

**Item 1: Cover Page for Part 2A of  
Form ADV: Firm Brochure  
March 2021**



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This brochure provides information about the qualifications and business practices of Fingerlakes Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact by telephone at (607) 257-1008 or email at [marshall@FingerlakesWM.com](mailto:marshall@FingerlakesWM.com). 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 Fingerlakes Wealth Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term "Registered Investment Adviser" and description of Fingerlakes Wealth Management, Inc. and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firms' associates which advise you for more information on the qualifications of our firm and its employees.

## **Item 2: Material Changes to Our Part 2A of Form ADV: Firm Brochure**

Fingerlakes Wealth Management, Inc. is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

We do not have to provide this information to a client or prospective client who has not received a previous version of our brochure.

As of our last annual updating amendment filing on January 30, 2020, our firm has the following material changes to disclose:

- We have removed information concerning the Department of Labor Fiduciary Rule as it has been vacated.
- We have updated Item 5 to disclose our firm's fee schedule.

### **Item 3: Table of Contents**

| <u>Section:</u>   | <u>Page(s):</u> |
|---|-----------------|
| Item 1: Cover Page for Part 2A of Form ADV: Firm Brochure.....                                    | 1               |
| Item 2: Material Changes to Our Part 2A of Form ADV: Firm Brochure .....                          | 2               |
| Item 3: Table of Contents .....   | 3               |
| Item 4: Advisory Business.....  | 4               |
| Item 5: Fees & Compensation.....  | 5               |
| Item 6: Performance-Based Fees & Side-By-Side Management.....                                     | 7               |
| Item 7: Types of Clients & Account Requirements .....   | 8               |
| Item 8: Methods of Analysis, Investment Strategies & Risk of Loss .....                           | 8               |
| Item 9: Disciplinary Information.....   | 9               |
| Item 10: Other Financial Industry Activities & Affiliations.....                                  | 9               |
| Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading..... | 9               |
| Item 12: Brokerage Practices .....  | 11              |
| Item 13: Review of Accounts or Financial Plans.....   | 13              |
| Item 14: Client Referrals & Other Compensation.....   | 14              |
| Item 15: Custody .....  | 14              |
| Item 16: Investment Discretion.....   | 14              |
| Item 17: Voting Client Securities.....  | 15              |
| Item 18: Financial Information.....   | 15              |

#### **Item 4: Advisory Business**

We specialize in the following types of services: comprehensive portfolio management, financial planning and consultations and pension consulting. We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a corporation formed in the State of New York. Our firm has been in business as an investment adviser since 2009 and is owned by Susan McCormick, Marshall McCormick, and Melissa Vanderhoof.

#### **Description of The Types of Advisory Services We Offer:**

##### **Comprehensive Portfolio Management:**

Our comprehensive Portfolio Management service encompasses asset management as well as providing financial planning/financial consulting to clients. It is designed to assist clients in meeting their financial goals through the use of financial investments. We conduct at least one, but sometimes more than one meeting (in person if possible, otherwise via telephone conference) with clients in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn; we propose an investment approach to the client. We may propose an investment portfolio, consisting of exchange traded funds, mutual funds, individual stocks or bonds, or other securities. Upon the client's agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client's portfolio. Once the relevant accounts are under our management, we review such accounts on a regular basis and at least quarterly. We may periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client's investments

##### **Financial Consulting Services:**

We provide a variety of financial planning and consultation services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of client's current situation, goals, and objectives. Generally, such services are financial consulting for clients based on the client's financial goals and objectives.

This planning or consulting may encompass one or more of the following areas:

- |                      |   |
|----------------------|---|
| -Investment Planning | -Retirement Planning                      |
| -Estate Planning     | -Charitable Planning                      |
| -Education Planning  | -Business and Personal Financial Planning |
| -Insurance Analysis  |   |

Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. Financial consulting services are typically completed within 6 months of the client signing a contract with us, assuming that all the information and documents

we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

Pension Consulting:

We provide pension consulting services to employer plan sponsors on a one-time or ongoing basis. Generally, such pension consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure and participant education.

All pension consulting services shall be in compliance with the applicable state law(s) regulating pension consulting services. This applies to client accounts that are pension or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in section 1 of the Pension Consulting Agreement).

Participation in Wrap Fee Programs:

We do not offer wrap fee programs.

Amount of Client Assets We Manage:

As of December 31, 2020, we manage \$133,437,011 on a discretionary basis.

**Item 5: Fees & Compensation**

Comprehensive Portfolio Management:

Fee Schedule:

| Assets Under Management | Fee % | Assets Under Management | Fee % |
|-------------------------|-------|-------------------------|-------|
| <\$250,000              | 1.000 | \$1,000,001-\$2,000,000 | 0.800 |
| \$250,001-\$500,000     | 0.975 | \$2,000,001-\$5,000,000 | 0.600 |
| \$500,001-\$750,000     | 0.950 | >\$5,000,000+           | 0.500 |
| \$750,001-\$1,000,000   | 0.900 |                         |       |

Our firms' fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. Fees are negotiable in certain circumstances. Fees will generally be automatically deducted from your managed account. As part of this process, Clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;

- b) Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
- c) If our firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

#### Financial Consulting Services:

Fee based clients are not charged an hourly rate for financial planning/consulting. However, we offer financial consulting services on an hourly basis for \$250 per hour, which may be negotiable depending on the nature and complexity of each client's circumstances. An estimate for total hours will be determined at the start of the advisory relationship. The hourly fees are determined after considering many factors, such as the level and scope of the services. Consultation services, hourly rates, and other advisory contracts are made on a case by case basis.

We require a retainer of fifty percent (50%) of the estimated total financial planning or consulting fee with the remainder of the fee directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within six (6) months. Upon client termination we will charge the client an hourly fee of \$250 per hour for work actually performed and a refund will be given if prepaid fees are more than fees for services provided. In the event that prepaid fees do not cover the actual fees owed, we will invoice the client which will be due immediately.

#### Pension Consulting:

We provide pension consulting services to employer plan sponsors on a one-time or ongoing basis. Generally, such pension consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure and participant education.

All pension consulting services shall be in compliance with the applicable state law(s) regulating pension consulting services. This applies to client accounts that are pension or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in section 1 of the Pension Consulting Agreement).

We charge on a flat fee or on a percentage of assets under management basis for pension consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our flat fees generally range from \$750 to \$10,000. Flat fees will be charged annually for ongoing pension consulting services.

#### Other Types of Fees or Expenses Clients May Pay in Connection With Our Advisory Services. Such as Custodian Fees or Mutual Fund Expenses.

Our clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm trades are executed through. TD

Ameritrade, Inc. ("TD Ameritrade") does not charge transaction fees for U.S. listed equities and exchange traded funds.

Also, clients will pay the following separately incurred expenses, of which we do not receive any part: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses). Please refer to Item 12 Brokerage Practices under section Directed Brokerage.

#### Deduction of Advisory Fees and Refunds.

We charge our advisory fees quarterly in advance. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees. Refunds for prepaid fees for financial planning and pension consulting will be given based on the actual time spent providing advisory services up to the receipt of client's termination letter and calculated at an hourly rate of \$250.

#### Commissionable Securities Sales.

Our supervised persons have a dual hybrid relationship with Fingerlakes Wealth Management, Inc., a registered investment advisor, and Fortune Financial Services, Inc., an SEC registered broker-dealer and FINRA member. We perform fee-only advisory services through Fingerlakes Wealth Management, Inc. In non-advisory accounts we can offer securities for a commission because our supervised persons are registered representatives of Fortune Financial Services, Inc. Our supervised persons may accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds. You should be aware that if a non-advisory account is opened, the practice of accepting commissions for the sale of securities:

- 1) could present a conflict of interest that may give our firm and/or our supervised persons an incentive to recommend investment products based on the compensation received, rather than on your needs. We generally address commissionable sales conflicts that arise:
  - a) when explaining to clients that commissionable securities sales creates an incentive to recommend products based on the compensation we and/or our supervised persons may earn and may not necessarily be in the best interests of the client;
  - b) when recommending commissionable mutual funds, explaining that "no-load" funds are available through our firm if the client wishes to become an investment advisory client.
- 2) in no way prohibits you from purchasing investment products recommended by us through other brokers or agents which are not affiliated with us.

### **Item 6: Performance-Based Fees & Side-By-Side Management**

We do not charge performance fees to our clients.

## **Item 7: Types of Clients & Account Requirements**

### We Have the Following Types of Clients:

- Individuals;
- High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Pooled Investment Vehicles and
- Corporations, limited liability companies and/or other business types.

### Our Requirements for Opening and Maintaining Accounts or Otherwise Engaging Us:

- We generally require a \$75,000 in account balances per household for our Comprehensive Portfolio Management service.
- We generally charge a minimum fee of \$1,500 for written financial plans.

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

### Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

*Technical Analysis:* A security analysis methodology for forecasting the direction of prices through the study of past market data, primarily price and volume. A fundamental principle of technical analysis is that a market's price reflects all relevant information, so their analysis looks at the history of a security's trading pattern rather than external drivers such as economic, fundamental and news events. Therefore, price action tends to repeat itself due to investors collectively tending toward patterned behavior – hence technical analysis focuses on identifiable trends and conditions. Technical analysts also review widely used market indicators of many sorts, some of which are mathematical transformations of price, often including up and down volume, advance/decline data and other inputs. These indicators are used to help assess whether an asset is trending, and if it is, the probability of its direction and of continuation. Technicians also look for relationships between price/volume indices and market indicators. Technical analysis employs models and trading rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns. Technical analysis is widely used among traders and financial professionals and is very often used by active day traders, market makers and pit traders. The risk associated with this type of analysis is that analysts use subjective judgment to decide which pattern(s) a particular instrument reflects at a given time and what the interpretation of that pattern should be.

*Fundamental Analysis:* The analysis of a business's financial statements (usually to analyze the business's assets, liabilities, and earnings), health, and its competitors and markets. When analyzing a stock, futures contract, or currency using fundamental analysis there are two basic approaches one can use: bottom up analysis and top down analysis. The terms are used to distinguish such analysis from other types of investment analysis, such as quantitative and technical. Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts. There are several possible objectives: (a) to conduct a company stock valuation and predict its probable price



evolution; (b) to make a projection on its business performance; (c) to evaluate its management and make internal business decisions; (d) and/or to calculate its credit risk; and (e) to find out the intrinsic value of the share.

When the objective of the analysis is to determine what stock to buy and at what price, there are two basic methodologies investors rely upon: (a) Fundamental analysis maintains that markets may misprice a security in the short run but that the "correct" price will eventually be reached. Profits can be made by purchasing the mispriced security and then waiting for the market to recognize its "mistake" and reprice the security; and (b) Technical analysis maintains that all information is reflected already in the price of a security. Technical analysts analyze trends and believe that sentiment changes predate and predict trend changes. Investors' emotional responses to price movements lead to recognizable price chart patterns. Technical analysts also analyze historical trends to predict future price movement. Investors can use one or both of these different but complementary methods for stock picking. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

### Investment Strategies

Our firm will make long term purchases (securities held at least a year), short term purchases (securities sold within a year), trading (securities sold within 30 days). Generally, there is more risk involved with shorter trading. We also use short sales to implement our strategies in which we would hope to make a profit from prices going down. The related risks occur when the price of the assets rises. There may also be costs for shorting such as a fee for borrowing the assets and payment of any dividends on the borrowed assets. Similarly margin transactions, option writing, including covered options, uncovered options or spreading strategies may be used to implement our strategies.

**Margin Transactions:** Our firm may purchase stocks, mutual funds, and/or other securities for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings. Margin accounts and transactions are risky and not necessarily appropriate for every client. The potential risks associated with these transactions are (1) You can lose more funds than are deposited into the margin account; (2) the forced sale of securities or other assets in your account; (3) the sale of securities or other assets without contacting you; and (4) you may not be entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.

**Options:** An option is a financial derivative that represents a contract sold by one party (the option writer) to another party (the option holder, or option buyer). The contract offers the buyer the right, but not the obligation, to buy or sell a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). Options are extremely versatile securities. Traders use options to speculate, which is a relatively risky practice, while hedgers use options to reduce the risk of holding an

asset. In terms of speculation, option buyers and writers have conflicting views regarding the outlook on the performance of a:

- *Call Option:* Call options give the option to buy at certain price, so the buyer would want the stock to go up. Conversely, the option writer needs to provide the underlying shares in the event that the stock's market price exceeds the strike due to the contractual obligation. An option writer who sells a call option believes that the underlying stock's price will drop relative to the option's strike price during the life of the option, as that is how he will reap maximum profit. This is exactly the opposite outlook of the option buyer. The buyer believes that the underlying stock will rise; if this happens, the buyer will be able to acquire the stock for a lower price and then sell it for a profit. However, if the underlying stock does not close above the strike price on the expiration date, the option buyer would lose the premium paid for the call option.
- *Put Option:* Put options give the option to sell at a certain price, so the buyer would want the stock to go down. The opposite is true for put option writers. For example, a put option buyer is bearish on the underlying stock and believes its market price will fall below the specified strike price on or before a specified date. On the other hand, an option writer who sells a put option believes the underlying stock's price will increase about a specified price on or before the expiration date. If the underlying stock's price closes above the specified strike price on the expiration date, the put option writer's maximum profit is achieved. Conversely, a put option holder would only benefit from a fall in the underlying stock's price below the strike price. If the underlying stock's price falls below the strike price, the put option writer is obligated to purchase shares of the underlying stock at the strike price.

The potential risks associated with these transactions are that (1) all options expire. The closer the option gets to expiration, the quicker the premium in the option deteriorates; and (2) Prices can move very quickly. Depending on factors such as time until expiration and the relationship of the stock price to the option's strike price, small movements in a stock can translate into big movements in the underlying options.

#### Additional Information Regarding Our Investment Strategies:

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to comprehensive portfolio management, as applicable.

#### **Item 9: Disciplinary Information**

We have determined that there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

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

Our supervised persons are registered representatives of Fortune Financial Services, Inc., an SEC registered broker-dealer and FINRA member and licensed insurance agents/brokers. They may offer securities or other products and receive normal and customary commissions as a result of these transactions. A conflict of interest may arise as these commissionable sales may create an incentive to recommend products based on the compensation they may earn. In order to minimize this conflict of interest, our management persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics as well as clearly explaining this conflict when recommending any such products to our clients. Clients are informed they are not obligated to purchase these products.

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

Brief description of our Code of Ethics adopted pursuant to SEC rule 204A-1 and offer to provide a copy of our Code of Ethics to any client or prospective client upon request.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates. Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Related persons of our firm may buy or sell securities for themselves at or about the same time they buy, sell or recommend the same securities to client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities within 24 hours of buying, selling or recommending to our clients. If related persons' accounts are included in a block trade, allocations will always be made in alphabetical order.

## **Item 12: Brokerage Practices**

Description of the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

The decision making process for participating in one Broker-Dealer program over another is primarily the benefit that our clients would receive from such a relationship. We take into consideration the full range of a Broker-Dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. We will seek competitive commission rates, but may not necessarily obtain the lowest possible commission rates for each account transactions. It is important to note that we generally cannot negotiate the commission rates with the Broker-Dealers.

Our firm's main Custodian is the TD Ameritrade Institutional program. We also use TIAA-CREF Advisor Services member FINRA/SIPC, and Motif Investing, Inc. member FINRA/SIPC, (collectively hereinafter referred to as "Custodians"). TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade is an independent [and unaffiliated] SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the program as disclosed in this item.

As part of the arrangement described above, TD Ameritrade also makes certain research and brokerage services available at no additional cost to our firm. These services include certain research and brokerage services, including research services obtained by TD Ameritrade directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by TD Ameritrade to our firm may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by TD Ameritrade to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As a result of receiving the services discussed above, for no additional cost, we may have an incentive to continue to use or expand the use of TD Ameritrade's services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with TD Ameritrade and we have determined that the relationship is in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution.

The custodians charge brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). The custodians enable us to obtain many load mutual funds without transaction charges and other no-load funds at nominal transaction

charges. The custodians' commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by The custodians may be higher or lower than those charged by other custodians and broker-dealers.

Clients may pay a commission to the custodians that are higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Although the investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

#### Directed Brokerage.

Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers used to custody or execute trades; however, we will recommend the services of TD Ameritrade and Fortune Financial Services, Inc. We do not have discretionary authority over the commission rates at which such securities transactions are effected. We do not direct client transactions to a particular broker-dealer in return for soft dollar benefits. Our firm does not receive brokerage for client referrals.

We allow clients to direct brokerage for custodial and trade execution services. However, we may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

#### **Special Considerations for ERISA Clients**

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

#### Aggregation of orders (bunching), which may result in reduced transaction costs.

We may aggregate the purchase or sale of securities for various client accounts in quantities sufficient to obtain reduced transaction costs (known as bunching)

There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives.

Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved.

In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

### **Item 13: Review of Accounts or Financial Plans**

#### **Frequency of review of account or financial plans:**

We review accounts on at least a quarterly basis for our clients subscribing to our Comprehensive Portfolio Management services. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable.

Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

Pension consulting clients receive reviews of their pension plans for the duration of the pension consulting service. We also provide ongoing services to pension consulting clients where we meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

#### **Factors that trigger more frequent reviews:**

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

#### **Content and frequency of regular reports provided to clients regarding their accounts.**

We do not provide written reports to clients, unless asked to do so.

As mentioned in Item 13 of this Brochure, financial planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

As mentioned in Item 13A of this Brochure, pension clients do not receive written or verbal updated reports regarding their pension plans unless they choose to contract with us for ongoing Pension Consulting services.

## **Item 14: Client Referrals & Other Compensation**

### Additional Compensation and Arrangements:

As disclosed under Item 12 of this Brochure, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice given to clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our firm's participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our firm's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our firm's choice of TD Ameritrade for custody and brokerage services.

Our firm does not receive soft dollars in excess of what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The safe harbor research products and services obtained by our firm will generally be used to service all of our clients but not necessarily all at any one particular time.

### Direct or Indirect compensation of persons other than our firm's supervised persons for client referrals:

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

## **Item 15: Custody**

While our firm does not maintain physical custody of client assets (which are maintained by a qualified custodian, as discussed above), we are deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts, as further described below under "Standing Instructions." All our clients receive account statements directly from their qualified custodian(s) at least quarterly upon opening of an account. We urge our clients to carefully review these statements. Additionally, if our firm decides to send its own account statements to clients, such statements will include a legend that recommends the client compare the account statements



received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodians:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

#### **Item 16: Investment Discretion**

Clients must provide our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, our firm is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold.

#### **Item 17: Voting Client Securities**

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy vote or other solicitation.



### **Item 18: Financial Information**

Additional financial informational about our firm:

- We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, therefore we have not included a balance sheet for our most recent fiscal year.
- There are no additional financial conditions to disclose that may impair our ability to meet contractual commitments to clients.
- We have not been subject of a bankruptcy petition at any time during the past ten years.