



## PART 2A OF FORM ADV: FIRM BROCHURE



CERTIFIED ADVISORY CORP  
March 31, 2021

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This brochure provides information about the qualifications and business practices of Certified Advisory Corp. If you have any questions about the contents of this brochure, please contact us at 407. 869.9800. 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 Certified Advisory Corp is also available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov). The searchable IARD/CRD number for Certified Advisory Corp is 120990. Certified Advisory Corp is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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## **ITEM 2 - MATERIAL CHANGES**

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

Since our last annual updating amendment dated March 2020, we have no material changes to report.

We have made changes throughout this brochure for clarity. If you have any questions, please contact your Financial Advisor.

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## ITEM 4 - ADVISORY BUSINESS

### DESCRIPTION OF SERVICES AND FEES

Certified Advisory Corp ("CAC") is a registered investment advisor based in Altamonte Springs, Florida. We have been providing investment advisory services for a fee since 1991. Joseph F. Bert is our principal owner.

The term Associated Person will be used throughout this brochure. As used in this brochure, our Associated Persons are officers, employees, and Investment Advisory Representatives (IARs) of our firm.

### *Financial Consulting Services*

We offer a variety of services, which include:

1. Comprehensive Financial Plans
2. Specific Financial Analysis, including:
  - Income Tax, Cash Flow & Investment Plan
  - Financial Independence Cash Flow Plan
  - Education Funding Plan
  - Retirement Distribution Analysis
  - Pension Maximization Analysis
  - Legacy Planning
  - Business Analysis
  - Risk Management Plan
  - Capital Needs Analysis
  - Asset Allocation Plan
3. Hourly Consultations

Financial consulting services will typically be in written form. If you retain our firm for financial consulting services, we will meet with you to gather information about your financial circumstances and objectives. Our goal is to assist you in determining whether your long-term and short-term objectives are feasible. We will provide you with a written agreement of the services to be performed and an estimate of the total charges for the services we provide.

The fee for any specific financial analysis varies depending on the complexity of your individual situation.

The financial consulting agreement will detail all aspects of the fee and the arrangement with you and will allow you to terminate your arrangement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement.

Recommendations are based on your financial situation at the time presented, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our recommendations. Should you choose to act on any

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of our recommendations, you are not obligated to implement them through our firm. If requested by the client, we may recommend services of other professionals for implementation purposes, including CAC advisors in their individual capacities as registered representatives of a broker-dealer and/or licensed insurance agents. You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from our firm. **Please Note:** If you engage any such recommended professional and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from and against the engaged professional.

### ***Investment Advisory and Management Services***

We offer discretionary investment advisory and management services for individual portfolios including IRAs, SEP IRAs, SIMPLE Plans and Employer Sponsored Retirement Plans such as 401(k) plans, profit sharing plans, and pension plans. Discretionary services are based on authorization granted by you which allows our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. You can limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. Additionally, you can require us to discuss recommendations of certain types of trades or investments in certain securities prior to execution.

Our investment advice is tailored to meet each client's needs and investment objectives. If you retain our firm for advisory and management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous investment advice and/or to invest on your behalf. Once we construct an investment portfolio for you, or select a model portfolio, we monitor your portfolio's performance on an ongoing basis.

All fees are negotiable and subject to review and modification. Factors which affect fees include, but are not limited to, the type of analysis, the amount of and/or type of assets (i.e., bonds, certificates of deposit, money market funds, mutual funds, partnerships, REITs, private placements, stocks, exchange traded funds, etc.), or income involved, simultaneous preparation of related analysis for the same clients, and common elements present in more than one plan (i.e., the preparation of multiple analyses for clients with the same employer or occupation). Our fee for advisory and management services is based on a percentage of your assets we manage and will not be more than 1.5% annually of your assets under management subject to a \$250/quarter minimum fee.

If you authorize the qualified third-party custodian to debit our fees from your account(s), they will pay us directly. If you elect direct billing, invoices are payable upon receipt and can be paid by check or credit card. By signing the Investment Management Agreement, you acknowledge that if invoices are not paid within 30 days, the fee will be deducted from your account(s) by the qualified third-party custodian. If the fees remain unpaid at the beginning of the subsequent quarter, we have the right to terminate our Agreement with you.

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The qualified custodian will deliver an account statement to you at least quarterly. Additionally, we have access to duplicate copies of your account statements. These account statements will show all disbursements from your account. You should review all statements to ensure accuracy and we encourage you to reconcile these statements with our invoices. If you find any inconsistent information between our invoice and the statements you receive from the qualified custodian, please contact our Chief Compliance Officer at 407.869.9800.

Either you or we can terminate the Investment Management Agreement as outlined in the Investment Management Agreement.

Asset management fees for Employer Sponsored Retirement Plans are determined on a case-by-case basis and are fully disclosed under a separate agreement.

Under certain circumstances, plans serviced by Certified Benefits Corp, a third-party Administrator/Record Keeper, receive mutual fund reimbursements. These reimbursements are used to reduce plan costs per an executed agreement with the plan sponsor. The total reimbursement received by Certified Benefits Corp on behalf of the plan is reported to the plan sponsor on a quarterly basis.

### ***Pension Consulting Services***

Pension consulting services to employee benefit plans and their fiduciaries are based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. Services can include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. We are also able to assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as diversification, asset allocation, risk tolerance, time horizon, and other items specific to the particular plan. Additional types of pension consulting services to plans are available on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries could include additional plan-level or participant-level services, will be detailed in a written agreement and be consistent with the parameters set forth in the plan documents. The fees charged for these customized services shall be negotiated with the plan sponsor or named fiduciary on a case-by-case basis.

### ***Tax Preparation and Consulting Services***

CAC offers income tax preparation and consulting services. Individuals providing tax preparation on behalf of CAC will be licensed Certified Public Accountants or Enrolled Agents.

### ***Selection of Other Advisers***

In certain situations, as part of our investment advisory services, we can recommend that you use the services of a third-party money manager (TPMM) to manage your entire, or a portion of, your investment portfolio.

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Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the TPMM's performance, methods of analysis, fees, and your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the TPMM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

We will charge you a fee for the selection of other advisers, or we will share in the advisory fee you pay directly to the TPMM. The advisory fee you pay to the TPMM is established and payable in accordance with the brochure and agreement provided by each TPMM to whom you are referred.

These fees can be negotiable. It's possible our compensation will differ depending upon the individual agreement we have with each TPMM. A conflict of interest could arise where our firm or our Associated Persons have an incentive to recommend one TPMM over another TPMM with whom we have more favorable compensation arrangements or other advisory programs offered by TPMMs with whom we have lower or no compensation arrangements.

### ***IRA Rollover Services***

As part of our investment advisory services to you, it is possible that we will recommend you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf.

It is important that you understand the difference between rolling over your assets for our management and maintaining the previous relationship with the employer's plan to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your IAR, or contact our Chief Compliance Officer at 407.869.9800 or his/her designee.

### **TYPES OF INVESTMENTS**

Generally, we offer advice on equity securities (including exchange listed securities (stocks) and exchange traded funds), corporate debt and municipal securities (bonds), commercial paper, certificates of deposit, investment company securities (including variable life insurance, variable annuities, and mutual fund shares), and/or US Government securities.

Additionally, we are able to advise you on other types of investments we deem appropriate based on your stated goals and objectives. We could also provide advice on other types of investments held in your portfolio at the inception of our advisory relationship.

You can request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **ASSETS UNDER MANAGEMENT**

As of December 31, 2020, we managed \$1,787,052,961 in client assets on

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a discretionary basis.

## **ITEM 5 - FEES AND COMPENSATION**

Please refer to the “Advisory Business” section in this brochure for information on our advisory fees and fee deduction arrangements,

### **ADDITIONAL FEES AND EXPENSES**

As part of our investment advisory services to you, we can invest, or recommend that you invest, in mutual funds and exchange traded funds as well as other types of products as discussed in this brochure. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund’s prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You could also incur transaction charges 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. 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. For information on our brokerage practices, please refer to the “Brokerage Practices” section of this brochure.

### **COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS**

Certain persons providing investment advice on behalf of our firm are also registered representatives of a broker dealer. Our firm’s only compensation is received directly from you; however, in their capacity as registered representatives, these persons receive commission-based compensation in connection with the purchase and sale of securities. Compensation earned by these persons in their capacities as registered representatives is separate and could be in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives could have an incentive to effect securities transactions for the purpose of generating commissions. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

Additionally, certain persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn customary commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents could have an incentive to recommend insurance products to you for the purpose of generating commissions. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

To fully understand both of these potential conflicts, you should review the additional



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information provided by your IAR (the “Advisor Brochure”) which will advise if your IAR serves in either of these roles. You are also encouraged to ask your IAR about these potential licenses and registrations and potential conflicts.

#### **TAX PREPARATION AND CONSULTING FEES**

Tax preparation and consulting fees are based on the complexity of the client’s tax situation and volume of work.

#### **ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not accept performance-based fees.

We do not participate in side-by-side management of your accounts with performance-based fee accounts.

#### **ITEM 7 - TYPES OF CLIENTS**

We offer investment advisory services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we require a minimum of \$500,000 to open and maintain a managed account. At our discretion, we can waive this minimum account size. For example, we could waive the minimum if you appear to have significant potential for increasing your assets under our management. We could 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 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

##### **OUR METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

Our investment strategies and advice vary depending upon each client’s specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines affect the composition of your portfolio.

Our methods of analysis and investment strategies include:

**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 are used to measure the intrinsic value of the company’s stock compared to the current market value. Risks associated with fundamental analysis include that information obtained might be incorrect and the analysis might not provide an accurate estimate of earnings, which can be the basis for a stock’s value. If securities prices adjust rapidly to new information, utilizing fundamental analysis might not result in favorable

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performance.

**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. The risk of market timing based on technical analysis is that charts might not accurately predict future price movements. Current prices of securities can reflect all information known about the security and day-to-day changes in market prices of securities, can follow random patterns and might not be predictable with any reliable degree of accuracy.

**Margin Transactions** – In certain circumstances, in consultation with you, we may decide to implement a margin strategy. Such strategy will be discussed with you prior to its implementation and a separate margin agreement will be required. This margin agreement should detail the requirements for maintaining a margin balance. If you have questions, you should consult your Financial Advisor.

**Modern Portfolio Theory(MPT)** is a theory of investing which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets. MPT is a mathematical formulation of the concept of diversification in investing, with the aim of selecting a collection of investment assets that has collectively lower risk than any individual asset. The risk, return, and correlation measures used by MPT are mathematical statements about the future. In practice, investors must substitute predictions based on historical measurements of asset return and volatility for these values in the equations. Very often, such expected values fail to take account of new circumstances, which did not exist when the historical data were generated.

**Dollar Cost Averaging** is a technique of buying a fixed dollar amount of a particular investment on a regular schedule, regardless of the share price. More shares are purchased when prices are low, and few shares are bought when prices are high. Eventually, the average cost per share will become smaller and smaller. Dollar-cost averaging lessens the risks of investing a large amount in a single investment at the wrong time. However, when the stock you purchased never goes up, you risk buying more shares of the stock every set period sinking more money into a stock that never goes up.

## **TAX CONSIDERATIONS**

Our strategies and investments can 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 continuously consult with a tax professional prior to and throughout the investing of your assets.

## **RISK OF LOSS**

Investing in securities 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

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results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **RECOMMENDATION OF PARTICULAR TYPES OF SECURITIES**

As disclosed under the *Advisory Business* section in this brochure, we advise on various types of securities. We do not necessarily recommend one particular type of security over another, since each client has different needs and different tolerances for risk. Each type of security has its own unique set of associated risks. Risks can vary widely, even within the same type of securities. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

### **RECOMMENDATIONS OF THIRD-PARTY MONEY MANAGER**

If a portion of your assets is managed by a third-party money manager (TPMM), we will not determine the investments to be made for your account, but we will monitor the investments in the accounts managed by TPMMs and advise you on those holdings.

### **ITEM 9 - DISCIPLINARY INFORMATION**

Neither our firm nor any of our Associated Persons have legal or disciplinary events that we believe are material to your decision to do business with our firm.

### **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES**

#### **Licensed Insurance Agents and Registered Representatives**

Certain persons of our firm are licensed as independent insurance agents and/or Registered Representatives. See Item 5 above.

### **ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

#### **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 and act in a fiduciary capacity at all times, plus 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

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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 and prospective clients can obtain a copy of our Code of Ethics by contacting our Chief Compliance Officer at 407.869.9800.

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

At present, our firm does not offer any investments in which our members, our representatives or any person related to us, has a partnership or acts as a general partner.

Our firm does not offer any proprietary investments nor investments in which our members, our representatives or any person related to us acts as an investment advisor for the investment company.

### **PERSONAL TRADING PRACTICES**

Associated Persons of our firm can buy or sell the same securities that you are already invested in or that we select or recommend for you. 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 eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities. In addition, Associated Persons' trades are reviewed by the Chief Compliance Officer or designee.

### **ITEM 12 - BROKERAGE PRACTICES**

We will recommend brokers such as Fidelity Brokerage Services, LLC ("Fidelity"), and TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), to our clients, all of which are independent and unaffiliated firms. Such recommendations will take into account a number of factors, some of which include custodial fees charged by the broker for holding securities for the client, commission rates, quality of execution and record keeping and reporting capabilities. When recommending a broker, we will attempt to minimize the total cost for all brokerage services paid by you. However, it might be the case that the recommended broker charges a higher fee for a particular type of service, such as commission rates, than can be obtained from another broker. You can utilize the broker/dealer of your choice and have no obligation to purchase or sell securities through such broker as we recommend.

#### ***Additional Fidelity Disclosure***

Certified Advisory Corp has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides us with Fidelity's "platform" services. The platform services

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include, among others, brokerage, custodial, administrative support, record keeping and other related services that are intended to support intermediaries like us in conducting business and in serving the best interests of our clients but may benefit us.

Fidelity charges brokerage commission and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, individual equity and debt security transactions). Fidelity enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.

As part of the arrangement, Fidelity also makes available to us, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by us (within specified parameters). These research and brokerage services are used by us to manage account for which we have discretion.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter the relationship with Fidelity and we have determined that the relationship is in the best interest of some of our clients and satisfies our obligations, including our duty to seek best execution. You may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. We are not affiliated with Fidelity and no broker-dealer affiliates with us is involved in the relationship.

#### ***Additional TD Ameritrade Disclosure***

Advisor participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors, services which include custody of securities, trade execution, clearance and settlement of transactions. We receive benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below.)

#### **TRADE ERRORS**

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In the event that a trading error occurs in your portfolio, the trading error will be corrected so that you are not disadvantaged. The Designated Supervisor at our firm will review all trading errors and ensure they are corrected in accordance with our compliance policies and procedures. 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 might include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the error will be corrected in the trade error account of the executing broker/dealer or account custodian. We do not receive this profit. Subject to certain minimum requirements, the broker-dealer generally forwards the profit to a qualified charity.

#### **DIRECTED BROKERAGE**

Generally, any transactions in your account will be routed through the custodian responsible for that account. In limited circumstances and at our sole discretion you can instruct us to use one or more particular brokers for the transactions in your accounts. If you want to direct us to use a particular broker you should understand that this practice prevents us from aggregating trades with other orders and limits our ability to achieve the best combination of price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that they will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for our clients.

#### **BLOCK TRADES**

Client accounts are primarily invested in mutual funds, which are bought and sold at Net Asset Value ("NAV") and do not trade in blocks.

We have the capability to combine multiple orders for shares of the same securities purchased for discretionary accounts; however, we do not combine orders for non-discretionary accounts. Accordingly, non-discretionary accounts pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we might not be able to buy and sell the same quantities of securities for you and you might pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

### **ITEM 13 - REVIEW OF ACCOUNTS**

The IARs of Certified Advisory Corp will monitor your accounts on an ongoing basis, will conduct account reviews at least quarterly (and upon your request), to ensure that the advisory services provided to you are consistent with your stated investment needs and objectives. Additional reviews are conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,



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- security specific events, and/or,
  - changes in your risk/return objectives.

Generally, we will provide you with quarterly reports. These reports are produced by an independent service provider that delivers financial account data from thousands of custodians. This system allows us to provide efficient and timely account reconciliation, performance analysis, and consolidated reporting to you. These reports are not intended to be used for tax reporting purposes and we encourage you to compare these reports with the statements and confirmations provided by your custodian(s). If there are discrepancies between the two, you should contact us for more information.

#### **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

We have entered into arrangements with individuals or entities (the "Solicitor") under which the Solicitor will refer potential clients to us for investment advisory services. In turn, we will agree to pay a referral fee to the Solicitor. The fee can be a fixed amount or a percentage of the advisory fee collected. Referral fees paid to the Solicitor are contingent upon the client entering into an advisory agreement with us. The client will not pay a fee higher than previously stated.

##### **TD Ameritrade Additional Information**

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

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## ITEM 15 - CUSTODY

Your funds and securities will be held with a bank, broker/dealer, or other independent, qualified custodian. As agent for our firm, your independent custodian will directly debit your accounts for the payment of our advisory fees. Although we do not take physical possession of your funds or securities, the ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We also have custody on certain accounts for which we have online access using log in credentials provided to us in order to implement changes in accounts on a client's behalf. In addition, if engaged in the capacity of third-party administrator, Certified Benefits Corp could have access to certain funds and securities held in accounts by the independent, qualified custodian; therefore, in those instances, custody is imputed to our firm.

We also have custody on accounts with Standing Letters of Authorization ("SLOA") signed by you allowing third party disbursements.

You will receive account statements from the independent, qualified custodians holding your funds and securities at least quarterly. The account statements from your independent, qualified custodians will show the assets in your account and indicate the amount of our advisory fees deducted from your accounts each billing period. You should carefully review account statements for accuracy. The periodic reports we provide to you also reflect the amount of advisory fee deducted from your account. You are highly encouraged to review the account statements provided by the qualified custodian and compare them to your performance report(s). You should advise us immediately if you identify any discrepancies.

## ITEM 16 - INVESTMENT DISCRETION

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, and/or a power of attorney, and/or trading authorization forms, if applicable.

You can grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You can specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you can specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio, and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Additionally, you can require us to discuss recommendations of certain types of trades or investments in certain securities prior to execution. Please refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

## ITEM 17 - VOTING CLIENT SECURITIES

### PROXY VOTING



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We will not vote proxies on behalf of your advisory accounts. At your request, we will offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies. Additionally, there is no obligation for the firm and no regulatory requirement for the firm to pursue class action lawsuits on behalf of the firm's Clients.

## **ITEM 18 - FINANCIAL INFORMATION**

Our firm does not have any financial conditions or impairments 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, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.