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Form ADV Part 2A  
March 20, 2021

This brochure provides information about the qualifications and business practices of FAPA Financial Services. If you have any questions about the contents of this brochure, please contact us at 404-769-6144. 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. Registration as an investment adviser, either with the SEC or with a state securities authority, does not imply a certain level of skill or training.

Additional information about FAPA Financial Services is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

Since our previous Form ADV Part 2A dated March 2020, we have made the following material changes to our advisory business and this brochure.

- Item 4 - We have temporarily removed “Selection of Other Advisers” and “Subscription Services” from our menu of advisory offerings.
- Item 5 - We have added language related to fees for our investment management services to discuss the effect of prorated deposits and withdrawals.

Additionally, FAPA will be withdrawing its investment adviser registration with the SEC and will be registering with one or more state securities authorities.

### **Material Changes to the Customer Relationship Summary (Form CRS)**

We amended our Form CRS to reflect the material changes discussed above.

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## **Item 4 - Advisory Business**

CyberCompass LLC is a limited liability company organized under the laws of the State of Nevada on January 17, 2014 and is a wholly owned subsidiary of CyberCompass Corporation which is 33.8% owned by W. Louis Smith.

Using the d/b/a FAPA Financial Services, we offer the investment advisory services discussed in this brochure. This Disclosure Brochure provides you with information regarding our qualifications, business practices, and the nature of advisory services that should be considered before becoming our advisory client. Please contact Thomas W. Smith, Vice President, if you have any questions about this Disclosure Brochure.

Although our corporate headquarters is in Nevada, our primary office location is currently in the state of Georgia. It is from this office in Georgia where we offer and conduct investment advisory business. We do not currently have an office of business in Nevada from which we provide advisory services.

Currently, our sole investment adviser representative is Tom Smith. Information concerning his education, experience, and background can be found in his ADV Part 2B (brochure supplement). You will receive a copy of this brochure supplement prior to or at the time of our initial advisory work with you.

### ***Types of Advisory Services***

We offer the following types of investment advisory services:

- Discretionary Investment Management
- Financial Planning Services

Each of these investment advisory services are discussed in greater detail below.

#### **Discretionary Investment Management**

If desired, we will manage your investment accounts on a discretionary basis (see Item 16). Through personal discussions, meetings, and data gathering, we will develop a personal investment policy based on your stated investment objectives, risk tolerance, time horizon, liquidity needs, and other relevant financial information. Your investment portfolio or accounts will be managed in accordance with your personal investment policy.

#### **Financial Planning Services**

Our business activities involve both furnishing investment advice through consultations that include ongoing supervision or management of an investment account and financial planning.

This is an annual fee service for clients that are looking for various types of financial analysis. This could include cash flow projections, education analysis or insurance analysis.

While we offer many different services, we recognize that some services that are crucial to one client's Plan may not be necessary to another client's Plan. After having a discussion with you regarding your needs and objectives, a decision is made regarding which services you require of us. Some of those services may include, but are not limited to:

- Retirement planning
- Education planning
- Major purchases
- Long-term care needs
- Risk management
- Estate planning

Any estate plan analysis should not be considered tax or legal advice and you are urged to consult your tax and legal consultants about the tax and legal consequences of any specific estate planning strategy.

We do not offer a wrap-fee program.

As of March 20, 2021 we had approximately \$3,400,000 in discretionary assets under management and \$0 in non-discretionary assets under management.

## **Item 5 - Fees and Compensation**

### *Discretionary Investment Management*

Our annual fees for our discretionary investment management services are based upon a percentage of assets under management and generally range from 0.35% to 1.0%. These fees are charged in arrears based on the market value on the last trading day of the quarter. Fees are prorated for cash withdrawals and deposits made during the fee billing period.

The annualized fee for discretionary investment management services is charged as a percentage of assets under management, according to the following schedule:

Assets Under Management Fee	Per Annum	Per Quarter
First \$250,000	1.00%	0.25%
Next \$250,000	0.90%	0.225%
Next \$500,000	0.80%	0.20%
Next \$541,666	0.60%	0.15%

Any amount above \$1,541,666 is capped at \$12,000 per year.

### *Fee Based Financial Planning Services*

Financial planning services will be charged on an hourly basis or as a flat, negotiated amount. Hourly fees are subject to a two (2) hour minimum. The standard rate is \$200 per hour. If paying hourly, the initial payment for the first two hours is due at the time this Agreement is signed. If paying a flat fee, a minimum payment equal to half the total fee is due at the time this Agreement is signed. The payment for any additional hours (if applicable) or the remaining half of the flat fee is due at the time the written financial plan is delivered to the client.

This Agreement may be terminated by either party at any time without penalty upon written notice to the other party. Such termination shall not, however, affect liabilities or obligations incurred or arising from transactions initiated under this Agreement prior to such termination, including the provisions regarding arbitration which shall survive any expiration or termination of the Agreement.

If a client terminates this Agreement within five business days of its signing, the client shall receive a full refund of all fees and expenses. If this Agreement is terminated after five business days of its signing, any unearned, prepaid fees shall be prorated, and the unused portion shall

be returned to the client. Client shall pay any earned but unpaid fees upon termination of this Agreement.

The fees discussed above do not include commission charges for transactions effected through broker-dealers, markups/mark-downs on principal transactions with unaffiliated broker-dealers, costs relating to trading in foreign securities, charges imposed by law, specialized charges such as transfer taxes, exchange and SEC fees, or charges for specific account services such as account transfer fees and wire transfer fees. Such charges will be an additional expense to the client's account. Please reference the account agreement for the custodian for these specific fees.

It is our policy to avoid investing in funds that contain 12b-1 fees. Assets transferred into the Account containing such funds may charge marketing and distribution (Rule 12b-1) fees, mutual fund management fees, early termination fees and other fees and expenses which may be assessed by the fund sponsor, custodian, transfer agent, adviser, shareholder service provider or other service providers. Such fees are not included in, and are payable by the client in addition to the Account Fee. Further information regarding charges and fees assessed may be found in the applicable fund's prospectus, annual report and/or custodial agreement. Client may purchase shares of the mutual funds in which assets in the account may be invested other than through the account, without receiving investment management services from us.

Upon written consent, you authorize us to directly debit the investment management fees from your custodian, when due, from the assets in the account in accordance with the custodian's policies, practices, and procedures.

Clients should understand that the same or similar services provided pursuant to a FAPA advisory agreement may be available from other institutions for a fee which may be lesser or greater than that charged pursuant to such agreement.

Client agreements may be terminated at any time by either party's giving to the other written notice of such termination. As applicable, fees paid in advance will be prorated to the date of termination specified in the notice of termination, and any unearned portion will be refunded to the client.

Although FAPA Financial Services has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered. These include the complexity of the client, assets to be placed under management, related accounts, portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

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

We do not charge performance-based fees (i.e., advisory fees based on a share of the capital gains on or capital appreciation of the assets of a client). Our compensation structure is disclosed in detail in Item 5 above.

## **Item 7 - Types of Clients**

We provide investment advisory services primarily to individuals including high net worth individuals. We do not require a minimum account size for opening or maintaining an account.

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

**METHODS OF ANALYSIS:** We use the following methods of analysis in formulating our investment advice and/or managing client assets: In conducting the analysis of securities, the firm uses several tools and resources including commercially available software technology, securities rating services, general market and financial information, due diligence reviews and specific investment analysis requested by the client. The principal sources of information include major financial publications and resource tools, security analysis and benchmarking software, prospectuses, and various financial and business resources including filings with the Securities and Exchange Commission. We may also use outside consultants in certain circumstances to provide expertise as to areas of information or analysis.

**INVESTMENT STRATEGIES:** Our investment strategy and guidance is primarily based on long-term portfolio strategies that incorporate the principles of modern portfolio theory. Our investment approach is firmly rooted in the belief that markets are “efficient”, and that investors’ returns are determined principally by asset allocation decisions. We develop diversified portfolios, primarily using passive, asset class mutual funds (both open end funds and exchange traded funds) that are available generally to institutional investors and clients of a network of carefully selected advisors and separate account managers who follow a disciplined asset allocation investment approach.

**RISK OF LOSS:** Our investment management strategies or portfolios will involve different types of investments and securities. Types of securities may include mutual funds, index funds, ETFs, stocks, bonds, and other types of investments. Each type of investment has its own unique kinds of risk and levels of risk. We will discuss these risks with the client in determining your investment objectives. We will explain and answer any questions the client has about these kinds of investments, which present special considerations.



Investing in securities involves risk of loss that the client should be prepared to bear. Obtaining higher rates of return on investments typically entails accepting higher levels of risk. We work with the client to attempt to identify the balance of risks and rewards that is appropriate and comfortable for the client. Also, while we strive to render our best judgment on the client's behalf, many economic and market variables beyond our control can affect the performance of investments and we cannot assure that the investments will be profitable or assure that no losses will occur in the client's investment portfolio. Although past performance is one important consideration with respect to any investment, it is not a predictor of future performance.

Below is a summary, including the inherent risks, of the types of securities which may be utilized.

### Mutual Funds, Index Funds, and Exchange-Traded Funds

Mutual funds and ETFs typically charge their shareholders various fees and expenses associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. These separate fees and expenses are disclosed in each fund's current prospectus, which is available from the fund or we can provide it upon request. Consequently, for any type of fund investment, it is important for clients to understand that they are directly and indirectly paying two levels of fees: one layer of expenses at the fund level and one layer of advisory fees to us.

Generally, most mutual funds may be purchased directly, without using our services and without incurring our advisory fees. Mutual funds and ETFs will change in value, and investors could lose money by investing in a mutual fund or an ETF. An investment in an ETF involves similar risk to those of investing in any fund of equity securities traded on an exchange. An ETF seeks investment results that correspond generally to the price and yield of an index. Investors should anticipate that the value of an ETF's shares would decline in correlation with any decline in the value of its corresponding index. An ETF's return may not match the return of the index. The ETF may invest in small-capitalization, mid-capitalization, emerging markets, and international companies. Such companies may experience greater price volatility than larger, more established companies. Sometimes referred to as a "tracking error," expenses and other factors may affect the performance of an ETF so that the ETF's performance will not exactly match the performance of their respective underlying indexes.

### Mutual Fund Securities

Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

## Exchange-Traded Funds (“ETFs”)

ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a specific market segment or index. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market. The funds, as a shareholder of another investment company, will bear their pro-rata portion of the other investment company’s advisory fee and other expenses, in addition to their own expenses. Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral. Further, the use of leverage (i.e., employ the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF’s underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

## Equity Securities

Investing in individual companies involves inherent risk. The major risks relate to the company’s capitalization, quality of the company’s management, quality and cost of the company’s services, the company’s ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company’s ability to create shareholder value (i.e., increase the value of the company’s stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

## Fixed Income Securities

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company’s ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of 10 years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds have liquidity and currency risk.

## Commercial Paper and Certificates of Deposit

Commercial paper and certificates of deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank and the length of maturity. With respect to certificates of deposit, depending on the length of maturity there can be prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

## Municipal Securities

Municipal securities carry additional risks than those of corporate and bank-sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally not taxed at the federal level, but may be taxable in individual states other than the state in which both the investor and municipal issuer is domiciled.

## U.S. Government Securities

U.S. government securities include securities issued by the U.S. Treasury and by U.S. government agencies and instrumentalities. U.S. government securities may be supported by the full faith and credit of the United States.

## Corporate Debt Obligations

Corporate debt obligations include corporate bonds, debentures, notes, commercial paper and other similar corporate debt instruments. Companies use these instruments to borrow money from investors. The issuer pays the investor a fixed or variable rate of interest and must repay the amount borrowed at maturity. Commercial paper (short-term unsecured promissory notes) is issued by companies to finance their current obligations and normally has a maturity of less than nine months. In addition, the firm may also invest in corporate debt securities registered and sold in the United States by foreign issuers (Yankee bonds) and those sold outside the U.S. by foreign or U.S. issuers (Eurobonds).

## **Item 9 - Disciplinary Information**

We, as a firm, or our management persons or investment adviser representatives have never been involved in legal or disciplinary events related to past or present investment clients.

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

Neither the firm or its management persons are registered with a broker-dealer, nor do we have an application pending for registration as a broker-dealer or registered representative of a broker-dealer, a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Neither the firm or its management persons has a relationship or arrangement with any of the following:

- broker-dealer, municipal securities dealer, or government securities dealer or broker
- investment company or other pooled investment vehicle
- other investment adviser or financial planner
- futures commission merchant, commodity pool operator, or commodity trading advisor
- banking or thrift institution
- accountant or accounting firm
- lawyer or law firm
- insurance company or agency
- pension consultant
- real estate broker or dealer
- sponsor or syndicator of limited partnerships

## **Item 11 - Code of Ethics**

We have a Code of Ethics, which includes prohibitions against Insider Trading. Our Code of Ethics is designed to ensure that our personnel (i) observe applicable legal (including compliance with applicable state and federal securities laws and ethical standards in the performance of their duties; (ii) at all times place the interests of our clients first; (iii) disclose all actual or potential conflicts; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to its clients; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading.

Our Code allows for affiliated persons to buy or sell securities for their personal accounts and addresses how to mitigate any conflict of interest with our Clients. We do not allow any affiliated persons to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients. We do not recommend to Clients any securities in which we have a material financial interest.

The Code applies to “access” persons. “Access” persons are affiliated persons who have access to non-public information regarding any Clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public. We will provide a copy of our complete Code of Ethics upon request.

## **Item 12 - Brokerage Practices**

Specific custodian or brokerage recommendations are made to clients based on their need for such services. FAPA recommends custodians based on the proven integrity and financial responsibility of the firm, best execution of orders at reasonable commission rates, industry reputation, and the quality of client service. FAPA does not receive fees, commissions, or other compensation from any of these arrangements, nor are any commissions or fees used to obtain any benefits or services that are offered or provided by any broker-dealer or custodian used to execute securities transactions or custody your accounts.

Among the factors we look at in recommending the use of a broker/custodian, we seek one who will hold your assets and execute transactions on terms that are generally most advantageous when compared to other available providers. We consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services;
- Capability to execute, clear, and settle securities transactions;
- Breadth of available investment products;
- Competitiveness of the price of the services;
- Reputation, financial strength, and stability;
- Prior service to us and our other clients.

FAPA may recommend or require that clients establish brokerage accounts with the Schwab Institutional® division of Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to execute trades for their accounts. Although FAPA may recommend or require that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. FAPA is independently owned and operated and not affiliated with Schwab.

Schwab provides FAPA with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional. These services may be contingent upon FAPA committing to Schwab a specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For FAPA client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to FAPA other products and services that benefit FAPA but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of accounts, including accounts not

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

Schwab Institutional also offers other services intended to help FAPA manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange, and/or pay third-party vendors for the types of services rendered to FAPA. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to FAPA. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of FAPA personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, FAPA may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab.

The \$10 million minimum may give us an incentive to recommend that you maintain your account at Schwab. While this is a potential conflict of interest, we believe that our selection of Schwab as a recommended or required custodian and broker is in the best interest of our clients apart from these considerations. Our selection is primarily based upon the scope, quality, and price of services and not the services that benefit only us.

We do not require, request, or recommend directed brokerage arrangements whereby you direct us to place brokerage trades with a specified broker-dealer. This may differ from other investment advisors. Although we recommend or require that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. FAPA is not affiliated with Schwab in any way. By directing brokerage, we may be unable to achieve the most favorable execution of client transactions, and this practice may cost clients more money.

If FAPA buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such cases, we would place an aggregate order with the broker on behalf of all such clients to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. We would determine the appropriate number of shares and select the appropriate brokers consistent with our duty to seek best execution, except for those accounts with specific brokerage direction (if any).

Additionally, we do not routinely recommend, request, or require that a client direct us to execute transactions through a specified broker-dealer, nor aggregate the purchase or sale of securities for various client accounts.



## **Item 13 - Review of Accounts**

Tom Smith will review client accounts on an annual basis to ensure your portfolio is in alignment with your stated investment objectives, risk tolerance, and other financial information. No additional reviews are performed relating to the other services unless otherwise requested by the client.

We may perform reviews more frequently because of market conditions, a client request, or because of changes in a client's financial profile, such as a change of investment objective, risk tolerance, tax status, or any other change in a client's financial condition or profile.

## **Item 14 - Client Referrals and Other Compensation**

We do not receive an economic benefit from a non-client for providing investment advice or other advisory services to our clients. We do not have any arrangement under which we, or a related person, directly or indirectly compensate any person, who is not our supervised person, or receive compensation from another for client referrals.

## **Item 15 - Custody**

We do not have custody of client funds or securities; however, upon written consent from you, we have the authority to have the custodian to directly deduct our advisory fees from the assets held at the end of each quarter. Otherwise, we will bill you directly and provide you with an invoice upon which you have 30 days to remit to us our advisory fees.

No less than quarterly, your account custodian will send an account statement directly to you. The account statement contains a record of your account holdings and securities transactions including the amount of advisory fees paid directly to us. We do not send any account statements.

## **Item 16 - Investment Discretion**

We accept discretionary authority to manage your securities accounts. You grant us this authority by executing an advisory agreement with us. Our discretionary authority allows us to determine the security to buy or sell, the amount of the security to buy or sell and the broker-dealer/custodian.

Clients give us discretionary authority when they sign a discretionary agreement with our firm and may limit this authority by giving us written instructions. Clients may also change or amend such limitations by providing us with written instructions.

## **Item 17 - Voting Client Securities**

We do not have, nor will we accept authorization to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients should contact their custodian or a transfer agent with questions about a particular solicitation.

## **Item 18 - Financial Information**

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you given that we do not have custody of client funds or securities or require or solicit prepayment of more than \$1,200 in fees per client and six months or more in advance. In addition, we are not currently, nor at any time in the past ten years have been the subject of a bankruptcy petition.