paying employees and so use the loan to support ongoing operations. Like thousands of small businesses who have been adversely impacted by the pandemic, we took advantage of the CARES Act's support and obtained a forgivable PPP loan in order to meet these extraordinary operational and financial challenges resulting from the coronavirus pandemic. We intend to use the proceeds of the PPP loan to pay for salaries.