



**Gardner Advisors, Inc.**

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**Form ADV Part 2A – Disclosure Brochure**

**Effective: March 31, 2022**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Gardner Advisors, Inc. (referred to as “we,” “our,” “us,” “Advisor,” or “Gardner”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (952) 935-4601.

Gardner is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about Gardner to assist you in determining whether to retain the Advisor.

Additional information about Gardner and its investment advisor representatives is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD No. 112399.

## Item 2 Material Changes

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This version of Gardner's Disclosure Brochure, dated March 31, 2022, is our annual amendment brochure document. It contains information regarding our qualifications, business practices, nature of the advisory services we provide, as well as a description of potential conflicts of interest relating to our advisory business that could affect a client's account with us. You should rely on the information contained in this document or other information that we have referred you to. We have not authorized anyone to provide you with information that is different. Gardner encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you have with the Advisor.

### Material Changes Since the Last Update

- Gardner now offers discretionary portfolio management services through the use of Oakwood Capital Managed Portfolios administered by Oakwood Capital Advisors, LLC. Please see Items 4, 5, 10 and 16 for more information.
- Gardner's investment management fee has increased and may now range up to 2.00% based on a tiered fee schedule. Please see Item 5 for more information.
- Gardner's fixed fees for financial planning services have increased and will range from \$500 to \$100,000. Gardner has also added an option for a one-time payment for financial planning services, to range from \$500 to \$100,000. Please see Item 5 for more information.
- Gardner Advisors has implemented a new portfolio management software through Orion Advisor services. All clients with account(s) held at Schwab or enrolled in the RBC uMAS program will be assessed an annual fee of \$55 to cover costs associated with this service. These annual fees will be charged on a prorated, quarterly basis in advance/arrears to the client's respective account(s). This fee is being assessed in addition to the client's management fees. Please see Item 5 for more information.
- Client reviews will be conducted on an at least annual basis, rather than quarterly. Please see Item 13 for more information.
- We have amended Item 5 to disclose a potential conflict of interest that may occur related to the investment of no-transaction fee mutual funds in the RBC uMas program.
- We have updated our enhanced risk disclosures, in particular the risks associated with investing in ETNs, commodities, options and other derivatives, and structured notes. Please see Item 8 for more information.
- Our address has changed, and the new address is reflected on the cover page to this Brochure.

### Future Changes

From time to time, we will amend this Disclosure Brochure to reflect changes in business practices, regulations, and other routine updates as required by the respective regulators. This complete Disclosure Brochure or a Summary of Material Changes will be provided to you annually and if a material change occurs.

At any time, you can view the current Disclosure Brochure online at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD No. 112399. To request a complete copy of our Disclosure Brochure, contact us by telephone at (952) 935-4601 or by email to [compliance@gardnerfinancial.com](mailto:compliance@gardnerfinancial.com).

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**WHO WE ARE**

Gardner Advisors, Inc. (referred to as “we,” “our,” “us,” “Advisor,” or “Gardner”) is a corporation organized under the laws of the State of Minnesota since 1983. In February 2021, Gardner transitioned from a state-registered investment advisor to a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). Gardner is solely owned by the Douglas S. King and Kathryn W. King Revocable Living Trust dated 06/24/1993. Douglas S. King is the President and Chief Compliance Officer (“CCO”) of Gardner.

As an investment advisor, Gardner serves as a fiduciary to our clients, as defined under applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each client and seeks to mitigate potential conflicts of interest. Gardner’s fiduciary commitment is further described in the Advisor’s Code of Ethics. For more information regarding our Code of Ethics, please see *Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, below.*

**SERVICES WE OFFER**

Prior to offering any services, we conduct interviews with our clients to determine their financial needs and objectives. The interview will cover the client’s current financial situation, investment goals, and strategies. Based on this initial discussion, we will offer the client one or more of our advisory services below:

***Investment Advisory and Portfolio Management Services***

We provide investment advisory and portfolio management services to our clients, on a discretionary and non-discretionary basis, based on the specific needs and objectives of each client and the suitability of our products and services. Portfolios constructed by our investment advisors are managed on a non-discretionary basis, however, subject to a limited power of attorney (“LPOA”), Gardner will have authority to liquidate client assets solely for the purpose of satisfying payment of Gardner’s advisory fees in the event the client’s designated method of payment does not have sufficient cash reserves. Clients desiring discretionary portfolio management services may utilize Oakwood Capital Managed Portfolios (“Oakwood”) options administered through Oakwood Capital Advisors, LLC, an affiliate of Gardner. Oakwood’s portfolios and investment strategies are overseen by Douglas S. King, its Chief Investment Officer (“CIO”). Clients electing to utilize Oakwood’s services will be charged a separate investment advisory and portfolio management services fee from Gardner’s normal management fee. Please see *Item 5 – Fees and Compensation* for more details.

Prior to engaging Gardner to provide any investment advisory and portfolio management services, we require a written investment management agreement (“IMA”) signed by the client prior to the engagement of services. The IMA outlines the agreed upon services, our investment management authority, and the fees the clients will incur for our services. Upon signing the IMA, we will gather the client’s financial information, such as their investment objectives, risk tolerance, investment philosophy, restrictions or prohibitions for their portfolio and/or assets, and other relevant information. The information gathered will be used to recommend an initial portfolio to the client. We encourage clients to discuss their goals and

situation with us on an ongoing basis to ensure we are providing the most appropriate management of their assets. We provide continuous supervision and recommendations to rebalance the portfolio as changes in market conditions and client circumstances may require. We review client accounts annually at a minimum and conduct comprehensive client reviews annually. We will also conduct comprehensive client reviews in response to sudden changes in the market and as various circumstances may necessitate.

### ***Financial Planning and Consulting Services***

We provide our clients with a comprehensive analysis of their current financial situation, as well as detailed recommendations relating to the client's financial goals and management of their financial resources. Upon collecting the pertinent information about the client's financial situation and objectives, our investment advisor will present to the client a financial plan designed and tailored to achieve the client's goals. Based on an analysis of the client's individual needs, our financial planning service may include the following:

- Financial Profile Review and Analysis
- Budgeting and Cash Flow Analysis
- Retirement Planning and Analysis
- Estate Planning
- Investment Planning
- Tax Planning and Strategies
- Insurance Planning

In some circumstances, clients may only require advice on a single aspect of the management of their financial resources. For these clients, we offer broad financial plans and/or general consulting services that address only those specific areas of interest or concern.

Financial plans are based on the client's financial situation at the time the plan is presented and are based on the financial information disclosed by the client. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. Gardner cannot offer any guarantees or promises that the client's financial goals and objectives will be met. Clients are under no obligation to act upon our recommendations, or to implement our recommendations through our firm. As the client's financial situation, goals, objectives, or needs change, the client must notify us promptly so their financial plan may be updated accordingly upon the client's request.

### ***Retirement Plan and Pension Consulting Services***

We offer retirement plan or pension consulting services to qualified plans and participants. Such advice may include periodic monitoring and reporting of third-party money managers' performance, retirement planning advice to plan participants, employee education, asset allocation advice to the plan and participants, and periodic monitoring and reporting of participant and plan investments. The client agrees to furnish Gardner complete copies of all documents that establish and govern the plan and evidencing client's authority to retain Gardner. The client shall promptly furnish Gardner any amendments to the plan, and client agrees that, if any amendment affects the rights or obligations of Gardner, such amendment shall be binding on Gardner only when received by Gardner, in writing.

These accounts are regulated under the Employee Retirement Income Securities Act ("ERISA"). Gardner will provide retirement plan or pension consulting services to the client as described above. The participant must make the ultimate decision as to what investment option to select for their individual account. The

client is free to seek independent advice about the appropriateness of any recommended services for the plan.

### ***The Advisor Account***

The Advisor Account is a wrap fee program sponsored by RBC Correspondent Services (“RBC”), a division of RBC Capital Markets Corporation, whereby clients are charged an annual asset-based fee for non-discretionary investment advisory services. Clients are not charged separately for commissions and transaction fees, subject to the exceptions of certain fees stated in RBC's wrap fee program brochure. The Advisor Account is a non-discretionary account whereby an investment advisor of Gardner will assist the client in developing a portfolio of investments including mutual funds, ETFs and other securities.

Gardner may recommend eligible securities, including mutual funds offered at their net asset value without any front-end or deferred sales charge, which may also include no-load funds which Gardner believes possesses investment characteristics that are consistent with the client's risk tolerance and investment objectives. If the implemented investment portfolio consists of only mutual funds, clients will specify in writing the account and amount of assets to be invested in specific eligible mutual funds. This written fund allocation may subsequently be modified by the client by notifying us in writing. It is the client's responsibility to advise us at such times as they determine rebalancing should occur.

Neither RBC nor Gardner has discretionary authority with respect to the Advisor Account; meaning you have the sole discretion to accept or reject an investment strategy or any specific recommendation to purchase, sell, or redeem securities. However, if your investment allocation includes a mutual fund share class that we deem is ineligible for this wrap fee program, we may recommend to the client equivalent products and shares which are eligible for this wrap fee program.

The Advisor Account is not for day trading or excessive trading (i.e., trading securities based on market timing). The Advisor Account may be restricted or terminated at the discretion of RBC upon written notice to the client. Gardner will not act as a portfolio manager of the Advisor Account, whereby it would have discretionary authority, but will rather work with the client on a non-discretionary basis to develop a portfolio of various investments appropriate for the client.

In determining whether to establish an Advisor Account, a client should be aware that the overall cost to the client may be higher or lower than the client might incur by purchasing the types of securities available in the Advisor Account separately.

### ***RBC Consulting Solutions Program***

RBC's Consulting Solutions Program is an advisory program through which our clients' accounts are managed by one or more professional investment managers who are registered and/or affiliated with RBC and participating in RBC's Consulting Solutions Program. Our investment advisor may provide you with information on investment managers whose investment philosophy and objectives may be compatible with your risk tolerance and investment objectives. Clients will select their investment manager on their Single Account Program Agreement with RBC and Gardner. Clients will not sign a separate agreement with the investment manager.

## ***Independent Money Managers***

### **Third-Party Separately Managed Account Programs**

Gardner offers services to act as a solicitor for, and offers advice about, various third-party separately managed account programs sponsored by unaffiliated investment advisors such as AssetMark or other third-party retirement plan service providers. In third-party separately managed account programs, the program sponsor selects the investments, monitors and evaluates investment performance, executes portfolio transactions without commission charges, and provides custodial services.

Gardner reviews several factors when determining which third-party investment advisor is best suitable for clients. These factors include but are not limited to: performance, investment objectives, fees, and methods of analysis. Third-party investment advisors to which Gardner refers its clients may not achieve the best rate of returns or charge the lowest fees in comparison to other third-party investment advisors.

Clients recommended for these programs will receive a copy of the third-party investment advisor's disclosure brochure from the program sponsor. Please see the recommended third-party investment advisor's disclosure brochure for additional detailed information about the third-party investment advisor's programs and fees.

Typically, third-party managed programs are quoted as a single fee in which the client pays to the program sponsor. A separate agreement between Gardner and the client will address our portion of that fee. Third-party separately managed account programs provide separate fee program brochures which discuss total fees. As portfolio fees and fees for brokerage services will vary based on the program, the size of the account being managed, and the clearing firm at which trades are transacted, Gardner will seek to assure that the client is charged a competitive rate according to the size of the account being managed. However, please note, the total fees charged by the program sponsor, including brokerage and custodial fees, may exceed the cost of separately obtaining brokerage, custody and other services if such fees were negotiated separately. The client will receive performance reports, account value and billing information at least quarterly, and in some cases monthly, depending on the program used, from the program sponsor. As the relationship manager, Gardner will contact the client periodically to conduct a financial review utilizing the reports generated by the program sponsor. Interim reviews of client accounts with Gardner are available upon request by the client.

Gardner will monitor the performance of the third-party manager, on at least a quarterly basis, and will make recommendations or re-allocate assets amongst managers, as necessary.

### **RBC Unified Portfolio ("RBC UP") – formerly the Resource II Program**

RBC UP is a unified management account ("UMA") program through which accounts are professionally managed by RBC as the overlay manager or an unaffiliated third-party overlay manager, Envestnet Asset Management, Inc. ("Envestnet") (discussed below). The overlay manager manages the client's assets through investments in mutual funds, exchange traded products ("ETPs"), and/or in accordance with one or more model portfolios, provided by model providers or RBC, all in a single account on a discretionary basis. Please review the disclosure documents provided by RBC for additional information and updates regarding the RBC UP program.

Gardner will assist clients with the identification of investment objectives through preparation of a risk profile questionnaire and will assist clients in the selection of appropriate money managers available through RBC UP. The money managers selected under RBC UP will have discretion to determine the securities to be bought or sold within the client's accounts subject to reasonable restrictions imposed by the client, subject to the client's signature on the money manager's account agreement. Client accounts are reviewed regularly by the overlay manager and rebalanced on a discretionary basis to ensure the client's account does not deviate from the selected investment strategy. Upon transition of the client's account(s) to the RBC UP program, the account's investment allocation will be reviewed or evaluated for rebalancing on an annual basis. Clients enrolled in the program will receive a program brochure which details the rebalancing frequency options and methodology. A copy of the program brochure can be provided upon request by your investment advisor.

Client's account(s) may be invested in model portfolios provided by overlay managers or may be allocated amongst third-party managers available through RBC UP by the overlay manager on a discretionary basis. Should the client not have or not desire to utilize an overlay manager through RBC UP, Gardner may recommend to the Client, on a non-discretionary basis, third-party managers available through RBC UP to allocate the Client's account(s) to. On at least an annual basis, Gardner will meet with clients to review the performance of client's account, investment guidelines and other relevant factors in order to assess what changes, if any should be made to the management of client's account.

Clients should refer to RBC's disclosure brochure for additional information regarding RBC UP. In determining whether to participate in RBC UP, clients should be aware RBC UP is a wrap fee program sponsored by RBC where custody and brokerage fees are included in the total advisory fee charged to the client, subject to the exceptions of certain fees stated in RBC UP's program brochure and the overall cost to the client may be higher or lower than what the client might incur by purchasing separately the types of securities available in the program. Gardner may recommend and refer its clients to various third-party money managers available through RBC UP.

#### Envestnet Private Wealth Management Program

Gardner has partnered with Envestnet Asset Management, Inc. ("Envestnet") to offer our clients access to the Private Wealth Management Program offered by Envestnet. Envestnet and Gardner are not affiliated and are independent of one another. In this program, our investment advisors will recommend an Envestnet third-party manager to the client. Upon recommendation, the Client will receive copies of the Gardner's Disclosure Brochure, Envestnet's disclosure brochure, and the third-party manager's disclosure brochure. Fees related to this program can be found in the respective disclosure brochure documents and your agreement with the respective advisors. Envestnet performs the due diligence on all third-party managers that are recommended by Gardner.

#### Unbundled Managed Account Solutions Program ("uMAS Account")

The uMAS Account program allows clients to maintain an account custodied at RBC and receive advisory services from Gardner. The services from Gardner primarily include recommendations of Garner-approved third-party money managers, who may or may not be on RBC's list of approved third-party investment managers. Gardner will assist clients with the identification of investment objectives through preparation



of a risk profile questionnaire and will assist clients in the selection of an appropriate money manager. The client will be provided a copy of the third-party managers disclosure brochure by Gardner. Gardner will meet with clients to review the performance of the client's account, investment guidelines and other relevant factors in order to assess what changes, if any should be made to the management of client's account on at least an annual basis.

The client is required to sign a discretionary management agreement with their third-party manager of choice. The designated third-party manager will have discretion to determine the securities to be bought or sold within the client's accounts subject to reasonable restrictions imposed by the client. Only the client will maintain discretion to hire and/or fire the third-party manager.

#### AssetMark

Gardner has partnered with AssetMark, which Sponsors the AssetMark Platform ("Platform"), a wrap fee program sponsored by AssetMark. Under the Platform, AssetMark provides account administration, custody, brokerage and advisory services under one flat fee. AssetMark and Gardner are not affiliated and are independent of one another. The Platform is a non-discretionary account whereby an investment advisor of Gardner will assist the client in assessing their needs and objectives and selecting which Risk Return Profile or model portfolio allocation is most suitable for the client.

The client is required to sign a discretionary management agreement with AssetMark. AssetMark will have discretionary authority to determine what investments will be included in each model portfolio and thus will have discretion to determine the securities to be bought or sold within the client's subject to the Risk Return or model portfolio selected by the client. Only the client will have the authority to terminate the relationship with AssetMark pursuant to its client agreement with AssetMark.

The Client will receive copies of the Gardner's Disclosure Brochure and AssetMark's disclosure brochure, and the third-party manager's disclosure brochure. Fees related to this program can be found in the respective disclosure brochure documents and the client's agreement with AssetMark. AssetMark may pay Gardner referral fees, but the referral arrangement will not increase the fees payable by Clients referred to AssetMark by Gardner.

#### **TAILORED RELATIONSHIPS**

At Gardner, we offer the same suite of services to all of our clients. The management services and recommendations offered by Gardner are based on the individual needs of our clients and the suitability of products and services. Recommendations presented to clients and the implementation of such recommendations are dependent upon the information provided by the client to build the client's financial profile, which outlines each client's current situation (income, objectives, and risk tolerance levels) and is used to construct a client specific action plan to aid in the selection of a portfolio that matches their restrictions, needs, and targets.

Clients may impose reasonable restrictions, in writing, on investing in certain securities or types of securities in accordance with their values and beliefs. We will make every effort to comply with the wishes of the client but cannot guarantee absolute adherence due to our use of indexed products, funds, and exchange traded funds ("ETF") that are controlled by third-party managers. However, it is incumbent upon

the client to disclose any restrictions and preferences in writing to Gardner prior to the implementation of our recommendations. Should the restrictions prevent Gardner from properly servicing the client account, or if the restrictions would require Gardner to deviate from its standard suite of services, Gardner reserves the right to terminate the relationship.

#### **WRAP FEE PROGRAM**

**Gardner participates in a wrap fee program sponsored by RBC and AssetMark as outlined in *Item 4 – The Advisor Account and RBC UP and AssetMark.***

Wrap Fee Programs are arrangements between broker-dealers, investment advisors, banks and other financial institutions, and affiliated and unaffiliated investment advisors through which the clients of such firms receive discretionary investment advisory, execution, clearing and custodial services in a “bundled” form. In exchange for these “bundled” services, the clients pay an all-inclusive (or “wrap”) fee determined as a percentage of the assets held in the wrap account.

Wrap Fee Programs are not suitable for all investment needs, and any decision to participate in a Wrap Fee Program should be based on the client’s individual financial circumstances and investment goals. The benefits under a Wrap Fee Program depend, in part, upon the size of a client’s account and the number of transactions likely to be generated in the account. For example, clients enrolled in a wrap fee account that have little to no transactions will likely pay more than those not enrolled in a wrap fee. Participating in a Wrap Fee Program may cost more or less than the cost of purchasing such services separately from a broker-dealer.

Gardner has a financial incentive to recommend the Advisor Account and RBC UP over other programs and services as Gardner receives compensation for the client’s participation in these programs, which may be more than what Gardner would receive if the client paid separately for investment advisory, brokerage, and other services. For additional information regarding Advisor Account or RBC UP, please see RBC’s disclosure brochure. As investment advisors, we owe our clients a fiduciary duty to put the client’s interest first, which includes, but is not limited to, a duty of care, loyalty, obedience, and utmost good faith. To uphold our fiduciary duty to our clients, our investment advisors are required to conduct annual reviews to determine whether it remains in the client’s best interest to remain enrolled in the wrap fee programs.

#### **ASSETS UNDER MANAGEMENT**

When calculating regulatory assets under management, an investment advisor must include the value of any advisory account over which it exercises continuous and regular advisory or management services. As of December 31, 2021, Gardner reports \$764,910 in client assets on a discretionary basis and \$197,628,422 on a non-discretionary basis.

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

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each client engaging the Advisor for services described herein shall be required to enter into a written agreement with the Advisor.

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

Fees for our non-discretionary and discretionary investment advisory and portfolio management services are calculated as an annual percentage of assets under management, including all cash and other assets in the account (valued at liquidation value) (the “Account Value”), as follows:

#### **Non-Discretionary Investment Advisory Fees**

| <b>Assets Under Management (\$)</b> | <b>Maximum Annualized Fee (%)</b> |
|-------------------------------------|-----------------------------------|
| \$25,000 to \$99,999                | 2.00%                             |
| Next \$100,000 to \$249,999         | 1.90%                             |
| Next \$250,000 to \$499,999         | 1.80%                             |
| Next \$500,000 to \$999,999         | 1.60%                             |
| Next \$1,000,000 to \$1,999,999     | 1.40%                             |
| Next \$2,000,000 to \$2,999,999     | 1.20%                             |
| Next \$3,000,000 to \$4,999,999     | 1.00%                             |
| Next \$5,000,000 and above          | 0.80%                             |

#### **Discretionary Oakwood Portfolio Management Fees**

| <b>Assets Under Management (\$)</b> | <b>Maximum Annualized Fee (%)</b> |
|-------------------------------------|-----------------------------------|
| \$25,000 to \$249,999               | 15bp                              |
| \$250,000 to \$499,999              | 14bp                              |
| \$500,000 to \$999,999              | 13bp                              |
| \$1,000,000 to \$1,999,999          | 12bp                              |
| \$2,000,000 and above               | 10bp                              |

Under certain circumstances, the portfolio management fees can be negotiable or assessed at a flat rate at the sole discretion of the Advisor based on the size of the account, prospective growth, and other factors and may differ from client to client.

Unless otherwise specified, fees are billed quarterly in advance based on the Account Value as of the last day of the immediately preceding quarter. The first payment of the engagement will be due and payable upon execution of the IMA. In the event our IMA is executed at any time other than the first day of a

calendar quarter, the fees will be prorated accordingly. Fees due to Gardner are deducted directly from the client's account under management and will be paid to Gardner by the qualified custodian holding the client's funds and securities, provided the client supplies written authorization permitting the fees to be paid directly from the account. We require clients provide written authorization for us to deduct our fees directly from their investment account. Both Gardner's advisory agreement and the custodial/clearing agreement may authorize the custodian to debit the account for our management fees and to directly remit that fee to Gardner in compliance with regulatory procedures. Gardner will not have access to client funds for payment of fees without written consent by the client. Further, the qualified custodian agrees to deliver an account statement, at least quarterly, directly to the client, showing all disbursements from the account. The client is encouraged to review all account statements for accuracy.

Gardner or the client may terminate the agreement within five (5) business days of signing the IMA without penalty to the client. After the five-day period, either party may terminate the agreement by providing thirty (30) days written notice to the other party. Upon the termination of our services, we will conduct a fee reconciliation which will determine whether a refund is owed to the client, or if there are outstanding fees due from the client. The refund amount will be calculated as the difference between the total number of calendar days in the quarter in which the termination took place and the number of calendar days worked (the number of calendar days between the first day of the termination quarter and the effective date of termination), then multiplied by the quarterly fee converted into a daily rate (the total number of calendar days in the termination quarter). We process refund payments within thirty (30) calendar days of the effective termination date and will either send the client a check or refund their investment account. We will provide a final invoice detailing the calculation of the refund.

### ***Financial Planning and Consulting Services***

Gardner's financial planning and consulting services are offered on an hourly, annual fixed fee (paid in equal quarterly installments), or one-time payment basis. Our hourly billing rates range from \$150 to \$500 per hour. Financial planning at an hourly rate requires the client to pay an initial deposit, determined by the Advisor based on the complexity of the financial plan. The remaining balance will be invoiced upon completion of the service and due immediately. Our annual fixed fee ranges from \$500 to \$100,000 per plan. An annual fixed fee is payable quarterly in four equal payments. The first payment is prorated based on the effective date of the Financial Planning Agreement. A one-time payment arrangement is charged at a fee set by the Advisor based on the nature and complexity of the services being provided and may range from \$500 - \$100,000. The one-time payment is due upon execution of the Financial Planning Agreement. An estimate of the total cost for the financial plan, based on the scope and complexity of each individual client, will be provided to the client at the start of the advisory relationship. If there are additional services or changes to the engagement which exceed the estimated fee, Gardner will notify the client as soon as possible to discuss the necessary additional fees.

Our financial planning and consulting fees are payable by check, or alternatively, clients may elect to have their financial planning and consulting fees debited directly from their non-qualified investment account(s) on the financial planning agreement. All invoices are payable upon receipt unless other arrangements are made in advance.

The Advisor or the client may terminate the agreement within five (5) business days of the execution of the financial planning agreement without penalty to the client. After the five-day period, the client will be responsible for fees incurred to the date of termination. For hourly engagements, the amount due is calculated based on the number of hours worked at the hourly rate up to the date of termination. For fixed-fee engagements, the client will incur charges for bona fide advisory services rendered to the point of termination based on the number of days worked. Any prepaid fees exceeding the amount due to the Advisor for services rendered shall be refunded to the client. However, once we have completed the consultation and/or presented the financial plan to the client, the financial planning fees are no longer refundable.

### ***Retirement and Pension Consulting Services***

Clients will be charged a fee equal to 0.75% of plan assets based on the asset value of the plan on the last day of the previous quarterly as provided by the plan's custodian. This fee is billed quarterly in arrears and will be deducted from the client's account under management and paid directly to Gardner by the qualified custodian holding the client's funds and securities.

Fees are negotiable at the Gardner's discretion depending on the size of the plan, level of engagement of our services and number of participants enrolled. The Advisor or the client may terminate their respective retirement plan or pension consulting agreement within five (5) business days of the date of acceptance without penalty to the client. After the five-day period, either party, upon thirty (30) days written notice to the other, may terminate the pension consulting agreement.

### ***The Advisor Account***

Clients will be charged a fee which is billed quarterly in advance based on the asset value of the account at the end of the previous quarter. Fees will be assessed pro rata in the event the client agreement is executed at any time other than the first day of a calendar quarter. To the extent that any 12b-1 fees assessed on accounts for the sale of securities by associated persons of Gardner who are registered representatives of the firm's affiliated broker-dealer, Gardner Financial Services, Inc. ("GFS"), those fees will be credited back to the account.

**The program fee consists of Gardner's Fee and RBC's Program Sponsor Fee. The portion of the program fee retained by RBC for advisory services typically ranges up to 0.35% of account assets under management. These rates are determined by a preset annual trade allotment. Trades over the allotment are charged at \$12 per trade.**

Payment of fees will be made by the qualified custodian holding the client's funds and securities provided the client supplies written authorization permitting the fees to be paid directly from the account. Gardner will not have access to client funds for payment of fees without written consent by the client. Further, the qualified custodian agrees to deliver a quarterly account statement directly to the client, showing all disbursements from the account. The client is encouraged to review all account statements for accuracy. Gardner will receive a duplicate copy of the statement that was delivered to the client.

The client, Gardner, or RBC may terminate the Advisor Account agreement within five business (5) days of the date of acceptance without penalty to the client. After the five-day period, any party may terminate the agreement. Termination is effective upon receipt of written notice. The management fee will be pro-

rated for the quarter in which the cancellation notice was given, and any unearned fees will be refunded to the client.

### ***RBC Consulting Solutions***

In the Consulting Solutions Program, the program fee covers the services provided by RBC, Gardner and the investment managers. The portion of the program fee paid by RBC to the investment managers typically ranges from the annual rate of 0.00% to 0.50% of account assets under management, depending on the type of investment strategy and the total amount of assets allocated to the investment manager. Investment manager fee rates may vary based on a variety of factors including, but not limited to, type of investment strategy, types of services provided, and fee negotiations between RBC and the investment manager. The portion of the program fee retained by RBC for advisory services typically ranges from the annual rate of 0.00% to 0.50% of account assets under management.

In some cases, fees RBC pays to investment managers will be lower than the fee charged to you. In other cases, incremental fee schedules are negotiated which will lower the effective fee rate RBC pays to investment managers as the total amount of program assets allocated to the investment manager increase. Any differences in fees charged to you and fees RBC pays to the investment managers are retained by RBC. Consulting Solutions Program fees that are not paid to the investment manager or retained by RBC will be paid to Gardner. The fees RBC pays investment managers may change from time to time without notice to you and such change will not impact the total fee paid by you.

### ***Referrals to Independent Money Managers***

#### **Third-Party Separately Managed Account Programs**

Clients who have a portion or all of their assets managed by a third-party money manager will pay additional fees. Fees paid by the client to third-party investment advisors are established and payable in accordance with each third-party money manager's disclosure brochure or other equivalent disclosure document and may or may not be negotiable. Please see the third-party money manager's disclosure documents and/or investment management agreement for additional information regarding their fees and billing processes. Gardner's advisory fees are separate and apart from the fees charged by third-party money managers. Fees due to Gardner will be billed quarterly in advance and will be deducted from the client's account under management and paid directly to Gardner by the qualified custodian holding the client's funds and securities.

Clients may be required to sign agreements with the third-party manager of the program selected. The client or third-party investment manager may terminate the advisory relationship in accordance with the agreement with the third-party manager.

Gardner or the client may terminate the client agreement within five business (5) days of the date of acceptance without penalty to the client. After the five-day period, either party, upon 30 days' written notice to the other, may terminate the management agreement. The management fee will be pro-rated for the quarter in which the cancellation notice was given, and any unearned fees will be returned to the client.

### RBC Unified Portfolio (“RBC UP”) – formerly the Resource II Program

On an annualized basis, sample fees for RBC UP, subject to negotiation, range from 1.0% to 3.0% depending on the services chosen. Clients will be charged a fee which is billed quarterly in advance based on the asset value of the account at the end of the previous quarter. Fees will be assessed pro rata in the event the client agreement is executed at any time other than the first day of a calendar quarter. This fee includes Gardner's fees, commissions and transaction costs (with the exception of certain fees stated in RBC's program brochure) as well as the third-party managers' fees.

Payment of fees will be made by the qualified custodian holding the client's funds and securities provided the client supplies written authorization permitting the fees to be paid directly from the account. Gardner will not have access to client funds for payment of fees without written consent by the client. Further, the qualified custodian agrees to deliver a quarterly account statement directly to the client, showing all disbursements from the account. The client is encouraged to review all account statements for accuracy. Gardner will receive a duplicate copy of the statement that was delivered to the client.

Gardner or RBC may terminate the RBC UP agreement within five business (5) days of the date of acceptance without penalty to the client. After the five-day period, either party may terminate the agreement upon written notice. The management fee will be pro-rated for the quarter in which the cancellation notice was given, and any unearned fees will be refunded to the client.

### Envestnet Private Wealth Management Program

Fees related to this program can be found in the respective Form ADV documents from Envestnet and any third-party money manager affiliated with Envestnet and your individual client contract.

### Unbundled Managed Account Solutions Program (“uMAS Account”)

The fees for uMAS Accounts are incremental based on a tiered structure of assets in the account. Fees are negotiated between the client and Gardner. The only fee the client will pay is the assets under management fee. Fees for these accounts are billed quarterly in advance. The assets under management fees due to Gardner are deducted directly from the client's account under management and will be paid to Gardner by the qualified custodian holding the client's funds and securities, provided the client supplies written authorization permitting the fees to be paid directly from the account. We require clients provide written authorization for us to deduct our fees directly from their investment account. Both Gardner's advisory agreement and the custodial/clearing agreement may authorize the custodian to debit the account for our management fees and to directly remit that fee to Gardner in compliance with regulatory procedures. Gardner will not have access to client funds for payment of fees without written consent by the client. Further, the qualified custodian agrees to deliver an account statement, at least quarterly, directly to the client, showing all disbursements from the account. The client is encouraged to review all account statements for accuracy. The fees will be pro-rated for the quarter in which the cancellation notice was given, and any unearned fees will be refunded to the client.

Investments made through the UBC uMAS program may include no-transaction fee (“NTF”) mutual funds and exchange-traded funds (“ETF”). As there are no fees associated with NTFs, there is a potential conflict

of interest if a manager selects an NTF to avoid a fee over another product that charges a fee and may be more suitable for the client.

### **OTHER FEES AND PAYMENTS**

There may be additional fees or charges that result from the maintenance of or trading within a client's account. These are fees that are imposed by third parties in connection with investments made through a client's account, such as custodial and investment fees. In addition to our advisory fees, clients are responsible for paying fees associated with investing their accounts.

These may fees include:

- **Mutual Fund Distribution Fees.** Advice offered by Gardner may involve investments in mutual funds. We seek to select share classes that are the lowest cost to you. In certain instances, we retain share classes which do not have trading costs but do have higher internal expense ratios than institutional share classes. If the fund also imposes sales charges/commissions, these will generally be suppressed or, if for some reason not suppressed, credited back to your account. In no case should Gardner receive any sales charges/commissions, although we may receive marketing fees (also known as 12b-1 fees) associated with fund transactions; however, any 12b-1 fees received will be credited back to the client account rather than accepting the fees as additional compensation.
- **Internal Management Fees for ETFs And Mutual Funds.** These are fees charged by the managers of the ETFs or mutual funds and are a portion of the expenses of the ETFs or mutual funds.
- **Brokerage Costs and Transaction Fees for Any Securities or Fixed Income Trades.** These are generally charged by your custodian and/or executing broker.
- **Orion Advisor Tech ("Orion").** Gardner utilizes Orion to provide a variety of back-office functions such as billing, reporting, account opening, and trading in client accounts custodied at Schwab Institutional, a division of Charles Schwab & Co., Inc. ("Schwab"), and for accounts invested in RBC. Orion charges an annual fee of up to \$55 per account, which is billed quarterly at \$13.75 per account. Gardner may choose to assess the fee directly to each client account or incorporate it as part of its quarterly advisory fee.

Additional information about brokerage costs and services is provided in *Item 12 – Brokerage Practices*. We believe our fees mentioned above are competitive; however, similar services may be available to you from other sources at a lower price.

### **OTHER COMPENSATION**

Gardner offers a Cash Sweep Program ("CSP") as a core account sweep vehicle with our custodian, RBC. CSP is an account investment vehicle for RBC advisory accounts and is used to hold your cash balances while awaiting initial investment or reinvestment. The cash balance in your RBC advisory accounts will be deposited automatically or "swept" into interest-bearing FDIC-insured CSP deposit accounts.

You should be aware that CSP generates financial benefits for Gardner which create a conflict of interest. We will receive a portion of the CSP fees RBC collects, which is equal to a percentage of all participants' average daily deposits. Amounts will vary and your investment advisor may receive a portion of this fee. The fees received from RBC are negotiated by and between RBC and Gardner and may change at any time.



Because of this fee we receive in connection with CSP, we have an incentive to recommend CSP over other sweep vehicles that do not generate this fee.

CSP is not the only available core account sweep vehicle for firm advisory accounts with RBC as the custodian. If you opt out of CSP, we provide access to other core account investment vehicles, including money market funds, to hold cash balances waiting to be reinvested. If you do not wish to use CSP as your core account sweep vehicle, you will need to indicate on the New Account Application the money market fund you would like to use, but you should be aware that money market funds are not FDIC insured.

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

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**PERFORMANCE BASED COMPENSATION**

**Gardner does not assess Performance Fees.**

Performance-Based Fees (“Performance Fees”) are based on a share of the capital gains or capital appreciation of the assets of a client. The fees we charge are as described in Item 5 and are not based upon the capital appreciation of the client’s funds or securities.

**SIDE-BY-SIDE MANAGEMENT**

**Gardner does not provide Side-By-Side Management.**

“Side-by-Side Management” refers to a situation in which the same adviser manages accounts that are billed based only on a percentage of assets under management and at the same time manages other accounts for which fees are performance-based. We do not manage any proprietary investment funds or limited partnerships (i.e., a mutual fund or a hedge fund) and have no financial incentive to recommend any particular investment options to our clients.

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Item 7                      Types of Clients

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We typically provide investment advisory services to individuals, high net worth individuals, trusts, estates, and small businesses with qualified retirement accounts such as Pension and Profit-Sharing Plans, Defined Benefit Plans, and 401(k)s.

Generally, for portfolio management services, we require clients maintain a minimum account size of \$25,000 to open or maintain their account with us. However, we may reduce or waive this requirement at our sole discretion. Additionally, we require a minimum account size of \$25,000 for Advisor Accounts, and a minimum account size of \$100,000 for Resource II/RBC UP accounts. Schwab and third-party money manager programs may respectively impose their own minimum account balance requirements.

**METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

Investment strategies vary for each client and are dependent upon the investment program or third-party adviser selected. Gardner uses the varying methods of analysis identified below to determine the proper investment strategy for each client. Our strategies are heavily based on each client's personal circumstances, financial goals, and their risk tolerance. We utilize a blend of strategic approaches and strategies that enable us to allocate client assets by liquidity and time horizon.

***Fundamental analysis*** concentrates on factors that determine a company's value and expected future earnings. It involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives: to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions; and to calculate its credit risk. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

***Technical analysis*** is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. It attempts to predict a future stock price or direction based on market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall. Technical analysis methods employ software and other financial data management tools to assess various aspects of the marketplace. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

***Cyclical analysis*** assumes that markets react in cyclical patterns which, once identified, can be leveraged to provide performance. Cyclical analysis of economic cycles is used to determine how these cycles affect the returns of an investment, an asset class or an individual company's profits. Cyclical analysis is a time-based assessment which incorporates past and present performance to determine future value. Cyclical risks exist because the broad economy has been shown to move in cycles, from periods of peak performance followed by a downturn, then a trough of low activity. The risks of this strategy are two-fold: (1) the markets do not always repeat cyclical patterns; and (2) if too many investors begin to implement this strategy, it changes the very cycles of which they are trying to take advantage.

As discussed in Item 4, Gardner has engaged with various third-party services to have access to the third-party investment model portfolios. Please refer to each third-party's Brochure for information regarding the investment strategies and methods of analysis employed by the third-party.

**RISK OF LOSS**

All investments have different types and degrees of risk and investing in securities involves risk of loss that clients should be prepared to bear. An investment could lose money over short or even long periods. A

client should expect their account values to fluctuate, much like the fluctuations of the overall stock and bond markets. While Gardner uses investment strategies that are designed to reduce risk through diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting a higher level of risk. Our investment strategies seek to balance risk and reward to achieve a client's investment objectives.

Every method of analysis has its own inherent risks. To perform an accurate market analysis Gardner must have access to current/new market information. Gardner has no control over the dissemination rate of market information; therefore, unbeknownst to Gardner, certain analyses may be compiled with outdated market information, severely limiting the value of Gardner's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Gardner) will be profitable or equal to any specific performance level(s). Gardner does not represent, warrant, or imply that its services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Notwithstanding Gardner's method of analysis or investment strategy, the assets within the client's portfolio are subject to risk of devaluation or loss. The client should be aware that there are many different events that can affect the value of the client's assets or portfolio including, but not limited to, changes in financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters.

All investment programs have certain risks that are borne by the client. Our investment approach constantly keeps the risk of loss in mind. Clients face the following investment risks:

- Interest Rate Risk: The chance that bond prices overall will decline because of rising interest rates. Fluctuations in interest rates can cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: Stock and bond markets can decline in reaction to tangible or intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances.
- Inflation Risk: When any type of inflation is present, a dollar will be worth more today than a dollar next year, because purchasing power is eroding at the rate of inflation.
- Prepayment Risk: The returns on the collateral for the deal can change dramatically at times if the debtors prepay the loans earlier than scheduled.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- Manager Risk: The investment strategies, research, analysis and the determination of a portfolio's

securities by Gardner or the third-party asset manager will not always be successful. The risk of loss due to allocations in the various assets can cause the client's account to underperform relative to benchmarks or other accounts with a similar investment objective.

- Business Risk: This risk is associated with a particular industry or a particular company within an industry.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Concentration: Client accounts will be diversified to varying degrees based on the strategy or model portfolio selected for their portfolio. To the extent a client invests a significant portion of their assets in a single underlying fund or asset class, it will be particularly sensitive to the risk associated with concentration.

Risk Factors relevant to specific securities utilized by Gardner or the third-party investment portfolios recommended by Gardner.

- Equity Securities: The value of the equity securities is subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and riskier than some other forms of investment.
- Exchange Traded Funds ("ETFs"): ETFs are a recently developed type of investment security, representing an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or the Dow Jones Industrial Average, or to represent exposure to a particular industry or sector. Unlike open-end mutual funds, the shares of ETFs and closed-end investment companies are not purchased and redeemed by investors directly with the fund, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because ETF and closed-end fund shares are traded on an exchange, they can trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. In addition to bearing the risks related to investments in equity securities, investors in ETFs intended to replicate a securities index bear the risk that the ETF's performance does not always correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.
- Exchange Traded Notes ("ETNs"): ETNs are senior unsecured debt obligations of an issuer, typically a bank or another financial institution; however, ETNs are not categorized as typical fixed income products. They have a maturity date and are backed only by the credit of the underwriting bank. ETNs are linked to the performance of a particular market benchmark(s) or strategy and upon maturity, the underwriting bank promises to pay the amount reflected in the benchmark index minus fees. ETNs are only linked to the performance of a benchmark, they do not actually own the benchmark index. ETNs also face the risk that the credit rating of the underwriting bank may be reduced, or the underwriting bank may go bankrupt, thus reducing the value of the ETN. Even though ETNs are not equities or index funds, they may face some of the risks of investing in equities or index funds.
- Options and Other Derivatives: Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a "naked" or uncovered put is not unlimited, whereas the potential loss for an

uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

- Mutual Fund Shares: Some of the risks of investing in mutual fund shares include: (i) the price to invest in mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads), (ii) investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs, and (iii) investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.
- Real Estate Related Securities Risk: Investing in real estate related securities includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation; possible lack of availability of mortgage funds; overbuilding; extending vacancies of properties; increases in competition, property taxes and operating expenses; changes in zoning laws; costs resulting from cleanup of, and liability to third parties for damages resulting from environmental problems; casualty or condemnation losses; uninsured damages from floods, earth quakes or other natural disasters; limitations on and variations in rents; and changes in interest rates.
- Municipal Bond Risk: Municipal securities issuers may face local economic or business conditions (including bankruptcy) and litigation, legislation or other political events that could have a significant effect on the ability of the municipality to make payments on the interest or principal of its municipal bonds. In addition, because municipalities issue municipal securities to finance similar types of projects, such as education, healthcare, transportation, infrastructure and utility projects, conditions in those sectors can affect the overall municipal bond market. Furthermore, changes in the financial condition of one municipality may affect the overall municipal bond market. The municipal obligations in which clients invest will be subject to credit risk, market risk, interest rate risk, credit spread risk, selection risk, call and redemption risk and tax risk, and the occurrence of any one of these risks may materially and adversely affect the value of the client's assets or profits.
- Fixed Income Securities: Prices of fixed income securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect fixed income security prices. The longer the effective maturity and duration of the client's portfolio, the more the portfolio's value is likely to react to interest rates. For example, securities with longer maturities sometimes offer higher yields, but are subject to greater price shifts as a result of interest rate changes than debt securities with shorter maturities. Some fixed income securities give the issuer the option to call, or redeem, the securities before their maturity dates. If an issuer calls its security during a time of declining interest rates, we might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. During periods of market illiquidity or rising interest rates, prices of callable issues are subject to increased price fluctuation.
- Foreign Securities Investments: Gardner will use mutual funds or ETFs to invest in foreign securities, however, investing in the securities of non-U.S. companies involve special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile, and can lose value because of adverse political, social, or economic developments overseas or due to changes in the exchange rates between foreign currencies and the U.S. dollar. Foreign stocks are subject to additional risks such as differing financial accounting standards, instability in some markets and higher portfolio fund expenses compared to domestic equities.

- Commodities: Commodities are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.
- Structured Notes: Structured notes are securities issued by financial institutions whose returns are based on, among other things, equity indexes, a single equity security, a basket of equity securities, interest rates, commodities, and foreign currencies. Thus, your return is “linked” to the performance of a reference asset or index.
  - Complexity. Structured notes are complex financial instruments. Clients should understand the reference asset(s) or index(es) and determine how the note’s payoff structure incorporates such reference asset(s) or index(es) in calculating the note’s performance. This payoff calculation may include leverage multiplied on the performance of the reference asset or index, protection from losses should the reference asset or index produce negative returns, and fees. Structured notes may have complicated payoff structures that can make it difficult for clients to accurately assess their value, risk and potential for growth through the term of the structured note. Determining the performance of each note can be complex and this calculation can vary significantly from note to note depending on the structure. Notes can be structured in a wide variety of ways. Payoff structures can be leveraged, inverse, or inverse leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with their Advisor.
  - Credit risk: Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as the financial health of the structured note issuer. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.
  - Issuance price and note value: The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now generally disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to gauge the difference between the issuer’s estimated value of the note and the issuance price. The estimated value of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring and hedging the exposure on the note in the initial price of their notes. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.
  - Liquidity: The ability to trade or sell structured notes in a secondary market is often very limited, as structured notes (other than exchange-traded notes known as ETNs) are not listed for trading on securities exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution’s broker-dealer affiliate or the broker-dealer distributor of the structured note. In addition, issuers often specifically disclaim their intention to repurchase or make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date, or risk selling the note at a discount to its value at the time of sale.
  - Market risk: Some structured notes provide for the repayment of principal at maturity, which is often referred to as “principal protection.” This principal protection is subject to the credit risk of the issuing financial institution. Many structured notes do not offer this feature. For structured notes that do not offer principal protection, the performance of the

linked asset or index may cause clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, or market volatility.

While this information provides a synopsis of the events that may affect a client's investments, this listing is not exhaustive. Although Gardner's methods of analysis and investment strategies do not present any significant or unusual risks, all investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. *Clients should understand that there are inherent risks associated with investing and depending on the risk occurrence; clients may suffer LOSS OF ALL OR PART OF THE CLIENT'S PRINCIPAL INVESTMENT.*

#### **RECOMMENDATION OF SPECIFIC TYPES OF SECURITIES**

Gardner does not primarily recommend a particular type of security. Investments may include, but are not limited to, mutual funds, individual stocks, bonds, ETFs, foreign securities, alternative investments, real estate, and other investment products.

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

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Registered investment advisors are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of the management of our firm.

**Neither Gardner nor any of its management persons have been involved in legal or disciplinary events that are related to past or present investment clients.** Our backgrounds are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching our firm name or our CRD No. 112399.

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

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As a registered investment advisor, we are required to disclose when we, or any of our principals, have any other financial industry affiliations.

#### **BROKER/DEALER OR BROKER/DEALER REPRESENTATIVE**

Gardner is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. However, Gardner's management person(s) is a registered representative of Gardner Financial Services, Inc. ("GFS"), an affiliated securities broker dealer.

#### **FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR, OR COMMODITY TRADING ADVISOR**

Gardner is not a registered Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor and does not have an application pending to register as such. Furthermore, Gardner's

management person is not registered as and do not have an application pending to register as an associated person of the foregoing entities.

#### **RELATIONSHIPS MATERIAL TO THIS ADVISORY BUSINESS AND POSSIBLY CONFLICTS OF INTERESTS**

Douglas King, President and CCO of Gardner is also the President of GFS. Mr. King and investment advisors of Gardner may also be licensed as registered representatives to sell securities through GFS. In this capacity, investment advisors that are also registered representatives may be involved in the sale of securities of various types, including, but not limited to, stocks, bonds, and mutual funds. In their capacity as registered representatives, Gardner's investment advisors will earn commissions and/or 12b-1 fees. If your investment advisor is also registered as a registered representative of GFS, this presents a conflict of interest because your investment advisor may recommend securities products for which they may be entitled to commissions or other ongoing fees as a registered representative. We strive to mitigate these conflicts by reviewing recommendations made and the types of compensation earned by our dually registered advisers. Additionally, all 12b-1 fees assessed on client account(s) are automatically credited back to the client's account(s); Gardner and its investment advisors will not retain the 12b-1 fees as additional compensation. Clients are under no obligation to implement any securities recommendations for brokerage services with GFS. Clients may seek similar services elsewhere for the same or lower costs.

GFS is also a licensed insurance agency. Mr. King and other investment advisors of Gardner, in their capacity as insurance agents with GFS and/or other insurance companies may engage in insurance product sales with clients, for which they will receive additional compensation. Accordingly, there is a conflict of interest between Gardner and its clients. Any commissions received through the sales of insurance products do not offset advisory fees the client may pay for advisory services from Gardner. Clients are not required to purchase insurance products from Mr. King and other investment advisors of Gardner and may seek similar services elsewhere.

Additionally, Mr. King is also the President and CIO of Oakwood Capital Advisors, LLC, an affiliate of Gardner. Clients seeking discretionary portfolio management services from Gardner may invest in several portfolio options administered through Oakwood. To utilize Oakwood's services, clients will be charged an investment advisory and portfolio management services fee by Oakwood, separate and in addition to the advisory fees due to Gardner. This presents a conflict of interest as Mr. King and other investment advisors of Gardner may recommend discretionary portfolio management services through Oakwood which may not be suitable for the client. We strive to mitigate these conflicts by conducting client file reviews on a regular and ongoing basis to ensure recommendations made to a client remains suitable and in alignment with the client's expressed financial goals and risk tolerance.

#### **SELECTION OF OTHER ADVISERS OR MANAGERS AND HOW THIS ADVISER IS COMPENSATED FOR THOSE SELECTIONS**

When we recommend/solicit clients for third-party money managers, we are compensated for the referral. This may present a conflict of interest because our investment advisors are incentivized to refer clients to third-party money managers to generate additional referral fees. We mitigate this conflict by conducting regular reviews of referrals made to third-party money managers to ensure they are suitable for the client's



goals. Additionally, we conduct due diligence on the third-party money managers to ensure they are fulfilling and upholding their duties under the agreement in place with the client.

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Item 11                      Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

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**DESCRIPTION OF CODE OF ETHICS**

All employees of Gardner must act in an ethical and professional manner. In view of the foregoing and applicable provisions of the Investment Advisers Act of 1940, we have adopted a set of enforceable guidelines (“Code of Ethics”), which outlines unacceptable conduct by Gardner and all persons associated with us. The goal of our Code of Ethics is to protect the interests of our clients at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with clients. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Please contact us at (952) 935-4601 or by email to [compliance@gardnerfinancial.com](mailto:compliance@gardnerfinancial.com) if you would like to receive a full copy of our Code of Ethics.

**RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTEREST**

Gardner does not recommend or effect transactions in securities in which any of our related persons may have any material financial interest.

**PERSONAL TRADING FOR SUPERVISED PERSONS**

Occasionally, Gardner or its related persons may buy or sell securities for its own accounts that it has also recommended to clients. However, any purchase or sale of a security by Gardner or its related person will be subject to Gardner’s fiduciary duty to its clients. From time to time, investment advisors of Gardner may buy or sell securities for themselves at or around the same time as Gardner’s clients. In any instance where similar securities are bought or sold, Gardner will uphold its fiduciary duty by always transacting on behalf of the client before transacting for its own benefit. Gardner will always document any transactions that could be construed as a conflict of interest. To mitigate or remedy any conflict of interest or perceived conflict of interest, Gardner will monitor its proprietary and personal trading reports for adherence to its Code of Ethics. All related persons are expected to adhere strictly to these guidelines.

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Item 12                      Brokerage Practices

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**THE CUSTODIAN AND BROKERS WE USE**

Although we do not maintain custody of client assets that we manage, we are deemed to have custody of client assets as we have the authority to deduct our advisory fees directly from the client’s account (see *Item 15 – Custody*). Clients’ assets must be maintained in an account at a “qualified custodian,” generally a broker/dealer or bank. Among others, Gardner may recommend that clients establish brokerage accounts with Gardner Financial Services, Inc. (“GFS”), the Advisor’s affiliated broker-dealer, RBC Correspondent Services, a division of RBC Capital Markets Corporation (“RBC”), and Schwab Institutional, a division of Charles Schwab & Co., Inc. (“Schwab”) to maintain custody of the client’s assets and to effect trades for

their accounts. While we recommend that you use GFS, RBC, or Schwab as your custodian/broker, you will decide whether to do so and will open your account with the custodian of your choice by entering into an account agreement directly with them. We do not open the account for you, although we will assist you in doing so. Even though your account is maintained at a custodian, we can still use other brokers to execute trades for your account as described below (see “Directed Brokerage”).

### **HOW WE SELECT BROKERS/CUSTODIANS**

We seek to use a Custodian/Broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including among other things:

- ✓ Timeliness of execution
- ✓ Clearance and settlement capabilities
- ✓ Ability to place trades in difficult market environments
- ✓ Timeliness and accuracy of trade confirmations
- ✓ Quality of account statements
- ✓ Research, execution facilitation, record keeping, custody and other “value-added” services provided
- ✓ Frequency and correction of trading errors
- ✓ Financial condition and willingness to commit capital
- ✓ Business reputation and integrity
- ✓ Gardner’s prior experience with the custodian/broker

### **YOUR BROKERAGE AND CUSTODY COSTS**

Clients are advised that there may be transaction charges involved when purchasing or selling securities. For some accounts, the custodian may charge you a percentage of the dollar amount of assets in the account in lieu of commissions. In addition to commissions and/or assets-based fees, the custodian may charge you a flat dollar amount as a “prime broker” or “trade away” fees for each trade executed by different broker/dealers. These fees are in addition to the commissions or other compensation you pay the executing broker/dealer. Because of this, in order to minimize your trading costs, we prefer the custodian holding your assets to also execute your trades. We have determined that this philosophy is consistent with our duty to seek “best execution” of your trades. Best Execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

The commission/transaction fees charged by Schwab and other recommended broker-dealer/custodians may be higher or lower than those charged by other broker-dealer/custodians. However, best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. Gardner does not share in any portion of the brokerage fees/transaction charges imposed by the custodians.

## **RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

### **Gardner currently receives “soft dollars.”**

Under “soft dollar” arrangements, one or more of the brokerage firms would provide or pay the costs of certain services, equipment, or other items. These soft dollar benefits are attributed to the investment advisor by reducing its expenses; however, the amount of the fee paid to the investment advisor by the client would not be reduced. Making allocations to brokerage businesses with soft dollar arrangements could enhance the ability to obtain research, optimal execution and other benefits on behalf of clients.

Soft dollar benefits create a conflict of interest because we have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services rather than on our clients’ interest in receiving most favorable execution. We mitigate this risk by ensuring that our clients receive best execution.

Both RBC and Schwab make available to Gardner products and services that benefit Gardner but may not benefit our clients’ accounts. Some of these products and services assist Gardner in managing and administering clients’ accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Gardner’s fees from its clients’ accounts, and assist with back-office support, recordkeeping and client reporting. Many of these services generally may be used to service all, or a substantial number of Gardner’s accounts, maintained at Schwab and RBC. Schwab and RBC may also provide Gardner with other services intended to help Gardner manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. Schwab and RBC may make available, arrange and/or pay for, or discount/waive fees for these types of services rendered to Gardner by independent third parties, for which Schwab and RBC would otherwise usually charge.

Additionally, Gardner employees may attend meetings sponsored by our preferred, qualified custodians and other industry professionals that help us stay current with regulations, market trends, economic data, and other areas that can benefit us and our services to you.

## **BROKERAGE FOR CLIENT REFERRALS**

Gardner does not receive client referrals from third parties for recommending the use of specific broker-dealer brokerage services.

## **DIRECTED BROKERAGE**

You can designate and instruct us to execute any or all securities transactions for your account with or through one or more broker/dealers you prefer to use. In these cases, you are responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by the broker/dealers. Investment advisors of Gardner in their capacity as registered representatives of GFS can discount commissions executed through the GFS. However, clients who want to direct Gardner to use a particular broker/dealer should understand that this may prevent Gardner from

effectively negotiating favorable brokerage rates. We are not obligated to obtain the best prices or any particular commission rates for transactions with or through the broker/dealer you specifically designate in these situations. You acknowledge that the rates obtained will not always be as low as what you might otherwise obtain if we had directed the selection of your broker/dealer. If you would like us to cease executing transactions with or through the designated broker/dealer, you must notify us in writing. Clients are encouraged to discuss available alternatives with their investment advisor.

### **AGGREGATION OF ORDERS**

The Advisor does not aggregate client transactions in most programs. Accordingly, and for those programs and transactions, clients are hereby advised that different clients may receive different prices on securities transactions and may not be able to purchase or sell the same quantity of securities. In addition, clients may be charged higher commissions than if orders were aggregated.

However, for certain programs (i.e., uMAS Account), we may purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among our clients, different prices and commissions or other transaction cost that might not have been obtained had such orders been placed independently. Under this procedure, the cost of the transaction will be averaged and allocated among our clients according to their pro rata share of the aggregated purchase or sale transaction. To the extent that we determine to aggregate or “batch” client orders for the purchase or sale of securities, we will generally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the SEC. We will not receive any additional compensation or remuneration as a result of the aggregation.

When we trade mutual fund shares for our clients, the price for the shares will be the same during the same trading day. We do not block these trades.

### **TRADE ERROR POLICY**

On infrequent occasions, an error may be made in a client’s account. For example, a security may be erroneously purchased for a client account instead of sold. Gardner maintains a record of any trading errors that occur in connection with investment activities of its clients, and in these situations, we generally seek to rectify the error by placing the client account in a similar position as it would have been had there been no error. Depending on the circumstances, various corrective steps may be taken, including but not limited to, canceling the trade, adjusting an allocation, and/or reimbursing the account. In accordance with SEC recommendations, Gardner will bear any losses due to trading errors. Gains generated as a result from a trade error will either: (i) follow the Custodian’s policy; (ii) be credited to the client’s account; or (iii) be donated to charity. We do not retain any gains associated with trade errors.

Item 13                      Review of Accounts

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### **PERIODIC REVIEWS**

Our investment advisors will monitor portfolio management accounts on a continuous basis with a formal review conducted at least annually. We will also meet with our clients either in person or via telephone, at

least on an annual basis to review their account(s) with them. Factors that may trigger a review include, but are not limited to, large deposits or withdrawals from an account, substantial changes in the value of a client's portfolio and a change in the client's investment objectives, or rebalancing alerts by third-party managers. All client account reviews conducted by Gardner and its investment advisors are overseen by Gardner's CCO or its delegee. Our financial plans are reviewed prior to delivery to the client. Any subsequent future or recurring reviews or re-evaluation of our financial plans may be available upon request by the client.

### **INTERMITTENT REVIEW FACTORS**

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, a pandemic, or changes in the client's financial status (such as retirement, termination of employment, relocation, inheritance, etc.). Clients are advised to notify Gardner promptly if there are any material changes in their financial situation, investment objectives, or in the event they wish to place restrictions on their account.

### **REPORTS**

Clients may receive confirmations of purchases and sales in their accounts and will receive, at least quarterly, statements containing account information such as account value, transactions, and other relevant information. Confirmations and statements are prepared and delivered by the custodian. The custodian will provide account statements at least quarterly. Additionally, clients invested in Schwab's third-party program and/or Resource II/RBC UP accounts may receive additional reports which have been generated directly from Schwab, RBC and/or third-party managers. We urge you to compare the account statements received from us with those received from the custodian to verify the accuracy of balances and fees.

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

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### **ECONOMIC BENEFITS FROM OTHERS**

As disclosed under Item 12, above, we receive an economic benefit from our preferred qualified custodians, Schwab and RBC, in the form of support products and services they make available to us and other investment advisors whose clients maintain their accounts with the custodians. These products and services, how they benefit us, and the related conflicts of interest are described above under Item 12. As part of our fiduciary duty to clients, we endeavor to put the interests of our clients first, at all times. The availability of these products and services is not based on us giving particular investment advice to our clients. Clients should be aware, however, that the receipt of economic benefits by Gardner or its related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of Schwab or RBC for custody and brokerage services.

### **COMPENSATION TO UNAFFILIATED THIRD PARTIES**

We may, at times, enter into solicitation agreements with third parties to provide cash for client referrals to Gardner. If a client is introduced to us by a solicitor or other investment advisor, we may pay a referral fee in accordance with the requirements of the Investment Advisers Act of 1940 and regulations set forth by

the respective state jurisdictions. Any such referral fees shall be paid solely by Gardner and will not result in any additional charges to the client. These fees will be paid only to qualified and properly licensed investment advisors, investment advisor representatives, solicitors, and registered representatives of a broker-dealer. If the client is introduced to us by another investment advisor or solicitor, they shall provide the client with a copy of Gardner's Disclosure Brochure, applicable fee schedules, and a copy of the disclosure statement between Gardner and the referring agent outlining the items and conditions of the solicitation arrangement, including compensation.

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Item 15      Custody

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**CUSTODIAN OF ASSETS**

Custody means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them.

Gardner has custody due to its authority to deduct advisory fees from client accounts and because it can, subject to a standing letter of authorization, dispose of client funds or securities. However, Gardner will not maintain physical possession of client funds and securities. Rather, client's funds and securities are held by a qualified custodian in accounts that are registered in the client's name.

While Gardner does not have physical custody of client funds or securities, payments of Gardner's fees may be deducted by the custodian from the custodial brokerage account(s) which holds the client's funds pursuant to the client's account application. Prior to permitting the direct debiting of fees, each client must provide written authorization permitting fees to be paid directly from the custodian to Gardner.

From time to time, Gardner may receive standing letters of authorization from a client ("SLOA"), whereby the client instructs its custodian to accept instruction from Gardner to direct funds from the client's account to specific accounts of the client ("First Party SLOA") or to third-parties unrelated to Gardner and its investment advisor representatives ("Third-Party SLOA"). Gardner will review each SLOA prior to acceptance to ensure it meets the following requirements. We will also periodically review the SLOAs previously received from clients to ensure it meets these criteria.

**First Party Standing Letters of Authorization.** Under applicable SEC guidance, Gardner may accept First Party SLOAs without being deemed to have custody if the First Party SLOAs meet the following criteria:

- a) It is authorized by the client.
- b) A copy of the authorization is provided to the qualified custodians.
- c) It clearly specifies the name and account numbers (including ABA routing numbers) on the sending and receiving accounts and the qualified custodian holding each of those accounts.
- d) It identifies the accounts as belonging to the client.

**Third-Party Standing Letters of Authorization.** In the case of Third-Party SLOAs, Gardner may be deemed to have custody of such client's funds under applicable federal law. Under applicable SEC guidance,

Gardner will accept such custody without the requirement to obtain an annual surprise audit examination if the SLOAs meets the criteria set forth below.

- a) The client provides instructions to the qualified custodian, in writing, that includes the client's signature, the third-party's name, and either the third-party's address or the third-party's account number at a custodian to which the transfer should be directed.
- b) The client authorizes Gardner, 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.
- c) 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.
- d) The client has the ability to terminate or change the instruction to the client's qualified custodian.
- e) Gardner and its investment advisor representatives have 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 instructions.
- f) Gardner maintains records showing that the third-party is not a related party of the Advisor or located at the same address as the Advisor.
- g) The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

#### **ACCOUNT STATEMENTS**

Although Gardner is the client's advisor, clients will receive account statements electronically or by postal mail directly from the custodian at least quarterly. Clients should review the account statements promptly and carefully upon receipt. Clients should compare asset values, holdings, and fees on the statement to that in the account statement issued the previous period. We urge clients to compare the account statements received from Gardner with those received from the custodian to verify the accuracy of their balances and fees.

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

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It is our customary procedure to have full discretionary authority in order to supervise and direct the investments of our clients' accounts. This authority is for the purpose of making and implementing investment decisions, without the client's prior consultation. All investment decisions are made in accordance with the client's stated investment objectives. Clients grant discretionary authority to Gardner by completing the following items:

- Execution of Gardner's investment management agreement which designates the authority for us to place trades on your behalf.
- Provide Gardner with discretionary authority on the new account forms that are submitted to the broker/dealer acting as custodian for the client's account(s).

Other than advisory fees due to Gardner, which Gardner will receive directly from the custodian, Gardner's discretionary authority does not grant us the authority to take or have possession of any assets in the client's account or to direct delivery of any securities or payment of any funds held in the account to Gardner,

except for the LPOA given by the client to liquidate client assets to satisfy payment of Gardner's advisory fees in the event the client's designated method of payment does not have sufficient cash reserves. Furthermore, Gardner's discretionary authority by agreement does not allow it to direct the disposition of such securities or funds to anyone except the account owner.

Clients may impose reasonable restrictions, in writing, on investing in certain securities or types of securities in accordance with their values and beliefs. Gardner will make every effort to comply with the wishes of the client but cannot guarantee absolute adherence due to our use of indexed products, funds, and ETFs that are controlled by third-party managers. Certain portfolio programs require that we be able to invest in mutual funds and ETFs at our discretion and we are unable to allow for any limitation on this discretion.

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Item 17            Voting Client Securities

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Gardner will not take any action or render any advice with respect to voting of proxies solicited by, or with respect to, the issuers of securities in which client's assets may be invested. Gardner will not be required to render any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities in which assets of the client's account may be invested in. However, on occasion, Gardner may provide advice to clients regarding voting proxies.

*Class Action Lawsuits*

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. Gardner has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. Gardner also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, Gardner has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct or negligence by corporate management of issuers whose securities are held by clients.

Where Gardner receives written or electronic notice of a class action lawsuit, settlement or verdict affecting securities owned by a client, we will forward all notices, proof of claim forms and other materials, to the client. For clients who have authorized electronic communication from Gardner, we will forward the notices, proof of claim forms and other materials to the client via electronic mail, where appropriate.

Our third-party money managers may have different proxy voting policies. For information on their policies, please see their respective disclosure brochures.

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Item 18            Financial Information

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**BALANCE SHEET REQUIREMENT**

As Gardner does not require or solicit prepayment of more than \$1,200 in fees per client, six (6) months or more in advance, we are not required to deliver our balance sheet along with this Disclosure Brochure.



**FINANCIAL CONDITION**

Gardner does not have any financial conditions that would reasonably impair our ability to meet contractual commitments to our clients.

**BANKRUPTCY PETITION**

Gardner has not been the subject of a bankruptcy petition at any time during the last 10 years.

## **PRIVACY POLICY**

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An important part of the relationship we have with our clients is the information they share with us. We want each client to know how we treat their private information.

We keep personal information such as Social Security Numbers and account balances confidential. We take steps to safeguard this data from anyone who should not have access to it. We do not sell this information to anyone.

In dealing with Gardner Advisors, Inc., clients can expect that we will take the steps outlined below to keep all their information confidential and secure.

### **OUR PRIVACY POLICY**

In providing financial services and products to our clients, we collect certain non-public information about them. Our policy is to keep this information confidential and strictly safeguarded, and to use or disclose it only as needed to provide services to our clients, or as permitted by law. Protecting your privacy is important to us.

### **INFORMATION WE COLLECT**

The non-public personal information we have about clients includes what they give us when opening an account or communicating with us. This could include:

- Name and address
- Social Security Number
- Investment objectives and experience
- Financial circumstances
- Employment history
- Account balance and account transactions

### **INFORMATION WE DISCLOSE**

We do not disclose personal information about our clients to third parties. We may disclose anonymous information that cannot be linked to an individual client on occasion, but only to companies that we hire to help us provide products and services to our clients, or as required by law, or as authorized by the client personally.

We do not sell personal client information to anyone.

### **HOW INFORMATION IS USED**

We use information about our clients to provide our asset management services to them, such as managing their investment account. We may disclose this information to third parties as permitted by law, including the outside broker-dealers, custodians, administrators, transfer agents, accountants or attorneys that we need

to use to provide our services to clients. From time to time, we must give information about our business to regulatory authorities. This may, or may not, include personal information about our clients and their accounts.

#### **HOW INFORMATION IS SAFEGUARDED**

We have procedures in place that we believe are reasonably designed to protect the security and confidentiality of client information. These include confidentiality agreements with companies we hire to help us provide services to clients, password-protected user access to our computer files, and strict confidentiality policies that apply to all Gardner personnel, vendors and contractors.