

# Retirement Planners of America

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## Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure

This wrap fee program brochure provides information about the qualifications and business practices of Retirement Planners of America. If you have any questions about the contents of this brochure, please contact us at 469-246-3627. The information in this brochure has not been approved or verified by the United State Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Retirement Planners of America is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Retirement Planners of America is a registered investment adviser. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

## Item 2 • Material Changes

Form ADV Part 2A Appendix 1 requires registered investment advisers to amend their wrap fee program brochure when information becomes materially inaccurate. If there are any material changes to an adviser's brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the March 26, 2020 annual update filing, we have amended this wrap fee program brochure as follows:

### **November 22, 2020**

We updated Item 4 to identify the Tactical Offensive Fixed Income Fund, which is a new mutual fund created specifically for our clients and is being used as part of our investment strategy; further disclose the limitations of our investment strategy; disclose risks based upon our relationship with SEI; expound upon differences clients may experience based upon the account custodians they choose to maintain their account. Finally, we updated Item 9 to further describe the relationship our firm has with SEI, and specifically the terms and conditions of the two agreements described in that Item.

### **March 29, 2021**

We updated Item 4 to reflect that Program accounts must be held with SEI Private Trust Company (a subsidiary of SEI Investments Company) as the transfer agent and custodian, and to remove reference to recommending to clients that they maintain their investment accounts with any other broker-dealer/custodian.

We updated Item 9 to:

- Reflect that we no longer participate in the "Advisor Direct" referral program with TD Ameritrade, Inc., and to remove the related conflict of interest disclosures because those conflicts no longer exist;
- Remove reference to the "Model Management and Transaction Charge Offset Agreement" and related disclosures, because that agreement is no longer in effect and therefore does not affect clients moving forward;
- Remove reference to SEI Private Trust Company reimbursing client accounts for certain transaction charges incurred for clients whose investment assets were held at TD Ameritrade, Inc. including "backoffice fee reimbursements" that are no longer being made; and
- Remove reference to TD Ameritrade, Inc.'s "Institutional Customer Program," because we no longer participate in that program.

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## Item 4 • Services, Fees, and Compensation

Retirement Planners of America is an SEC-registered investment adviser with its home office located in Plano, Texas. Our firm is organized as a limited liability company under the laws of the State of Texas. Retirement Planners of America was established in 2011. Kenneth A. Moraif, Charles D. Dyer, Jr., Elias R. Dragon and Douglas M. Bartol are our principal owners.

As used in this brochure, the words “we”, “our” and “us” refer to Retirement Planners of America and the words “you”, “your” and “client” refer to you as a client or prospective client of our firm. Also, you may see the term Associated Person in this brochure. Our Associated Persons are our firm’s officers, employees, and all individuals providing investment advice on behalf of our firm. References in this brochure to SEI refer to SEI Investments Management Corp and SEI Private Trust Co. and their respective affiliates.

We offer discretionary portfolio management services through a wrap-fee program (the “Program”). We are the sponsor and investment adviser for the Program. Through the Program, we seek to carry out our “invest and protect” or “buy, hold and protect” strategy (which was previously known as our “buy, hold and sell”) strategy. This strategy involves us tactically investing and rebalancing your accounts among certain mutual funds created specifically for our clients, and one or more money market funds. The weighting allocated to each fund will depend on your investment objectives. For example, a more aggressive client may have a heavier weighting to equity focused mutual funds.

Our strategy uses three specific mutual funds that SIMC created specifically for our clients: Tactical Offensive Equity Fund (“TCOEX”), Tactical Offensive Core Fixed Income Fund (“TCOFX”), and Tactical Offensive Enhanced Fixed Income (“TCOBX”) (collectively, the “SEI Funds”). Depending on our evaluation of current market conditions, we may move some or all of your mutual fund holdings to a money market mutual fund or sweep account. When we make decisions to exit the market, we generally notify our clients through electronic means. Whether a money market mutual fund or sweep account is used depends on whichever is most beneficial at the custodian where your account is held.

Like all investment strategies, our “invest and protect” or “buy hold and protect” strategy is not guaranteed. Because we help clients establish a total return for necessary to achieve their retirement goals, achieving that total return is dependent on the success of our investment strategy predicting market fluctuations, for which there is no assurance. Our strategy may have a significant negative impact on a client's long-term total return if it does not perform as anticipated. For example, our strategy may fairly accurately predict a market downturn, but fail to accurately predict a market upturn thereby causing either further losses or lesser gains than necessary to maintain an acceptable long- term total return to meet the client’s investment objectives. Because substantial portions or substantially all of the SEI Funds may be periodically sold and repurchased at our direction, the SEI Funds and client investments in those funds will experience increased portfolio turnover, disruption of portfolio management strategies, applicable transaction costs, and applicable taxes that would reduce client performance. However, when implementing the “sell” portion of our strategy, we generally believe that the benefit of avoiding bear markets outweighs those burdens.

The SEI Funds are only available through our firm, and therefore, cannot be transferred “in kind” to another firm. Please refer to Termination of Advisory Agreement in this section for additional information. The implementation of our investment strategy therefore depends on a continuing relationship with SEI to provide the SEI Funds. Losing that relationship could have a material impact on our ability to implement our investment strategy. While we are not aware of any known possible events that could jeopardize our

relationship with SEI, if that relationship were terminated, clients could potentially experience a temporary service interruption while we transition funds or custodial relationships. Please see below for more information about our relationship with SEI. The SEI Funds are administered, distributed, and in some cases advised by SIMC or its affiliates for which it is paid fees as disclosed in the SEI Funds' prospectuses. Because SEI, as the investment adviser to the SEI Funds, earns advisory fees based on AUM invested in the SEI Funds, and other SEI affiliates provide services to the SEI Funds for which they also receive compensation, SEI and its affiliates directly benefit through our placement of client assets in the SEI Funds. **The prospectus should be read carefully by all investors before investing in the SEI Funds**

Except for fee-based variable annuities, all accounts that we manage are subject to participation in the Program. Fee-based variable annuities are subject to traditional fees and expenses as disclosed in their prospectus. **The prospectus should be read carefully before purchasing a variable annuity.**

A wrap-fee program is a type of investment program that provides clients with asset management and brokerage services for one all-inclusive fee. If you participate in our wrap fee program, you will pay our firm a single fee, which includes money management fees, certain transaction costs, and custodial and administrative costs. You are not charged separate fees for the respective components of the total services. However, clients will incur transaction fees for securities or other products purchased outside of the Program (i.e., in courtesy accounts, in variable annuity sub-accounts and potentially in accounts held in employer sponsored retirement plans).

In the Program, as payment for our investment advisory services, we receive the balance of the Program fee after we have paid for all Program costs (including account transaction fees). This creates a conflict of interest, because we have an economic incentive to maximize our compensation by seeking to minimize the number of transactions in your account. We try to mitigate this conflict by providing investment advice without regard to the expenses we incur. **Our Chief Compliance Officer, William R. Frye, remains available to address any questions that a client or prospective client may have regarding the conflicts of interest a wrap fee arrangement create.**

The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the Program investment advice or the types of securities available in the Program from other investment advisers or broker-dealers. However, we do not offer investment advisory services on a non-wrap basis for a lower fee to offset trading costs, and the investments we use are not generally available to, or offered by, other investment advisers. To fully understand the cost of the Program, you should consider the frequency of trading activity associated with our strategies and the brokerage commissions charged by broker-dealers, banks or trust companies to trade in similar securities, and the advisory fees charged by investment advisers for providing comparable advice.

Program accounts may only be opened with an approved custodian who are broker-dealers and members of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation or otherwise exempt from registration as a broker-dealer. We currently maintain a list of those approved custodians, which is available upon request.

For those clients that participate in the Program, our investment strategy may, at times, cause clients to hold a large cash position for an indefinite period. We take the same investment approach with both wrap and non-wrap accounts, so non-wrap accounts will also hold large cash positions at various times. We move client assets into cash when we think it is a wise allocation to protect you against loss of your investment. Cash held in your account is part of a sweep account. That means that the custodian holding

your account will sweep the cash into an interest-bearing account or security of some type, which is often a money market fund. Clients may invest in different money market funds or interest-bearing accounts depending on the types of securities, products or accounts offered by their approved custodian. These accounts or funds are generally comprised of various short-term interest-bearing notes and will generally earn some type of return; although, there is always a risk that an investment will result in a loss. It is also possible that cash in your account will not earn any return. We continue to charge our fees on cash and cash equivalents.

Our discretionary portfolio management services generally include, to the extent requested by the client, financial planning and consulting services. If we determine in our sole discretion that you are seeking extraordinary planning or consulting services, we may determine to provide those services for an additional fee under the terms and conditions of a separate written agreement.

Before becoming a Program client, you will be required to enter into a written agreement with us that sets forth the terms and conditions of the engagement, including the scope of services to be provided and the fees to be paid.

### **Client Investment Process**

We provide discretionary portfolio management services in accordance with your individual investment objectives. To participate in the Program, we require you to grant our firm discretionary authority to manage your account, which means that we have the authority and responsibility to formulate and execute investment strategies on your behalf. This authorization includes deciding which securities to buy and sell, when to buy and sell, and in what amounts, in accordance with your investment objectives, without obtaining your prior consent or approval for each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and/or through trading authorization forms.

We serve as your investment adviser, and are responsible, pursuant to our investment advisory agreement, for analyzing your current financial situation, return expectations, time horizon, and asset class preference. Based upon your information, we will work with you to select an investment strategy and choose from one of many mutual fund asset allocation models, as discussed more fully below, or we may separately purchase the individual mutual funds and/or exchange traded funds ("ETFs"). We will allocate the assets placed in your account in accordance with the investment strategy, goal or model selected by you as the investor. You may, through us, adjust your asset allocation to help ensure that the mix reflects the objectives of the chosen strategy. Once your portfolio is established, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances. As described above, depending on our evaluation of current market conditions, we may move some or all of your mutual fund holdings to a money market mutual fund or sweep account.

You may, at any time, impose restrictions on the management of your account, or choose a new investment strategy. All restrictions or investment strategy changes must be submitted to our firm in writing. However, based on their nature, clients may not set restrictions on the management of the subaccounts for variable annuities or the management of plan participant accounts.

Upon transferring your account to us, generally, all positions will be liquidated, and the cash transferred to a qualified independent custodian. The liquidation of your account may have tax consequences, which you should discuss with your tax adviser. However, if there are certain securities you own that you do not

want to liquidate, you must notify us in writing and they will be transferred in kind for custody, but we will not advise on those positions.

### **The Portfolio Management Fee**

We charge an annual fee based on the amount of your assets we manage, which is generally equal to 1.25% of the assets under management, including cash and cash equivalents (the "Program Fee"). We may, in our sole discretion, charge a lesser, or greater, Program Fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. Existing accounts may be subject to varying compensation arrangements. Generally, the Program Fee is payable quarterly in arrears based on the value of your account on the last day of the quarter. In some circumstances, Program Fees may be payable quarterly in advance.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, the Program Fee will apply on a pro-rata basis, which means that the Program Fee is payable in proportion to the number of days in the quarter for which you are a client. The Program Fee is negotiable, depending on individual client circumstances.

### **Addition of Assets**

You may deposit additional assets in your account at any time during the year. If assets are deposited into an account after the inception of a calendar quarter, the Program Fee with respect to your account assets will not be prorated based on the number of days remaining in the quarter. Rather, the Program Fee will be based on the amount of assets in your account at the end of a calendar quarter, including the deposits made mid-quarter. For example, if you deposit funds in your account 1 day before the end of the quarter, the entire account balance, including the newly deposited funds, will be subject to the Program Fee assessed by our firm at the quarter's end.

### **Withdrawal of Assets**

You may withdraw account assets on notice to our firm, and subject to the usual and customary securities settlement procedures. However, we design our portfolios as long-term investments and asset withdrawals may impair the achievement of your specific investment objectives

### **Payment of Fees**

We will deduct the Program Fee after you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. Our fees for management of the sub-accounts tied to variable annuities are paid by the annuity company directly from your account or are deducted from another account, if applicable.

## Termination of Advisory Relationship

Without exception, the portfolio management agreement will terminate immediately upon the transfer of your account/portfolio away from our firm. Alternatively, you may terminate the portfolio management agreement by providing up to 30-days' written notice to our firm. In either case, you will incur a pro-rata charge for services rendered before the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. Upon termination of the agreement, in the event you have prepaid fees that we have not yet earned, you will receive a pro-rata refund of the unearned portion.

If you have invested in the SEI Funds and if your account is terminated with our firm, you must liquidate your positions in the SEI Funds and move your assets to other investments. The SEI Funds are proprietary to our firm, which means they are not available through other registered investment advisers or brokerage firms and cannot be transferred "in kind" to another broker-dealer. Rather, you must transfer your investment "in cash," which means you must sell your positions in the SEI Funds and the resulting cash will be transferred to your new custodian. For taxable accounts, the sale of the SEI Funds will have tax consequences and may result in capital gains taxes. Your account will be subject to brokerage commissions and other fees as a result of your decision to liquidate the securities in your account.

## Limitations of Financial Planning and Non-Investment Consulting Services

Upon request, we may provide financial planning and related consulting services regarding non-investment related matters, such as estate, tax, and insurance planning. We do not serve as a law firm or accounting firm, and no portion of our services should be viewed as legal or accounting services.

Accordingly, we do not prepare estate planning documents or tax returns. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents), including our representatives in their separate individual capacities as licensed insurance agents. Certain of these insurance agents are associated with our affiliated insurance agency, Moraif Insurance Group. That affiliated entity has arrangements with other unaffiliated agencies, specifically Castle Senior Benefits and Ash Brokerage Corporation, which are described in Item 9 below. You are under no obligation to engage the services of any such recommended professional, who shall be solely responsible for the quality and the competency of the services they provide. You retain absolute discretion over all implementation decisions and are free to accept or reject any recommendation we make in that respect. However, if you engage any recommended unaffiliated professional, and a dispute arises, you should seek recourse exclusively from the engaged professional. Furthermore, our recommendation to purchase an insurance commission product through one of our representatives, our affiliated insurance agency, through Castle Senior Benefits, or Ash Brokerage Corporation presents conflicts of interest, as the receipt of commissions and access to products provide incentive to recommend insurance products based on commissions to be received, rather than on your particular need. No client is under any obligation to purchase any insurance products through our representatives, our affiliated insurance agency, Castle Senior Benefits, Ash Brokerage Corporation, or any other entity we may recommend. You are reminded that you may purchase insurance products we recommend through other, non-affiliated insurance agents or agencies. **Our Chief Compliance Officer, William R. Frye, remains available to address any questions about these conflicts of interest.**



## Client Obligations

In performing our services, we will not be required to verify any information received from you or from your other professionals, and we are expressly authorized to rely on that information. It remains your responsibility to promptly notify us if there is ever any change in your financial situation or investment objectives so that we can review, and if necessary, revise our previous recommendations.

## Types of Investments

We primarily offer advice on mutual funds, more specifically the SEI Funds. We may also provide advice on exchange traded funds and equity securities. You may, at any time, impose reasonable restrictions on the types of investments held in your account. All such restrictions must be submitted to our firm in writing. Clients may not set restrictions on the management of the subaccounts for variable annuities or the management of retirement plan participant accounts.

Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

You should review the additional risk factors included in each of the SEI Fund's prospectus for a complete picture of all the risks associated with investing through us. You should be advised of the following risks when investing:

**Exchange Traded Funds (ETFs):** In limited circumstances, we may invest in ETFs. ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to:

- **Variance from Benchmark Index.** ETF performance may differ from the performance of the applicable index for a variety of reasons. For example, ETFs incur operating expenses and portfolio transaction costs not incurred by the benchmark index, may not be fully invested in the securities of their indices at all times, or may hold securities not included in their indices. In addition, corporate actions with respect to the equity securities underlying ETFs (such as mergers and spin-offs) may impact the variance between the performances of the ETFs and applicable indices.
- **Passive Investing Risk.** Passive investing differs from active investing in that ETF managers are not seeking to outperform their benchmark. As a result, ETF managers may hold securities that are components of their underlying index, regardless of the current or projected performance of the specific security or market sector. Passive managers do not attempt to take defensive positions based upon market conditions, including declining markets. This approach could cause a passive vehicle's performance to be lower than if it employed an active strategy.
- **Secondary Market Risk.** ETFs shares are bought and sold in the secondary market at market prices. Although ETFs are required to calculate their net asset values ("NAV") on a daily basis, at times the market price of an ETF's shares may be more than the NAV (trading at a premium) or less than the NAV (trading at a discount). Given the differing nature of the relevant secondary markets for ETFs, certain ETFs may trade at a larger premium or discount to NAV than shares of other ETFs depending on the markets where such ETFs are traded. The risk of deviation from NAV

for ETFs generally is heightened in times of market volatility or periods of steep market declines. For example, during periods of market volatility, securities underlying ETFs may be unavailable in the secondary market, market participants may be unable to calculate accurately the NAV per share of such ETFs, and the liquidity of such ETFs may be adversely affected. This kind of market volatility may also disrupt the ability of market participants to create and redeem shares in ETFs. Further, market volatility may adversely affect, sometimes materially, the prices at which market participants are willing to buy and sell shares of ETFs. As a result, under these circumstances, the market value of shares of an ETF may vary substantially from the NAV per share of such ETF, and the client may incur significant losses from the sale of ETF shares.

**Mutual Funds:** We invest predominantly in mutual funds, and more specifically, in the SEI Funds. Mutual funds are funds that are operated by an investment company that raises money from shareholders and invests it in stocks, bonds, and/or other types of securities. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. The mutual funds charge a separate management fee for their services. The returns on mutual funds can be reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Funds that are sold through brokers are called load funds, and those sold to investors directly from the fund companies are called no-load funds. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. Investors should carefully assess their tolerance for risk before they decide which fund is suitable for their account.

**Turnover Risk:** The Program's strategy is tactical and can involve substantial shifting of assets among the SEI Funds and cash. For example, your account may exchange shares of one SEI Fund for shares of another SEI Fund. This will result in a taxable event to you unless you are investing through a tax-deferred arrangement.

**Idle Assets:** At any time and for a substantial length of time we may hold a significant portion of a client's assets in cash or money market mutual funds. Investments in these assets may cause a client to miss out on upswings in the markets. Unless we expressly agree otherwise in writing, account assets consisting of cash and money market mutual funds are included in the value of an account's assets for purposes of calculation of the Program Fee.

### **Additional Fees and Expenses**

The Program Fee includes the costs of brokerage commissions for transactions executed through SEI (or a broker-dealer designated by SEI), and charges relating to the settlement, clearance, or custody of securities in the Account. The Program Fee does not include mark-ups and mark-downs, account closing fees charged by the custodian, dealer spreads or other costs associated with the purchase or sale of securities, interest, taxes, or other costs, such as national securities exchange fees, charges for transactions not executed through the broker-dealer that maintains custody of your account, costs associated with exchanging currencies, wire transfer fees, or other fees required by law or imposed by third parties. You and your account will be responsible for these additional fees and expenses. Clients should review all fees assessed by the custodian before agreeing to open an account.

The Program Fee is separate and distinct from the fees and expenses charged by mutual funds and exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and

others. **You should carefully read the prospectus before investing in any mutual funds or ETFs, including the SEI Funds.** For securities purchased outside of the Program, you may also incur transaction and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. However, we receive additional compensation from SEI, and indirectly from client assets, based on the amount of client assets invested in the SEI Funds. Please refer to Form ADV Part 2A Item 14 for more information in that respect. For information about brokerage practices, please refer to Form ADV Part 2A Item 12.

### **Compensation for the Sale of Other Investment Products**

Our investment adviser representatives are required to be licensed as independent insurance agents. They will earn commission-based compensation for selling insurance products, including insurance products they sell to you either through our affiliated entity, or upon referral to Castle Senior Benefits as described in Item 9. Insurance commissions earned by these persons are separate and in addition to the Program Fee. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm. Refer to Item 9 Additional Information for further disclosures on insurance related activities. **Our Chief Compliance Officer, William R. Frye, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

### **IRA Rollover Considerations**

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If we recommend that a client roll over their retirement plan assets into an account to be managed by us, that recommendation creates a conflict of interest if we will increase our compensation as a result of the rollover. When acting in such capacity, we serve as a fiduciary under the Employee Retirement Income Security Act (ERISA), or the Internal Revenue Code, or both. No client is under any obligation to roll over retirement plan assets to an account managed by us. Before proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

### **Brokerage Practices**

Before engaging us to provide portfolio management services, clients are required to enter into a formal agreement with us setting forth the terms and conditions under which we will manage their investment assets, and a separate custodial/clearing agreement with the designated broker-dealer/custodian. To participate in the Program, clients are required to engage SEI Private Trust Company (a subsidiary of SEI Investments Company) as the transfer agent and custodian for their investment assets. Therefore, if a client asks us to recommend a broker-dealer/custodian, we will recommend SEI. This presents a conflict of interest, because we are incentivized to recommend that clients engage SEI based upon its relationship with our firm, as opposed to the recommendation being based on our clients' interest in receiving most

favorable execution. Also, the arrangement we have with SEI regarding fund liquidations to execute our investment strategy can cause delays. Notwithstanding this conflict of interest and timing complication, we are confident in recommending that clients engage SEI based on our evaluation of SEI's financial strength, reputation, execution capabilities, pricing, research, and service.

Consistent with the SEI program, the mutual funds, TCOEX, TCOFX, and TCOBX will continue to have a single share class with the same expense ratio regardless of the custodial platform used. However, purchases in client accounts of other mutual funds or securities will be paid by the client. Please refer to Item 9 Client Referrals and Other Compensation for additional disclosures on the Strategic Marketing Agreement with SEI.

The commissions and/or transaction fees charged by SEI may be higher or lower than those charged by other broker-dealers. The commissions you pay will conform to our duty to seek "best execution." However, you may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction where we determine, in good faith, that the commission is reasonable. 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 among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for client transactions.

Previously, clients could participate in the Program while having their investment assets held at TD Ameritrade, Inc. While that is no longer possible, we may continue to service a very limited number of existing client accounts held at TD Ameritrade, Inc. but we are not able to execute our "invest and protect" or "buy hold and protect" strategy for those accounts.

We will receive certain benefits from SEI solely because we have access to their institutional platforms. We may receive from SEI, without cost to our firm, computer software and related systems support, which allow us to better monitor your accounts maintained at SEI. We may receive the software and related support without cost because we render investment management services to clients that maintain assets at SEI. The software and related systems support may benefit our firm, but not you directly. In fulfilling our duties to you, we endeavor at all times to put your interests first. You should be aware; however, that our receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence our choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

### **Research and Other Benefits**

We do not receive any soft-dollar benefits from SEI or any other third-party service provider. However, we do participate in the SEI Advisor Network, and receive some benefits from SEI through our participation in the program that may include, for example, reimbursement to our firm for the expenses related to marketing events, or SEI may pay the vendors directly. The amounts of those payments vary according to the size of the event and are based on the amount of assets under management we place with SEI. Refer to Item 9 Client Referrals and Other Compensation for additional disclosures on our participation in the SEI Advisory Network.

The benefits we may receive from SEI 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 adviser 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; and discounts on research, technology, and practice management products or services provided to our firm by third party vendors. SEI may also have paid for business consulting and professional services received by our associated persons. Some of the products and services made available by SEI may benefit our firm and/or associated persons but may not benefit you or your accounts. These products or services may assist our firm in managing and administering client accounts, including accounts not maintained at SEI. Other services made available by the custodian are intended to help us manage and further develop our business enterprise. The benefits we receive do not depend on the amount of brokerage transactions directed to SEI. As part of our fiduciary duty to clients, we endeavor at all times to put the interests of our clients first. You should be aware; however, that the receipt of economic benefits by our firm or our associated persons itself creates a conflict of interest and may indirectly influence our choice of the custodian for custody and brokerage services. Without limiting the above, our associated persons may attend conferences offered by various vendors and/or wholesalers at a discounted price or no cost. **Our Chief Compliance Officer, William R. Frye, remains available to address any questions that a client or prospective client may have regarding the above.**

### **Brokerage for Client Referrals**

We do not receive client referrals from any other broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

To participate in the Program, clients are required to engage SEI Private Trust Company (a subsidiary of SEI Investments Company) as the transfer agent and custodian for their investment assets. Not all investment advisers require their clients to direct brokerage. We direct transactions almost exclusively through SEI, because our strategy is unique and we have negotiated arrangements with SEI. The economic relationship we have with SEI as described throughout this Wrap Fee Program Brochure presents conflicts of interest as described throughout in detail. Depending on which approved custodian clients select to maintain their investment accounts, they may experience differences in customer service, transaction timing, the availability of sweep account vehicles and money market funds and other aspects of investing. Clients should therefore be aware that by requiring Program accounts to be held at SEI, certain of these differences could cause differences in account performance, and we may be unable to achieve the most favorable execution of client transactions as a result.

### **Block Trades**

As part of our investment strategy, we may move all our clients in or out of the market at or about the same time as the trend analysis dictates. Where trades are in mutual funds, each account receives the net asset value and trading in block will not generally impact the price of the security or transaction costs for any client account participating in the block. Where other securities are traded in block, i.e., equity securities, each client will pay an average share of the trading costs associated with the transaction. Please refer to the Methods of Analysis, Investment Strategies and Risk of Loss section below for additional disclosures on our investment strategies and methods of analysis.

## Item 5 • Account Requirements and Types of Clients

We offer investment advisory services to individuals, high net worth individuals, defined benefit plans participant and non-participant directed defined contribution plans, and institutions

In general, clients can open and maintain an advisory account with no minimum balance requirement. However, the investment adviser representative servicing your account may set a minimum, or decline to accept your account, if the amount you have available to invest is too small to effectively manage, for example, the account size is too small to permit diversification, or the management fee charged is excessive in comparison to the account balance.

We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

## Item 6 • Portfolio Manager Selection and Evaluation

We are the sponsor and sole portfolio manager for the Program. Refer to Services, Fees, and Compensation for additional disclosures on costs associated with your participation in the Program.

### Performance-Based Fees and Side-by-Side Management

We do not accept performance-based fees or participate in side-by-side management.

Performance - based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance - based fees.

### Methods of Analysis, Investment Strategies and Risk of Loss

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- **Charting Analysis** - involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.
- **Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- **Technical Analysis** - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks
- **Cyclical Analysis** - a type of technical analysis that involves evaluating recurring price patterns and trends.
- **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.



Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined investment objectives, financial situation, and other related factors. Your restrictions and guidelines may affect the composition of your portfolio.

We use trend analysis to determine when to exit the stock market, in whole or in part, and when to re-enter the market in the "buy, hold and protect" or "invest and protect" strategy. The strategy is either offensive or defensive depending on the analysis and we will move all our clients in or out of the market at or about the same time as the trend analysis dictates. In addition to the risks noted below, the risks involved with trend analysis are that if the indicators signal us to sell out of the market there is the chance that the market may continue to move up after we have sold. We will then have to wait until the next signal before buying back into the market, which could be higher than when we sold. We would, in that instance, miss out on the up-side potential and under perform. Conversely, if a signal indicates that we should buy in to the market, there is a risk that the market might nevertheless experience a decline forcing us to sell out and incur a loss. Additionally, there is, of course, always the risk of disasters that would cause the market to experience catastrophic declines. While we generally employ trending analysis, mitigating circumstances may dictate a different course of action, and cause us not to follow the trending analysis strategy.

#### **Risks Associated with Methods of Analysis**

The risk of investment decisions based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance. The risk of cyclical analysis is that economic cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

#### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investment of your assets.

Your custodian will default to the First-In First-Out accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

## **Risk of Loss**

Investing in securities, whether through the Program or otherwise, involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. You understand that our investment recommendations for your account are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is no guarantee of future performance. Clients are urged to read each mutual fund's prospectus for more information on risks associated with any particular investment.

## **Proxy Voting**

We will not vote proxies on behalf of your advisory accounts. We may provide clients with general advice about voting proxies, but the ultimate decision and responsibility resides with the client.

## **Item 7 • Client Information Provided to Portfolio Managers**

At the time a client enrolls in the Program, they provide our firm with information about their investment objectives and financial situation as well as any reasonable restrictions they wish to impose on their Program account. Clients are urged to contact their advisory representative with respect to changes in their investment objectives or financial situation, or requested restrictions placed on the management of their Program assets.

We are the sponsor and sole portfolio manager for the Program; therefore, we do not share your private information with other portfolio managers. We will share your private information with SEI. We may also provide your private information to mutual fund companies, such as SIMC, and/or private managers as needed. We will only share the information necessary in order to carry out our obligations to you in servicing your account. We share your personal account data in accordance with our privacy policy as described below.

## **Privacy Notice**

We have adopted our privacy policy with recognition that protecting the privacy and security of the personal information we collect from you is an important responsibility. To provide services to you in an accurate and efficient manner, we must collect and maintain certain personal information about you.

We want you to know what information we collect and how we use and safeguard that information.

**Information We Collect:** We collect certain nonpublic information about you ("Customer Information"). The essential purpose for collecting Customer Information is to allow us to provide advisory services to you. Customer Information we collect may include:

- Information that you provide on applications or other forms. This Customer Information may include personal and household information such as income, spending habits, investment objectives, financial goals, statements of account, and other records concerning your financial condition and assets, together with information concerning employee benefits and retirement plan interests, wills, trusts, mortgages and tax returns.
- Identifying information such as your name, age, address, social security number, etc.



- Information about your transactions with us, or others (e.g. broker/dealers, clearing firms, or other chosen investment sponsors).
- Information we receive from consumer reporting agencies (e.g. credit bureaus), as well as other various materials we may use to provide an appropriate recommendation or to fill service request.

**Data Security:** We restrict access to Customer Information to those representatives and employees who need the information to perform their job responsibilities within our firm. We maintain agreements, as well as physical, electronic, and procedural securities measures that comply with federal regulations to safeguard Customer Information about you.

**Information We Disclose to Unaffiliated Third Parties:** As a rule, we do not disclose your nonpublic personal information we collect to unaffiliated firms or individuals. However, because we rely on certain unaffiliated third parties for services that enable us to provide our advisory services to you, such as our attorneys, other consultants, brokers, and custodians who, in the ordinary course of providing their services to us, may require access to your information, it may be necessary to share non-public personal information with certain third parties. Certain of these unaffiliated third parties may interact directly with you in connection with the selling of insurance or other products.

**Information We Disclose to Affiliated Third Parties:** We will disclose your nonpublic personal information we collect in each of the categories listed above to Moraif Financial Group, Inc. ("MFG"), an affiliated licensed insurance agency. We share office space with MFG and we share the same computer system; therefore, staff members of both entities have access to your nonpublic personal information. MFG is limited in its reuse and disclosure of your nonpublic personal information in the same way that Retirement Planners of America is limited, and as described in this Privacy Notice.

**Former Clients:** If you decide to close your account(s) or become an inactive customer, we will adhere to our privacy policies, which may be amended from time to time.

**Changes to Our Privacy Policy:** Except as required or permitted by law, we do not share confidential information about you with nonaffiliated third parties. In the unlikely event there were to be a change in this fundamental policy that would permit or require additional disclosures of your confidential information, we will provide written notice to you, and you will be given an opportunity to direct us as to whether such disclosure is acceptable.

**Questions:** If you have questions about this privacy notice or have a question about the privacy of your customer information call main number for the firm or contact William Frye at (469) 246-3627.

## Item 8 • Client Contact with Portfolio Managers

Your advisory representative is responsible for the portfolio management of your account. If you have questions regarding your portfolio, you should contact your advisory representative, or you may contact our firm directly using the phone number listed on the cover page of this brochure. There are no restrictions placed on a client's ability to contact and consult with their advisory representative.

## Item 9 • Additional Information

### Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

### Other Financial Industry Activities and Affiliation SEI Funds

Please refer to Item 4 for a discussion on the SEI Funds and the associated conflicts of interest relating to the Program's investment in the SEI Funds.

The SEI Funds are administered, distributed, and in some cases advised by SIMC or its affiliates for which it is paid fees as disclosed in the SEI Funds' prospectuses. The prospectus should be read carefully by all investors before investing in the SEI Funds. Because SEI, as the investment adviser to the SEI Funds, earns advisory fees based on AUM invested in the SEI Funds, and other SEI affiliates provide services to the SEI Funds for which they also receive compensation, SEI and its affiliates directly benefit through our placement of client assets in the SEI Funds. As more thoroughly discussed below in the SEI Strategic Marketing Agreement heading of this Item 9, we have entered into a Strategic Marketing Agreement ("SM Agreement") with SEI. SEI expects our clients' AUM in the Funds (and, in certain cases, other SEI sponsored mutual funds) to increase over time and not fall below a certain threshold. Consequently, we have an incentive to recommend to our clients that their AUM with our firm be invested in the SEI Funds, or other SEI sponsored mutual funds.

### Arrangements with Affiliated Entity and Management Person

We are affiliated with Moraif Financial Group, Inc. ("MFG"), dba Moraif Insurance Group, a licensed insurance agency, through common control and ownership. All persons providing investment advice on behalf of our firm are also required to be licensed insurance agents. These persons will earn commission-based compensation for selling insurance products to you. MFG will also receive a portion of the commission-based compensation. Insurance commissions earned are separate from the Program Fee. See Item 4 Services, Fees, and Compensation above for more information on the compensation received by insurance agents who are affiliated with our firm.

We maintain a reciprocal referral arrangement with MFG. Referral arrangements with an affiliated entity present a conflict of interest for us because we have a direct financial incentive to recommend an affiliated firm's services, or vice versa. While we believe that compensation charged by an affiliated firm is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services.

Certain IARs that report to Ken Moraif are required to introduce or refer clients to MFG for their long-term-care and life insurance needs as part of their employment with us. Notwithstanding, these IARs are free to introduce you to other unaffiliated insurance agents or agencies other insurance needs. Also, other IARs of ours are free to introduce you to other unaffiliated insurance agents or agencies, including those that may be family members or other professional acquaintances. All clients are free to accept or reject any referrals to an insurance agent or agency. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may be able to obtain comparable services and/or lower fees through other firms.

Kenneth A. Moraif is the author of “Buy Hold & Sell: The investment strategy that could save you from the next market crash.” Although the name of this book is similar to the name of our investment strategy, it is not an actual representation of how we would manage our clients’ assets or a representation of its benefits. As a result of various marketing efforts, Retirement Planners of America and Mr. Moraif may be deemed to have encouraged existing and potential clients to purchase this book. However, clients are under no obligation to do so. As the author of that book, Mr. Moraif will receive a direct economic benefit for each book sold and will donate the economic benefit to charity.

Our Chief Compliance Officer, William R. Frye, remains available to address any questions that a client or **prospective client may have regarding the above conflicts of interest.**

#### **Arrangements Between Affiliated Entity and Unaffiliated Entities**

MFG has entered into a contractual relationship with Ash Brokerage Corporation, (“ASH”), an unaffiliated brokerage general agency, for purposes of gaining access to certain coverages and programs for life insurance, annuities, long-term care insurance, disability income insurance, fixed annuities, and other insurance products (collectively “Products”) through various insurance carriers with which it has affiliations.

Through this arrangement, ASH expects MFG’s sales production to not fall below a certain threshold. To this end, ASH will make presentations to IARs, and will have a vendor’s booth at certain conventions or conferences sponsored by MFG or our firm. Consequently, in order for MFG, our affiliate, to maintain a favorable arrangement with ASH, both our firm and our IARs who are also licensed insurance agents have an incentive to recommend that you purchase insurance products that benefit MFG and ASH.

MFG has also entered into a contractual relationship with Castle Senior Benefits, an independent and unaffiliated licensed health insurance agency specializing in Medicare benefits (“Castle”), which offers presentations to MFG’s and our clients, to help them identify supplemental Medicare coverage choices. If a client chooses to purchase insurance commission products, MFG will receive a portion of those commissions. The commissions charged by Castle or the applicable entity and received by MFG may be higher or lower than those charged by other entities. Notwithstanding, the recommendation that a client purchase any insurance product on a commission basis, including those offered through Castle, presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client’s need.

No client is under any obligation to purchase any insurance commission products recommended by our or MFG’s representatives. Clients may purchase insurance commission products that we recommend through other, non-affiliated or non-recommended agencies.

**Our Chief Compliance Officer, William R. Frye, remains available to address any questions about the above conflicts of interest.**

#### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will

review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm. Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

We recommend the purchase of SEI Funds and receive certain forms of compensation from SEI. Refer to SEI Strategic Marketing Agreement and SEI Model Management and Transaction Charge Offset Program below for additional disclosures on this topic.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

### **Review of Accounts**

The Associated Person/Advisory Representative assigned to manage your account(s) will monitor your account(s) on an ongoing basis and will conduct account reviews at least annually and as agreed to between you and your Advisory Representative to ensure that the advisory services provided to you and/or the portfolio mix are consistent with your stated investment needs and objectives. You are strongly encouraged to participate in the annual account review; however, your participation is not required. Additional reviews may be conducted based on various circumstances, including, but not limited to: client request; contributions and withdrawals; year-end tax planning; market moving events; security specific events; and/or, changes in your risk/return objectives.

Your Advisory Representative may provide you with written account value reports in conjunction with account reviews. You will receive trade confirmations and reports from your account custodian(s) at least quarterly. If you receive reports from our firm, we encourage you to reconcile our reports with those received from the account custodian. If you find your holdings differ between these two statements, call our main office number located on the cover page of this brochure immediately.

### **Client Referrals and Other Compensation**

If a client is introduced to our firm by either an unaffiliated or an affiliated solicitor, we may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from our investment advisory fee, and shall not result in any additional charge to the client. If the client is introduced to us by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of the solicitor relationship, and shall provide each prospective client with a copy of

our written Brochure along with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between us and the solicitor, including the compensation to be received by the solicitor from our firm.

Persons providing investment advice on behalf of our firm are required to be licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the Services, Fees, and Compensation section.

Certain of our investment adviser representatives (“IARs”) will receive compensation from our firm based on a percentage of client assets to which the IAR provides advisory services. You will not be charged additional fees based on this compensation arrangement.

### **SEI Strategic Marketing Agreement**

We have entered into the SM Agreement with SIMC to participate in the SEI Advisor Network. The SEI Advisor Network is designed as a suite of services provided through SEI and its various subsidiaries and affiliates to independent investment advisers. As disclosed above at Item 4, we provide investment advisory services to our clients through the SEI Funds that were established for use exclusively by our firm in order to accommodate our investment strategy. Because SEI, as the investment adviser to the SEI Funds, earns advisory fees based on the assets under management (“AUM”) invested in the SEI Funds, and other SEI affiliates provide services to the SEI Funds for which they also receive compensation, SEI and its affiliates directly benefit through our placement of client assets in the SEI Funds.

Through our participation in the SEI Advisor Network, SEI will defray certain costs we incur directly related to our marketing program based on our continued use of the SEI Funds as primary investment choices for our client relationships developed as a result of our marketing efforts. Our participation in the SEI Advisor Network does not diminish our duty to place client assets in investments that meet the suitability needs of each client in compliance with applicable law. In light of the benefits we receive for participation in the SEI Advisor Network, SEI expects our clients’ AUM in the SEI Funds (and, in certain cases, other SEI sponsored mutual funds) to increase over time and not fall below a certain threshold. In fact, our original agreement with SEI called for a complete waiver of all compensation if our firm’s client’s assets in the SEI Funds declined below \$1.5 billion. Consequently, in order to receive hard dollar reimbursements from SEI for certain marketing expenses, we have an incentive to recommend to our clients that their AUM with our firm be invested in the SEI Funds, or other SEI sponsored mutual funds. Therefore, the compensation our firm receives in this respect comes indirectly from our client assets invested in the SEI Funds.

As part of our marketing efforts to attract new clients (and to help retain current clients) we rely primarily on a weekly radio program airing in various geographic markets and the sponsoring of local seminars. Through our participation in the SEI Advisor Network, SEI will defray the cost of the radio program and the seminars we sponsor. Other costs that SEI may cover include, for example: client appreciation events; prospective client events; group current and prospective client dinners; telemarketing services; marketing brochures and presentations; and charitable contributions tied to an event. SEI may also pay for other marketing expenses in its sole discretion. These items that are paid for by SEI will benefit our firm but may not benefit our clients. The amount of marketing services paid for by SEI depends directly on the amount of AUM we direct to SEI and that are placed in the SEI Funds, or other SEI sponsored mutual funds or products.

As of 2020, we also receive payments from SEI under the SM Agreement of approximately \$1.55 million or \$387,000 per quarter.

Clients should be aware that the receipt of economic benefits by our firm from SEI creates a conflict of interest and influences our choice of SEI and the SEI Funds, or other SEI sponsored mutual funds, for client investment needs. Refer to the Services, Fees, and Compensation section above for disclosures on research and other benefits, we may receive resulting from our relationship with SEI.

### **SEI Client-Level Fee Waiver**

Clients that maintain custodial accounts at SEI are currently subject to a reduced pricing schedule that has been published to account holders and is otherwise charged by customers of SEI. Specifically, SEI has waived its platform fee with respect to assets invested in all SEI sponsored funds, including the SEI Funds. In addition, it has determined to waive the platform fee for assets invested in non-transaction fee funds. Transaction fee funds, ETFs and other assets managed by us will continue to be subject to a platform fee. The platform fee is subject to a \$1,000 per year, per household maximum. This presents a conflict of interest, because our clients with accounts held at other custodians or broker-dealers may not receive the benefit of this arrangement. We address this conflict of interest by disclosing it to clients and prospective clients. While clients seeking to participate in the Program must select SEI Private Trust Company (a subsidiary of SEI Investments Company) as the transfer agent and custodian for their investment assets, clients are ultimately responsible for selecting the broker-dealer or custodian where they want to maintain their account.

### **Custody**

We are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. We do not have physical custody of any of your funds or securities. You will receive account statements from the independent, qualified custodian that holds your account at least quarterly. The account statements from your custodian will indicate the Program Fee deducted from your account. You should carefully review account statements for accuracy. Further, the Program Fee for management of the sub-accounts tied to variable annuities may be distributed by the annuity company directly from your account.

If you have a question regarding your account statement or if you did not receive a statement from your custodian, contact our firm at the telephone number on the cover page of this brochure.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

### **Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts. Also, we do not require the prepayment of more than \$1,200

in fees six or more months in advance nor have we filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.

**ANY QUESTIONS: Our Chief Compliance Officer, William R. Frye, remains available to address any questions regarding this Appendix.**