

**Brochure**

**Form ADV Part 2A**

**Item 1 - Cover Page**

**Founders Capital Management, LLC**

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March 15, 2021

This brochure provides information about the qualifications and business practices of Founders Capital Management, LLC ("Founders or "Adviser"). If you have any questions regarding the contents of this Brochure, please contact us at 860-308-0061 or via electronic mail, to Patrick A. Terrion at [patt@foundcapital.com](mailto:patt@foundcapital.com). 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. Founders 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 with which you may determine to hire or retain an adviser. Additional information about Founders is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This item discusses specific material changes to the Founders Capital Management, LLC brochure.

Pursuant to current SEC Rules, Founders Capital Management, LLC will file any changes to its Form ADV within 90 days of the close of its fiscal year. Founders Capital Management, LLC will amend its brochure within 30 days of any material changes throughout the year. A summary of any material changes to our disclosures are stated below. The firm will provide or offer to provide clients with an updated brochure without charge within 30 days of filing an amended Form ADV.

Since the date of its last update (March 26, 2019) Founders Capital Management, LLC has had no material changes to this disclosure brochure.

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## Item 4 – Advisory Business

Founders, which has been in business since November 2001, offers the services described below primarily to individuals, pension and profit-sharing plans, trusts, estates or charitable organizations and corporations or other business entities. The principal owners of the firm are Patrick A. Terrion, Portfolio Manager, Chief Compliance Officer and Portfolio Manager and Howard E. Case, Business Development Officer.

### **Portfolio Management Services**

Founders provides investment advisory services, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, Founders develops a client's personal investment policy and creates and manages a portfolio based on that policy. Founders manages advisory accounts on a discretionary or a non-discretionary basis.

Founders classifies client portfolios in several categories, ranging from up to 100% fixed income (Conservative Income Portfolio) to up to 100% Equities (Aggressive Growth). Portfolio categorizations are determined on the basis of a questionnaire completed by clients which addresses issues of risk tolerance, age, when the client will begin making withdrawals from the portfolio and related issues. Founders will create a portfolio consisting of one or all of the following, as appropriate: individual equities, bonds, other investment products, and no-load or load-waived mutual funds. Founders will allocate the client's assets among various investments taking into consideration the overall management style selected by the client.

Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Thus, Founders may accept clients that request restrictions on investing with respect to certain types of securities as a result of religious, ethical, environmental concerns and/or other reasons, for example, no fixed income, "sin stocks" or financial services companies. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of Founders.

As of December 31, 2020 Founders managed assets totaling \$474,473,299 of which \$373,532,100 was discretionary and \$100,941,199 was non-discretionary.

## Item 5 – Fees and Compensation

### Portfolio Management Services

The annual fee for portfolio management services is calculated based on the type of investment. Equity portfolios will be charged as a percentage of assets under management, at 1% on equity investments held in the account. The annual fee for portfolio management services involving fixed income portfolios will be charged as a percentage of assets under management at .75% on fixed-income investments held in the account. There is one legacy account that was provided a 10% discount on these stated fees.

The annual fee for portfolio management services involving U.S. Treasury and equivalent investments will be charged as a percentage of assets under management, at .25% on the U.S. Treasury and equivalent investments held in the account. There is no annual fee for cash balances in the account. For clients whose investment objective is in some way balanced between fixed income and equity securities, the total fee will be adjusted within the fee ranges above. Also, one legacy client was given a 10% legacy asset discount due to amount of his legacy assets.

Adviser also requires a minimum annual administrative fee of \$100 per account, which may be waived at Adviser's sole discretion. Fees are subject to negotiation based on asset size and legacy securities, and will be agreed upon at the inception of the relationship.

A minimum of \$100,000 of assets under management is required for portfolio management services. This account size may be negotiable for related accounts and under certain circumstances.

Clients will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous calendar quarter.

## **Termination of Client Accounts**

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

## **Payment of Advisory Fees**

Clients may select to have their fees directly debited from their account or select to be billed directly. The specific manner in which fees are charged by Founders is described in a client's written agreement with Founders.

Founders' fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers and other third parties such as fees charged by custodians, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. All fees paid to Founders for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus and will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund directly, without the services of Founders. In that case, the client would not receive the services provided by Founders which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by Founders to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. Founders shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Founders considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

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

Founders does not have any performance-based fee arrangements. “Side by Side Management” refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because Founders has no performance-based fee accounts, it has no side-by-side management.

## **Item 7 – Types of Clients**

Founders clients consist of individuals, high net worth individuals and charitable organizations.



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

### Methods of Analysis and Investment Strategies

In accordance with the investment policy developed for each client, Founders will primarily invest in common stocks and individual bonds. In smaller accounts, Founders may augment the client portfolio with ETFs and/or mutual funds for diversification purposes. Clients may also have legacy positions in mutual funds or ETFs (exchange traded funds), which may be held for a period of time for tax reasons.

In evaluating stocks, Founders assesses equity investments in publicly-traded companies using the same approach we would use to evaluate the purchase of an entire business - by looking for understandable, well managed, and competitively advantaged businesses that are selling at prices well below their value to a private owner. Our process is grounded in fundamental, bottom-up analysis. In the recent macroeconomic environment, however, we evaluate all investment opportunities from a top-down perspective as well.

Founders seeks to invest in companies that will provide clients a “fair return” over a long period of time. “Intrinsic value” is the cornerstone of Founders’ investment philosophy. The intrinsic value of a business is equal to the discounted value-free cash flow of a business over a defined time frame. Since estimates of future profits, capital requirements, and growth rates are imperfect, we believe that intrinsic value is a useful tool only when the value of a business can be determined with a high degree of probability. Therefore, Founders, focuses on businesses that, in our opinion, have relatively predictable parameters. Founders builds client portfolios from the bottom up applying the above criteria. We normally invest in 20 to 30 securities for a client, generally limiting investments to common stock holdings that meet our criteria at the time the portfolio is established.

Founders invests in fixed-income instruments using a similar approach as with common stocks. Our primary goal is to protect principal; however, as mentioned above, there is a risk that a client may experience losses.

In the current sensitive credit environment, Founders’ strategy is to avoid securities that have doubtful future revenue streams or that rely on layered insurance to attract investors. We also endeavor to avoid longer-term, fixed-income investments, which are more sensitive to rising interest rates. Anticipating that interest rates and default rates could rise in the future - perhaps significantly - we endeavor to allocate money to short-duration (one to ten years), fixed-income securities. Although we are mindful of the rating agencies’ evaluation of fixed-income credit, we continue to evaluate each fixed-income investment from a business perspective and to complete our own due diligence and credit analysis. We attempt to avoid any speculative investment activity and instead focus on finding what we believe are the best-yielding securities and of understanding the risks we are taking with each individual fixed-income allocation.

Founders’ strategic approach is to invest each portfolio in accordance with the investment policy that has been developed specifically for each client. This means that the following strategies may be used in varying combinations over time for a given client, depending upon the client’s individual circumstances.

Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Trading – generally considered holding a security for less than thirty (30) days.

Options Trading/Writing: a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the exercise of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

## **Material Risks**

Investing in securities involves risk of loss that clients should be prepared to bear. The list of risk factors below is not a complete enumeration or explanation of the risks involved in portfolios managed by Founders or the securities in those portfolios.

### ***General Risks***

Management and Strategy Risk. The ability of a portfolio to meet its investment objective is directly related to Founders' investment strategies for portfolios. The investment process used by Founders could fail to achieve client investment objective and cause investments to lose value.

Market Sector Risk. Founders' investment strategy may result in significantly over or under exposure to certain industries or market sectors, which may cause a portfolio's performance to be more or less sensitive to developments affecting those industries or sectors.

Non-Diversification/Concentration. In certain cases, client accounts may be concentrated in a small number of issuers. Accordingly, a client's portfolio may be subject to more rapid change in value than would be the case if Founders elected not to concentrate on certain issuers or maintained a wider diversification among industries, geographic areas, types of investments and issuers.

Options Risk. A small investment in options could have a potentially large impact on an investor's performance. The use of options involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is the risk that a hedging technique will fail if changes in the value of a derivative held by an investor do not correlate with the securities being hedged.

### ***Equity Securities***

Equity Risk. The value of the equity securities held by client portfolios may fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by client portfolios participate, or factors relating to specific companies in which portfolios invest. The stock market has been subject to significant volatility recently which has increased the risk associated with certain equity investments. Common stock may decline in price if its issuer fails to make anticipated dividend payments because, among other reasons, the issuer of the security experiences a decline in its financial condition. In addition, while broad market measures of common stocks have historically generated higher average returns than fixed income securities, common stocks have also experienced significantly more volatility in those returns.

## ***Fixed Income Securities***

**Interest Rate Risks.** Prices of fixed income securities rise and fall in response to changes in the interest rate paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. Interest rate changes have a greater effect on the price of fixed income securities with longer maturities.

**Credit Risks.** Credit risk is the possibility that an issuer or counterparty will default on a security or repurchase agreement by failing to pay interest or principal when due. If an issuer defaults, the client's portfolio holding securities of that issuer may lose money. Lower credit ratings correspond to higher credit risk. Bonds rated BBB or Baa or lower have speculative characteristics.

**Call Risks.** If the fixed income securities in which a portfolio managed by Founders invests are redeemed by the issuer before maturity (or "called"), the portfolio may have to reinvest the proceeds in securities that pay a lower interest rate, which may decrease the portfolio's overall yield. This will most likely happen when interest rates are declining.

**Liquidity Risks.** Liquidity risk refers to the possibility that the client's portfolio may not be able to sell or buy a security or close out an investment contract at a favorable price or time. Consequently, the portfolio may have to accept a lower price to sell a security, sell other securities to raise cash or give up an investment opportunity, any of which could have a negative effect on the portfolio's performance. Infrequent trading of securities also may lead to an increase in their price volatility.

**Government Obligations Risks.** No assurance can be given that the United States government will provide financial support to United States government-sponsored agencies or instrumentalities where it is not obligated to do so by law. As a result, there is risk that these entities will default on a financial obligation.

## **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 your evaluation of the Adviser or the integrity of its management. Founders has no applicable disciplinary information.

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

Howard Case, a Founders principal, is also a practicing CPA and works with the accounting firm Quinn and Company, LLC which acquired Case, Corrado, Yazmer & Co., P.C. previously owned by Howard Case. As such, Quinn and Company may recommend Founders to accounting clients in need of Founders' services. Founders may recommend Quinn and Company to Founders' clients in need of accounting services. Accounting services provided by Quinn and Company are separate and distinct from the advisory services of Founders, and are provided through separate compensation arrangements from those for advisory clients. There are no referral fee arrangements between Founders and Quinn and Company for these recommendations. No Founders' client is obligated to use Quinn and Company for these recommendations. Quinn and Company's accounting services do not include the authority to sign checks or otherwise disburse funds on any Founders' advisory client's behalf.

## Item 11 – Code of Ethics

### Code of Ethics and Personal Trading

Founders has adopted a Code of Ethics (“the Code”), which has several goals. First, the Code is designed to assist Founders in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, Founders owes a fiduciary duty to its clients. Pursuant to the fiduciary duty rule, the Code requires persons associated with Founders (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for Founders’ associated persons. Under the Code’s Professional Standards, Founders expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Founders’ associated persons are not to take inappropriate advantage of their positions in relation to Founders’ clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time Founders’ associated persons may invest in the same securities recommended to clients. Under its Code, Founders has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code’s personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

### Participation or Interest in Client Transactions

Because associated persons may invest in the same securities as those held in client accounts, Founders has established a policy requiring its associated persons to pre-clear transactions in some types of securities with the Chief Compliance Officer. The goal of this policy is to avoid any conflicts of interest that arise in these situations. Some types of securities, such as CDs, treasury obligations and open-end mutual funds are exempt from this pre-clearance requirement. However, in the event of other identified potential trading conflicts of interest, Founders’ goal is to place client interests first.

Consistent with the foregoing, Founders maintains policies regarding participation in initial public offerings (“IPOs”) and private placements to comply with applicable laws and avoid conflicts with client transactions. If a person associated with Founders wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

The full text of the Code is available upon request by contacting the CCO, Patrick Terrion, at 860-308-0061 or via electronic mail at [patt@foundcapital.com](mailto:patt@foundcapital.com).

## Item 12 – Brokerage Practices

### Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, Founders seeks “best execution” for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, Founders may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of Founders’ clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

Founders recommends that clients establish brokerage accounts with Charles Schwab & Co., Inc. (“Schwab”), a FINRA registered broker-dealer, member SIPC, as the qualified custodian to maintain custody of clients’ assets. Founders will also effect trades for client accounts at Schwab, or may in some instances, consistent with Founders’ duty of best execution and specific agreement with each client, elect to execute trades elsewhere. Although Founders recommends that clients establish accounts at Schwab, it is ultimately the client’s decision to custody assets with Schwab. Founders is independently owned and operated and is not affiliated with Schwab.

Schwab Advisor Services provides Founders with access to its institutional trading, custody, reporting and related services, which are typically not available to Schwab retail investors. Schwab also makes available various support services. Some of those services help Founders manage or administer our clients’ accounts while others help Founders manage and grow our business. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them. These services are not soft dollar arrangements, but are part of the institutional platform offered by Schwab. Schwab’s brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Founders’ client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Advisor Services also makes available to Founders other products and services that benefit Founders but may not directly benefit its clients’ accounts. Many of these products and services may be used to service all or some substantial number of Founders’ accounts, including accounts not maintained at Schwab.

Schwab’s products and services that assist Founders in managing and administering clients’ accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide pricing and other market data; (iv) facilitate payment of Founders’ fees from its clients’ accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help Founders manage and further develop its business enterprise. These services may include: (i) technology compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii)

access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Founders. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Founders. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of Founders' personnel. In evaluating whether to recommend that clients custody their assets at Schwab, Founders may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

## **Trade Aggregation**

Founders will enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This method permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. It allows Founders to execute trades in a timely, equitable manner, and may reduce overall costs to clients

Founders will only aggregate transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients, and is consistent with the terms of Founders' Investment Advisory Agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all Founders' transactions in a given security on a given business day. Transaction costs for participating accounts will be assessed at the custodian's commission rate applicable to each account; therefore, transaction costs may vary among accounts. Accounts may be excluded from a block due to tax considerations, client direction or other factors making the account's participation ineligible or impractical.

Founders will prepare, before entering an aggregated order, a written statement ("Allocation Statement") specifying the participating client accounts and how it intends to allocate the order among those clients. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement. If the order is partially filled, it will generally be allocated pro-rata, based on the Allocation Statement, or randomly in certain circumstances. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment, and the reason for different allocation is explained in writing and is approved by an appropriate individual/officer of Founders. Founders' books and records will separately reflect, for each client account included in a block trade, the securities held by and bought and sold for that account. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement, and Founders will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation.

Founders will also direct trading in individual client accounts as and when trades are appropriate based on the client's investment policy, without regard to activity in other client accounts.



## Item 13 – Review of Accounts

### **Portfolio Management Services**

While the underlying securities within Portfolio Management Service accounts are continuously monitored, these accounts are reviewed by Patrick A. Terrion, a Founders principal, at least quarterly for cash balance and performance reviews, and at least annually for any rebalancing. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment, as well as specific events such as corporate restructuring, changes in a company's core business plan, litigation and risk associated with corporate takeovers.

In addition to the monthly statements and confirmations of transactions that Portfolio Management Service clients receive from their custodian, Founders will provide written quarterly account reports containing a portfolio appraisal, current versus target asset allocation plan, and account performance information.

## Item 14 – Client Referrals and Other Compensation

As noted above, Founders receives an economic benefit from Schwab in the form of support products and services it makes available to Founders and other independent investment advisors whose clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described in **Item 12 - Brokerage Practices**. The availability of Schwab's products and services to Founders is based solely on our participation in the programs and not in the provision of any particular investment advice.

As discussed in **Item 10 - Other Financial Industry Activities and Affiliations**, Howard Case, a Founders principal, is a practicing CPA and works with Quinn and Company, LLC. He refers Quinn and Company accounting clients in need of investment management services to Founders.

Neither Schwab, Howard Case, nor any other party received compensation for referring clients to Founders.

## Item 15 – Custody

Schwab is the custodian of nearly all client accounts at Founders. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify Founders of any questions or concerns. Clients are also asked to promptly notify Founders if the custodian fails to provide statements on each account held.

From time to time and in accordance with Founders' agreement with clients, Founders will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the quarterly account statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

## Item 16 – Investment Discretion

As described in **Item 4 - Advisory Business**, Founders will accept clients on either a discretionary or non-discretionary basis. For *discretionary accounts*, a Limited Power of Attorney (“LPOA”) is executed by the client, giving Founders the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. Founders then directs investment of the client’s portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client’s investment advisory agreement with Founders and the requirements of the client’s custodian.

For *non-discretionary* accounts, the client also generally executes an LPOA, which allows Founders to carry out trade recommendations and approved actions in the portfolio. However, in accordance with the investment advisory agreement between Founders and the client, Founders does not implement trading recommendations or other actions in the account unless and until the client has approved the recommendation or action. As with discretionary accounts, clients may limit the terms of the LPOA, subject to Founders’ agreement with the client and the requirements of the client’s custodian.

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

Founders, as a matter of policy and as a fiduciary to our clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Our firm maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records.

Founders will identify any conflicts that exist between the interests of the adviser and the client by reviewing the relationship of Founders with the issuer of each security to determine if Founders or any of its employees has any financial, business or personal relationship with the issuer.

Clients may obtain a copy of Founders' complete proxy voting policies and procedures upon request. Clients may also obtain information from Founders about how it voted any proxies on behalf of client account(s).

## **Item 18 – Financial Information**

A registered investment adviser is required to provide you with certain financial information or disclosures about its financial condition. Founders has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.