

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



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Firm Contact:  
**Sharon Evans**  
Chief Compliance Officer

This brochure provides information about the qualifications and business practices of Marshall Investment Management, LLC. If clients have any questions about the contents of this brochure, please contact us at (303) 991-6415. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about our firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #174817.

Please note that the use of the term "registered investment adviser" and description of our firm and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise clients for more information on the qualifications of our firm and our employees.

## Item 2: Material Changes

Marshall Investment Management, LLC is required to make clients aware of information that has changed since the last annual update to the Firm Brochure ("Brochure") and that may be important to them. Clients can then determine whether to review the brochure in its entirety or to contact us with questions about the changes.

Since the last annual amendment filed on March 6<sup>th</sup>, 2020, the following changes have been made:

- As of January 1, 2021, Sharon Evans, Chief Compliance Officer of Marshall Investment Management, LLC, owns 5% of our firm.
- Our firm has decreased the minimum account balance requirement to engage us for our Asset Management service from \$500,000 to \$25,000. Please refer to Item 7 of this Brochure for more information.
- Our firm has increased our maximum hourly rate for Financial Planning and Financial Consulting services to \$500. Please refer to Item 5 of this Brochure for more information.

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## Item 4: Advisory Business

Our firm provides individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed under the laws of the State of Colorado in 2015 and has been in business as an investment adviser since that time. Our firm is owned by Dennis Edward Marshall, Kristin Schoenfelder, and Sharon Evans.

The purpose of this Brochure is to disclose the conflicts of interest associated with the investment transactions, compensation, and any other matters related to investment decisions made by our firm or its representatives. As a fiduciary, it is our duty to always act in the client's best interest. This is accomplished in part by knowing the client and their investment goals and objectives. Our firm has established a service-oriented advisory practice with open lines of communication for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. Working with clients to understand their investment objectives while educating them about our processes facilitates the type of working relationship we value.

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

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#### **Asset Management:**

Advisor Managed Portfolios Platform ("AMP") is a custom designed portfolio that is professionally managed by our firm to meet the client's needs. This portfolio may be fully customizable to include stocks, bonds, mutual funds, and closed-end funds. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities that are determined to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the client's individual needs, stated goals, and objectives.

#### **Financial Planning *and* Financial Consulting:**

Our firm provides a variety of standalone financial planning and financial consulting services to clients for the management of financial resources. Financial planning and financial consulting services will typically involve preparing a financial plan or rendering a financial consultation for clients based on the client's current situation, financial goals, and objectives. This planning may encompass Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Studies, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, or Business and Personal Financial Planning. Written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. Implementation of these recommendations will be at the sole discretion and responsibility of the client. Our firm provides clients with a summary of their financial situation, and observations for financial planning engagements. Financial consultations are not typically accompanied by a written summary of observations and recommendations, as the process is less formal than the planning service. If all of the information and documents requested from the client are provided promptly, the plan or consultation is typically completed, and recommendations delivered within 6 months of the client signing a contract with our firm.

## **Retirement Plan Consulting:**

Our firm provides retirement plan consulting services to employer plan sponsors on an ongoing basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing, monitoring, and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising may include investment options, plan structure, and participant education:

- **Establishing an Investment Policy Statement** – Our firm will assist in developing a statement that summarizes the investment goals and objectives, along with the broad strategies to be employed to meet those objectives.
- **Investment Options** – Our firm will work with the Plan Sponsor to evaluate existing investment options and make recommendations for appropriate changes.
- **Asset Allocation and Portfolio Construction** – Our firm will develop strategic asset allocation models to aid participants in developing strategies to meet their investment objectives, time horizons, financial situation, and tolerance for risk.
- **Investment Monitoring** – Our firm will monitor the performance of the investments and will review the performance of the investments with the client at least annually.

In providing services for retirement plan consulting, our firm does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”). All retirement plan consulting services shall comply with the applicable state laws regulating retirement consulting services. This applies to client accounts that are retirement or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the client accounts are part of a Plan, and our firm accepts appointment to provide services to such accounts, our firm acknowledges its fiduciary standard within the meaning of Section 3(21) or 3(38) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

## **Referrals to Third Party Money Managers:**

Our firm may utilize the services of a third party money manager for the management of a portion or all client assets. Investment advice and trading of securities will only be offered by or through the chosen third party money manager. Our firm may offer advice on specific securities or other investments in connection with this service. Specific authority and responsibilities of our firm and third party money managers will be outlined in the money managers’ agreements. Prior to referring clients, our firm will provide initial due diligence on third party money managers and ongoing reviews of their management of client accounts. To assist in the selection of a third party money manager, our firm will gather client information pertaining to the financial situation, investment objectives, and reasonable restrictions to be imposed upon the management of the account. Our firm will periodically review third party money manager reports provided to the client at least annually. Our firm will contact clients from time to time to review their financial situation and objectives, communicate information to third party money managers as warranted, and assist the client in understanding and evaluating the services provided by the third party money manager. Clients will be expected to notify our firm of any changes in their financial situation, investment objectives, or account restrictions that may affect their financial standing.

## **Tailoring of Advisory Services**

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Our firm offers individualized investment advice to our Asset Management clients. General investment advice will be offered to our Financial Planning and Financial Consulting, Retirement Plan Consulting, and Referrals to Third Party Money Management clients.

Each Asset Management client may place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

## **Participation in Wrap Fee Programs**

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Our firm offers and sponsors a wrap fee program. Asset Management services are only offered through wrap accounts, which are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. Please see our Part 2A, Appendix 1 (the "Wrap Fee Program Brochure") for more information.

## **Regulatory Assets Under Management**

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As of December 31<sup>st</sup>, 2020, our firm manages \$197,229,057. All assets are managed on a discretionary basis.

## **Item 5: Fees & Compensation**

### **Compensation for Our Advisory Services**

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#### **Asset Management:**

##### **Tiered Fee Information**

<b>Tier</b>	<b>Min Account Value</b>		<b>Max Account Value</b>	<b>Max Fee</b>
1	\$0.00	up to	\$250,000.00	1.95%
2	\$250,000.01	up to	\$500,000.00	1.75%
3	\$500,000.01	up to	\$1,000,000.00	1.50%
4	\$1,000,000.01	up to	\$2,000,000.00	1.25%
5	\$2,000,000.01	up to	\$9,999,999,999.99	1.00%

#### **Advisor Managed Portfolios Platform ("AMP")**

The maximum annual fee to be charged to the client's account(s) will not exceed 1.95%. The fee to be assessed on each account will be detailed in the client's signed Advisory Agreement, LPL Account Application, or LPL Tiered Fee Authorization form. AMP requires a high degree of customization and hands-on attention from our advisors. The account minimum is \$25,000 but can be negotiated in certain circumstances at the discretion of our firm. Your individual advisor will present you with their service offerings and the specific terms of your engagement with us will be outlined in the appropriate client agreement.

Fees are negotiable and billed in advance on a quarterly, pro-rata basis based on the value of the account(s) on the last day of the previous quarter. Fees will be deducted directly from the account(s). Please note that fees will be adjusted for deposits and withdrawals made during the quarter. If accounts are opened during the quarter, the pro-rata advisory fees will be deducted during the next regularly scheduled billing cycle. As part of this process, clients understand the following:

- a) LPL as the client's custodian sends statements at least quarterly, showing all disbursements for each account, including the amount of the advisory fees paid to our firm.
- b) Clients provide authorization permitting LPL to deduct these fees.
- c) LPL calculates the advisory fees for all fee schedules and deducts them from the client's account.

### **Financial Planning *and* Financial Consulting:**

We charge on an hourly or flat fee basis for financial planning and financial consulting services. The maximum hourly rate to be charged will not exceed \$500. Flat fees generally range from \$2,500 to \$15,000 and depend on the amount and complexity of work that is anticipated. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. If you wish to have us implement your plan and manage your assets in one of our fee-based programs, the planning fee may be discounted or waived completely to you if implemented within six months of the delivery of the financial plan. Reimbursements will be at our discretion. The fee-paying arrangements will be detailed in the signed Consulting Agreement. Our firm will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 months.

### **Retirement Plan Consulting:**

Our firm charges a fee based on the percentage of Plan assets under management for our Retirement Plan Consulting service. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. The maximum annual fee charged for this service will not exceed 0.75% of the Plan assets. The fee-paying arrangements for Retirement Plan Consulting services will be determined on a case-by-case basis and will be detailed in the signed Consulting Agreement.

### **Referrals to Third Party Money Managers:**

#### *LPL Model Wealth Portfolios Platform ("MWP")*

MWP is a portfolio designed by strategists outside of our firm that utilizes mutual funds and exchange-traded funds in their models. LPL sponsors this portfolio, and the management of assets is subcontracted to third-party firms. We will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program, and assist the client in setting an appropriate investment objective. We have discretion to choose among the available models designed by LPL and outside strategists. A minimum account value of \$25,000 is required for MWP.

For this service, you are charged a single brokerage and advisory fee, with no separate commissions paid on transactions and no additional or component advisory fee based on assets under management.

The maximum annual fee to be charged to the client's account(s) will not exceed 2.5% of the account value. The fee to be assessed to each account will be detailed in the client's signed Advisory Agreement, LPL Account Application or LPL Tiered Fee Authorization form. Fees are billed in advance on a quarterly, pro-rata basis based on the value of the account(s) on the last day of the previous quarter. Fees are negotiable and will be deducted from the account(s). Please note that fees will be adjusted for deposits and withdrawals made during the quarter. If accounts are opened during the quarter, the pro-rata advisory fees will be deducted during the next regularly scheduled billing cycle. As part of this process, clients understand the following:

- a) LPL as the client's custodian sends statements at least quarterly, showing all disbursements for each account, including the amount of the advisory fees paid to our firm.
- b) Clients provide authorization permitting LPL to deduct these fees.
- c) LPL calculates the advisory fees for all fee schedules and deducts them from the client's account.

### **AssetMark, Inc.**

We utilize AssetMark, Inc. ("AssetMark") as a third party money manager. AssetMark's annual platform fees are negotiable and will not exceed 2.15% of the account value. AssetMark deducts fees quarterly in advance and a portion of the fees are then paid to us as the solicitor. For this service, you are charged a single brokerage and advisory fee, with no separate commissions paid on transactions. We do not charge fees in addition to AssetMark's annual platform fee. You may terminate your account at any time without penalty under your Advisory Agreement with AssetMark but will be subject to any charges imposed under the separate agreement between you and your Custodian. If written notice of termination is received within five (5) business days of the signing of your Agreement, services will be terminated without penalty (i.e., no fees are due, and a complete refund will be paid on any fees paid in advance). After the initial five (5) business days, fees will be due, based on the number of days services were provided prior to receipt of such notice. Unearned fees will be reimbursed on a pro-rata basis. Termination of services will not affect the liabilities or obligations of the parties arising out of transactions initiated prior to termination.

### **Other Types of Fees & Expenses**

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Clients will not incur transaction costs for trades executed by LPL. More information about this can be found in our separate Wrap-Fee Program Brochure. LPL offers a trading platform with select exchange traded funds ("ETFs") and mutual funds that do not charge transaction fees. The no transaction fee ETF and mutual fund trading platforms are available to clients participating in LPL's Strategic Wealth Management ("SWM") and Strategic Asset Management ("SAM") programs. Since our firm pays the LPL transaction fees charged to clients participating in our wrap fee program, we are incentivized to recommend no transaction fee ETF's and no transaction fee mutual funds over other types of securities to reduce our costs. This may present a conflict of interest because the number of ETFs and mutual funds available on the no transaction fee platform may have higher overall expenses than other types of securities not included in the platform.

Clients may also pay holding charges imposed by the chosen custodian for certain investments, charges imposed directly by a mutual fund, index fund, alternative investment such as a REIT, or exchange traded fund, which shall be disclosed in the fund's prospectus (e.g., fund management fees, distribution fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from



custodian, wire transfer fees, and other fees and taxes on brokerage accounts and securities transactions). Our firm does not receive a portion of these fees.

### **Termination & Refunds**

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Either party may terminate the signed Advisory Agreement at any time. Upon receipt of your notice of termination, LPL will process a pro-rata refund of the unearned portion of the advisory fees charged in advance at the beginning of the quarter.

Financial Planning clients may terminate their agreement at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated at the hourly fee currently in effect. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

Either party to a Retirement Plan Consulting Agreement may terminate at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within 5 business days of signing an agreement. After 5 business days from initial signing, either party must provide the other party 30 days written notice to terminate billing. Billing will terminate 30 days after receipt of a termination notice. Clients will be charged on a pro-rata basis, which considers work completed by our firm on behalf of the client. Clients will incur charges for bona fide advisory services rendered up to the point of termination (determined as 30 days from receipt of said written notice), and such fees will be due and payable.

### **Commissionable Securities Sales**

Representatives of our firm are also associated with LPL as broker-dealer registered representatives ("Dually Registered Persons"). In their capacity as registered representatives of LPL, certain Dually Registered Persons may earn commissions for the sale of securities or investment products that they recommend for brokerage clients. They do not earn commissions on the sale of securities or investment products recommended or purchased in advisory accounts through our firm. Clients have the option of purchasing many of the securities and investment products made available through another broker-dealer or investment adviser. When purchasing these securities and investment products away from our firm, clients will not receive the benefit of the advice and other services we provide.

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

Our firm does not charge performance-based fees.

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

Our firm has the following types of clients:

- Individuals and High Net Worth Individuals
- Pension and Profit-Sharing Plans
- Trusts, Estates, and Charitable Organizations

Our requirements for opening and maintaining accounts or otherwise engaging us are:

- Our firm requires a minimum account balance of \$25,000 for our Asset Management services, which is required throughout the course of the client's relationship with our firm. This minimum account balance requirement is negotiable in certain circumstances and at the discretion of our firm.
- Written financial plans are generally assessed a minimum fee of \$2,500.

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

### Methods of Analysis

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In developing our strategies and recommendations, we may use financial websites and magazines, corporate rating services such as Morningstar, annual corporate reports, prospectuses, and press releases. There are risks that the information we review can turn out to be false or inaccurate. To mitigate these risks, we verify sources by testing information as well as using multiple sources to ensure accuracy and credibility.

### Investment Strategies We Use

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We use the following strategies in managing client accounts, provided that such strategies are appropriate for the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

- Long-Term Purchases (securities held for at least one year)
- Short-Term Purchases (securities sold within one year)
- Short-Term Trading for Tax Loss Harvesting (securities sold within 31 days)

**Long-Term Purchases:** When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least one year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that may be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell. Typically, we employ this sub-strategy when we believe the securities to be well valued and/or we want exposure to a particular asset class over time, regardless of the current projection for this class. The potential risks associated with this investment strategy involve a lower-than-expected return for many years in a row. Lower than expected returns that last for a long time and/or that are severe in nature would have the impact of dramatically lowering the ending value of your portfolio, and thus could significantly threaten your ability to meet financial goals.

**Short-Term Purchases:** When utilizing this strategy, we may also purchase securities with the idea of selling them within a relatively short time (typically one year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

**Short-Term Trading for Tax-Loss Harvesting:** Tax-loss Harvesting is a strategy that can help investors minimize taxes they may owe on capital gains or their regular income. It may also improve overall investment returns. As a strategy, [Tax-Loss Harvesting](#) involves selling an investment that has lost value, replacing it with a reasonably similar investment, and then using the investment sold at a loss to offset any realized gains.

## **Risk of Loss**

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Investing in securities involves risk of loss that clients should be aware of. While the securities market may increase and the account(s) could experience a gain, it is also equally possible that the securities market may decrease, and the account(s) could suffer a loss. It is important that clients understand the risks associated with investing in the securities market, are appropriately diversified in their investments, and feel comfortable asking any questions.

## **Description of Material, Significant, or Unusual Risks**

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

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

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

Representatives of our firm are registered representatives of LPL Financial, LLC, member FINRA/SIPC, and licensed insurance agents. As a result of these transactions, they receive normal and customary commissions. A conflict of interest may exist as these commissionable securities sales create an incentive to recommend products based on the compensation earned. To mitigate this potential conflict, our firm will always act in the client's best interest.

Some representatives of our firm may provide income tax preparation or accounting services. These services are independent of our financial planning and investment advisory services and are governed under a separate engagement agreement. Clients have the option of engaging our firm for tax preparation or accounting services; however, they are under no obligation to do so. Our firm does not actively solicit clients to utilize these services.

Some representatives of our firm are non-practicing attorneys. Legal services are not offered through our firm. Should a client of our firm require legal services, they will be referred to a separate attorney. Our firm will not receive any additional compensation for these referrals.

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

As a fiduciary, it is always an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients. Our fiduciary duty is the underlying principle for our firm's Code of Ethics, which includes procedures for personal securities transaction and insider trading. Our firm always requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws. Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding, and compliance with our firm's Code of Ethics. Our firm and representatives must always conduct business in an honest, ethical, and fair manner and avoid all circumstances that may negatively affect or appear to affect our duty of complete loyalty to our clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Our firm recognizes that the personal investment transactions of our representatives demands the application of a Code of Ethics with the highest standards, and requires that all such transactions be carried out in a manner that does not endanger the interest of any client. At the same time, our firm also believes that if investment goals are similar for clients and for our representatives, it is logical and even desirable, that there be common ownership of some securities.

To prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their personal accounts<sup>1</sup>. To monitor compliance with our personal trading policy, our firm has pre-clearance requirements for certain securities and a quarterly securities transaction reporting system for all our representatives.

Neither our firm nor a related person recommends, buys, or sells for client accounts securities in which our firm or a related person has a material financial interest in without prior disclosure to the client.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. To minimize this potential conflict of interest, our related persons will always place clients' interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Likewise, related persons of our firm buy or sell securities for themselves at or around the same time they buy or sell the same securities for client accounts. To minimize this conflict of interest, our related persons will always place clients' interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day unless included in a block trade.

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

## Item 12: Brokerage Practices

Our firm recommends that clients establish accounts with LPL Financial (“LPL”), member FINRA/SIPC, to maintain custody of client assets and to effect trades for their accounts. LPL provides brokerage and custodial services to independent investment advisory firms, including our firm. For accounts custodied at LPL, LPL is generally compensated by clients through commissions, trails, or other transaction-based fees for trades that are executed through LPL or that settle into LPL accounts. For IRA accounts, LPL generally charges account maintenance fees. In addition, LPL also charges clients certain miscellaneous fees/charges such as account transfer fees.

While LPL does not participate in or influence the formulation of the investment advice our firm provides, certain supervised persons of our firm are Dually Registered Persons. Dually Registered Persons are restricted by certain Financial Industry Regulatory Authority (“FINRA”) rules and policies from maintaining accounts at another custodians or executing transactions in such accounts through any broker-dealer or custodian that is not approved by LPL. As a result, the use of other trading platforms must be approved by our firm and LPL.

Clients should also be aware that for accounts where LPL serves as the custodian, our firm is limited to offering services and investment vehicles that are approved by LPL. Our firm may also be prohibited from offering services and investment vehicles that are available through other broker-dealers and custodians, some of which may be more suitable for a client’s portfolio than the services and investment vehicles offered through LPL. Clients should understand that not all investment advisers require that clients custody their accounts and trade through specific broker-dealers.

### ***Benefits Received by Our Personnel***

LPL makes available to our firm various products and services designed to assist our firm in managing and administering client accounts. Many of these products and services may be used to service all or a substantial number of accounts, including accounts not held at LPL. These include software and other technology that provides access to client account data such as trade confirmations and account statements; facilitates trade execution, aggregation, and allocation of trade orders for multiple client accounts; provides research, pricing information, and other market data; facilitates payment of our firm’s fees from its clients’ accounts; and assists with back office functions, recordkeeping, and client reporting.

LPL also makes available to our firm other services intended to help manage and further develop our business. Some of these services assist our firm to better monitor and service program accounts maintained at LPL. Many of these services, however, benefit only our firm. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate. They may include practice management-related publications, consulting services, attendance at conferences and seminars, meetings and other educational and/or social events, marketing support, and other products and services used by our firm to advance the operation and development of its investment advisory business.

Where such services are provided by a third party vendor, LPL will either make a payment to our firm to cover the cost of such services, reimburse our firm for the cost associated with the services, or pay the third party vendor directly on behalf of our firm.

The products and services described above are provided to our firm as part of its overall relationship with LPL. As a fiduciary and while our firm always strives to act in its clients' best interests, the receipt of these benefits may create a conflict of interest. Our firm's requirement that clients custody their assets at LPL is partly based on the benefit that our firm is offered the availability of the foregoing products and services and not solely on the nature, cost, or quality of custody or brokerage services provided by LPL. Our firm's receipt of some of these benefits may be based on the amount of advisory assets custodied on the LPL platform.

In seeking "best execution," the determining factor is not always the lowest possible commission cost, but sometimes whether the transaction represents the best qualitative execution. LPL also takes into consideration the full range of a broker dealer's services including execution capability, commission rates, and responsiveness. Although LPL will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for all account transactions.

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### **Soft Dollars**

Aside from transition assistance provided by LPL, our firm does not receive soft dollars that exceed what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The Safe Harbor research products and services obtained by our firm will generally be used to service all our clients, but not necessarily all clients at any one particular time.

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### **Client Brokerage Commissions**

Our firm does not receive brokerage commissions from LPL for trades executed in clients' advisory accounts.

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### **Client Transactions in Return for Soft Dollars**

Our firm does not direct client transactions to a particular broker dealer in return for soft dollar benefits.

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### **Compensation for Client Referrals**

Our firm does not receive compensation for client referrals.

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### **Directed Brokerage**

Neither our firm nor any of our firm's representatives have discretionary authority in making the determination of the broker dealer and/or custodian with whom orders for the purchase or sale of securities are placed for execution, nor the commission rates at which such securities transactions are effected. Our firm recommends the use of LPL. Each client will be required to establish their account(s) with LPL if not already done so. Please note that not all advisers have this requirement.

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

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and

empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, our firm will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

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### **Client-Directed Brokerage**

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Our firm does not allow clients to direct brokerage outside our recommendations.

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### **Aggregation of Purchase or Sale**

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Our firm provides investment management services for various clients. There are occasions when portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involves accounts with similar investment objectives. Although such concurrent authorizations potentially could either be advantageous or disadvantageous to any one or more accounts, they are affected only when our firm believes that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, our firm always attempts to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation, and availability of funds using price averaging, proration, and non-arbitrary methods of allocation.

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

Our financial advisors review accounts at least on an annual basis for our Asset Management and Third Party Money Management clients. The nature of these reviews is to ensure client accounts are in line with their investment objectives, appropriately positioned based on market conditions and investment policies, if applicable. Our firm does not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when our Asset Management and Third Party Money Management clients are contacted.

Our firm often reviews client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc. LPL will provide written statements at least on a quarterly basis to clients.

Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. Our firm does not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately engage our firm for a post-financial plan meeting or update to their initial written financial plan.

Retirement Plan Consulting clients receive reviews of their retirement plans for the duration of the service. Our firm also provides ongoing services where clients are met with upon their request to discuss updates to their plans, changes in their circumstances, etc. Retirement Plan Consulting clients do not receive written or verbal updated reports regarding their plans unless they choose to engage our firm for ongoing services.



## Item 14: Client Referrals & Other Compensation

### **LPL Financial, LLC**

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Our firm may receive from LPL or from a mutual fund company, without cost and/or at a discount, non-soft dollar support services and/or products to assist us in better monitoring and servicing client accounts maintained at such institutions. Included within the support services, our firm may receive investment-related research, pricing information and market data, software and other technology that provides access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software, and/or other products used to assist us in our investment advisory business operations. Our clients do not pay more for investment transactions effected and/or assets maintained at LPL as result of this arrangement. There is no commitment made by us to LPL or any other institution because of the above arrangement.

### **Referral Fees**

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

### **Transition Assistance**

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Representatives of our firm received upfront transition payments from LPL Financial in order to assist with transitioning their business onto the LPL Financial custodial platform. These funds may be used, but are not necessarily limited to, offsetting expenses such as ACAT fees, technology set up fees, marketing and mailing costs, stationery, and licensure transfer fees. This may present a conflict of interest in that representatives have a financial incentive to recommend that you maintain your account with LPL Financial. However, to the extent that our representatives recommend that you use LPL Financial for such services, it is because they believe that it is in your best interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by LPL Financial. For more information about the specifics of this benefit, please see the Brochure Supplements for our representatives.

## Item 15: Custody

### **Deduction of Advisory Fees:**

While our firm does not maintain physical custody of client assets (which are maintained by a qualified custodian as discussed above), we are deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts as further described below under “Third Party Money Movement.” All our clients receive account statements directly from their qualified custodian(s) at least quarterly upon opening of an account. We urge our clients to carefully review these statements. In addition, if our firm decides to send its own account statements to clients, such



statements will include a legend that recommends the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to bring any questions to us about the custody, safety, or security of their assets and our custodial recommendations.

### **Third Party Money Movement:**

On February 21, 2017, the SEC issued a no-action letter ("Letter") with respect to Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with LPL:

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

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

Clients are required to provide our firm with investment discretion on their behalf, pursuant to an executed Investment Advisory Client Agreement. By granting investment discretion, our firm is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm's written acknowledgement.

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

Our firm does not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. If proxies are sent to our firm, our firm will forward them to the appropriate client and ask the party who sent them to mail them directly to the client in the future. Clients may call, write, or email us to discuss questions they may have about particular proxy votes or other solicitations.

Third party money managers selected or recommended by our firm may vote proxies for clients. Therefore, except in the event when a third-party money manager votes proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, or other events pertaining to the client's investment assets. Therefore (except for proxies that may be voted by a third-party money manager), our firm and/or the client shall instruct the qualified custodian to forward copies of all proxies and shareholder communications relating to the client's investment assets.

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

Our firm is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1,200 in fees when services cannot be rendered within 6 months.
- Our firm does not take custody of client funds or securities.
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- Our firm has never been the subject of a bankruptcy proceeding.