

Form ADV Part 2A

PARADIGM CONSULTING INC.

SEC File No. 801-68347

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Paradigm Consulting, Inc. is an SEC-registered investment adviser.
This registration does not imply any level of skill or training.

December 31, 2021

This disclosure brochure (Form ADV Part 2A) provides information about the qualifications and business practices of Paradigm Consulting, Inc. If you have any questions about the contents of this brochure, please contact us at (315) 797-8400. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Paradigm Consulting, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Our Brochure was last updated on December 31, 2020. This section will note any material changes that may have been made since our last printed Brochure. Please note the following changes that have occurred:

- The Firm no longer participates with the FundVest Program.
- The Firm is no longer affiliated with D’Arcangelo Financial Group, LLC.
- The Firm no longer participates with any soft-dollar arrangements.
- As of March 22, 2022, Paradigm Consulting, Inc. had the following client assets under management (AUM):
 - \$2,125,126 AUM for discretionary accounts
 - \$209,592,107 AUM for non-discretionary accounts

We will further provide you with a new Brochure or a Summary of Material Changes, free of charge, as necessary.

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Item 4: Advisory Business

Paradigm Consulting, Inc. (“we”, “our”, “us”, “Firm”), is an SEC Independent Registered Investment Adviser. Our business focuses on individual wealth management and pension consulting services. Laurie A. Schoen and Amy L. Mielnicki are the principal owners of Paradigm Consulting, Inc.

We are registered as an Investment Adviser with the Securities and Exchange Commission (“SEC”), SEC File No. 801-68347, in order to offer investment advisory products and services to our advisory clients (“you”). Such services are offered through our Financial Advisers (“FAs”) who have registered as our Investment Adviser Representatives (“Advisory Representatives”). The registration of our firm and its advisers does not imply a certain level of skill or training.

Separate and apart from their registration as Advisory Representatives of the Adviser, the Advisory Representatives are also Registered Representatives of Royal Alliance Associates, Inc., (“Royal Alliance”), a Financial Industry Regulatory Authority (“FINRA”) broker/dealer and a SEC registered investment adviser. Such registration of the Registered Representatives or Royal Alliance does not imply a certain level of skill or training. Royal Alliance is also a member of various other regulatory bodies. Royal Alliance does not provide any investment advisory services in conjunction with or as part of the investment advisory services provided by Paradigm Consulting, Inc. or its Advisory Representatives.

Types of Advisory Programs We Offer

VISION2020 WEALTH MANAGEMENT PLATFORM – ADVISOR MANAGED PORTFOLIOS PROGRAM

The Wealth Management Platform – Advisor Managed Portfolios Program (“Advisor Managed Portfolios”) provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing, LLC (“Pershing”).

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire (“Questionnaire”) and discussions that we have together regarding, among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you. Portfolios may consist of mutual funds, exchange traded funds, equities, debt securities, and other securities (“Program Investments”) which are based on your investment goals, objectives and risk tolerance.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

The minimum account size is \$50,000. Exceptions can be made depending on Client circumstances.

This program is a **Discretionary** investment advisory account. A **Discretionary** investment advisory account is an account where buy and sell decisions are made by us or a portfolio manager for your account. The term “discretionary” refers to the fact that investment decisions are made at ours or the portfolio manager’s discretion.

For further Advisor Managed Portfolios details, please see the Advisor Managed Portfolios Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in Advisor Managed Portfolios. Please read it thoroughly before investing.

VISION2020 WEALTH MANAGEMENT PLATFORM – GENESIS MODEL PORTFOLIOS PROGRAM

The Wealth Management Platform – Genesis Model Portfolios Program (“Model Program”) offers Clients managed asset allocation models (“Asset Allocation Models”) of mutual funds or exchange traded funds (“ETFs”) diversified across various investment styles and strategies. The Asset Allocation Models are constructed by managers (“Program Managers”) which may include but are not limited to Russell Investment Management Company, Capital Group, or BlackRock, Inc. The Model Program is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, annual, asset-based advisory fee.

Based upon your risk tolerance, the Model Program utilizes a system that selects a specific Asset Allocation Model which may contain: 1) a combination of mutual funds, 2) a combination of exchange traded funds (“ETFs”), or 3) a combination of both mutual funds and ETFs, depending on which Program Manager is used. Together, we will select a recommended Asset Allocation Model. After the Asset Allocation Model is chosen, we, with the assistance of the Model Program sponsor, will open a Model Program account. Your assets will be invested in the specific investments contained within the recommended Asset Allocation Model. You have the opportunity to place reasonable restrictions on investments held within the Model Program account.

The program minimum account size for the Model Program is \$5,500. The specific minimum varies according to the Program Manager and Asset Allocation Model selected. Exceptions can be made depending on Client circumstances.

This program is a **Discretionary** investment advisory account. A **Discretionary** investment advisory account is an account where buy and sell decisions are made by us or a portfolio manager for your account. The term “discretionary” refers to the fact that investment decisions are made at ours or the portfolio manager's discretion.

For further Model Program details, including a full list of Program Managers, please see the Model Program Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in the Model Program. Please read it thoroughly before investing.

VISION2020 WEALTH MANAGEMENT PLATFORM – SMA AND UMA PROGRAM

The Wealth Management Platform – SMA and UMA Account Program (“Wealth Managed Account Program” or “WMP”) provides you with the opportunity to invest your assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. WMP is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, annual, asset-based advisory fee.

We will present you with a WMP asset allocation model (“WMP Model”) for your approval which will consist of: 1) Third-Party money managers (“WMP Managers”) who will manage your WMP account according to a particular equity or fixed income model or strategy, or 2) no-load mutual funds (“Funds”), or 3) exchange traded funds (“ETFs”) or any combination thereof (individually or collectively, “WMP Investments”). WMP Investments will be managed according to the selected WMP Model. WMP Investments are held within a separately managed account or a series of separately managed accounts (collectively, “SMA Account”) or in one, unified managed account (“UMA Account”).

We will suggest a WMP Model to you based on your responses to a risk tolerance questionnaire (“Questionnaire”) and discussion that we have together regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation. In addition, you have the opportunity to place reasonable restrictions on investments held within your WMP account.

The minimum account size for the SMA program is \$100,000. The minimum account size for the UMA program is \$50,000. Exceptions can be made depending on Client circumstances.

This program is a **Discretionary** investment advisory account. A **Discretionary** investment advisory account is an account where buy and sell decisions are made by us or a portfolio manager for your account. The term "discretionary" refers to the fact that investment decisions are made at ours or the portfolio manager's discretion.

For further WMP details, please see the WMP Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in WMP. Please read it thoroughly before investing.

THIRD-PARTY ADVISORY SERVICES

We can also offer you the services of various third-party investment advisors ("Third-Party Advisory Services") for the provision of certain investment advisory programs including mutual fund wrap and separately managed account programs.

If you are interested in learning more about any of these services, please note that a complete description of the programs, services, fees and payment structure, and termination features is available via the applicable Third-Party Advisory Service's disclosure brochures, investment advisory contracts, and account opening documents.

Each Third-Party Advisory Service sets their own minimum account size.

This program is a **Discretionary** investment advisory account. A **Discretionary** investment advisory account is an account where buy and sell decisions are made by us or a portfolio manager for your account. The term "discretionary" refers to the fact that investment decisions are made at ours or the portfolio manager's discretion.

In connection with these arrangements, we will provide assistance in the selection and ongoing monitoring of a particular Third-Party Advisory Service. Factors that we consider in the selection of a particular third-party advisor may include but may not be limited to: i) our assessment of a particular Third-Party Advisory Service; ii) your risk tolerance, goals, objectives and restrictions, as well as investment experience; and, iii) the assets you have available for investment.

You should know that the services provided by us through the use of Third-Party Advisory Services are under certain conditions directly offered by them to you. The fees charged by Third-Party Advisory Services who offer their programs directly to you may be more or less than the combined fees charged by the Third-Party Advisory Service and us for our participation in the investment programs.

RETIREMENT PLAN CONSULTING SERVICES

We also offer retirement consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor (hereafter the "Company") in meeting their management and fiduciary obligations to the plan under ERISA. Retirement consulting services will consist of general or specific advice, and may include any one or all of the following:

1. **Strategic Planning and Investment Policy Development/Review.** Meet with the Company and/or the Named Fiduciary or their fiduciary delegate to assist them in developing an investment policy statement (hereafter the "IPS"). Alternatively, if the Plan has an existing investment policy statement, we will review the existing IPS and assist the Company, Named Fiduciary and/or their fiduciary delegate to determine whether the Plan is performing consistent with the IPS and/or whether the IPS needs to be revised, based on an analysis of the Plan's liquidity requirements,

performance goals and risk tolerance levels of the Plan using information provided by the Company.

2. **Plan Review.** Conduct a review of the Plan design and advise the Named Fiduciary whether the Plan is operating in accordance with Plan documents and applicable provisions of ERISA; and review Named Fiduciary's compliance with fiduciary responsibilities, including compliance with requirements for self-directed plans (if applicable) under ERISA Section 404(c);
3. **Plan Fee and Cost Review.** Conduct an annual review fees and costs charged to Plan by other service providers to assist Named Fiduciary to determine reasonableness of fees and costs paid by Plan;
4. **Third-Party Service Provider Liaison.** Act as liaison for the Plan and the Named Fiduciary when dealing with the trustee, custodian, plan actuary and other third-party service providers to Plan;
5. **Assessment of Investments.** Conduct a periodic review of fund expenses, investment performance, and style drift for mutual funds offered by the Plan to participants, comparing them with other funds in the same asset category using Morningstar data from Principia and MPI Stylus; provide suggestions to the Named Fiduciary from time to time as deemed warranted by the IAR for alternative mutual fund options for the Plan to make available to its participants (which decision shall remain the sole and exclusive decision of the Named Fiduciary and/or their fiduciary delegate);
6. **Participant Education and Communication.** Coordinate and/or conduct investment education and enrollment meetings for plan participants as determined by the Company.

In certain circumstances, the Company may also engage us to provide the following additional services, for separate compensation:

1. **Executive Benefits.** Review, design and implementation for nonqualified plans/deferred compensation.
2. **Plan Conversion.** Assist with conversion to alternate vendors, including preparation of Request for Proposal (RFP) from prospective new vendors, and review and comparison of responses to RFP.
3. **Merger and Acquisition Assistance.** Perform merger and acquisition due diligence review of pension plan documents and investments for possible merger or termination of duplicate plans.
4. **Compliance Correction.** Assist with corrective actions as necessary to comply with applicable laws and regulations.
5. **Coordination with Other Advisers.** Interact with outside advisors, or tax, legal and accounting counsel as necessary.

We will determine with the Company, in advance, the scope of services to be performed and the fees for all requested services. Prior to engaging us to provide pension consulting services, the Company will be required to enter into a written agreement with us setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the relevant fees and fee paying arrangements. In performing the contracted services, we shall not be required to verify the accuracy or consistency of any information received from the Company.

The fee for the services may be charged either at a pre-determined fixed fee or based upon a percentage of the Plan assets. On-site participant educational sessions are also available and are charged at a per day rate as requested by the Company. The exact fee will be negotiated in advance of services rendered and shall be

clearly set forth in the executed agreement for services between us and the Company. Fees may be billed quarterly or monthly (***in arrears or in advance***). In special circumstances other fee paying arrangements may be negotiated. The above referenced terms will be disclosed in the client agreement we sign with the Company. In special circumstances other fee-paying arrangements may be negotiated. There is no minimum account size requirement for our Retirement Plan Consulting Services.

All client accounts are regulated under the Employee Retirement Income Securities Act ("ERISA"). We will provide pension consulting services to the Company as described above. In providing pension consulting services, we and the Company agree that we will serve in a fiduciary capacity with respect to certain of the services provided, and as referenced in the executed agreement for services. However, the Company is free to seek independent advice about the appropriateness of any recommends made by us, or our IARs.

We do not provide legal, tax, or actuarial advice and we will not be responsible for ensuring that the IPS and asset allocation choices comply with any legal, actuarial or other requirements that apply to the Plan.

We will serve in a **Non-Discretionary** ERISA fiduciary capacity with respect to the services that we provide which will be further explained in the written agreement we sign with the Company. A **Non-Discretionary** investment advisory account is an account where buy and sell decisions are made by the client. This means that the you must direct all transactions to be completed on an account. We do not have the ability to complete transactions without first getting permission from the you. The Company is always free to seek independent advice about the appropriateness of any recommendations made by us.

Management of Client Assets

Paradigm Consulting, Inc. investment advisory accounts are managed on either a discretionary or non-discretionary basis, determined at the time the account is opened based on our client's written authorization. As of March 22, 2022, Paradigm Consulting, Inc. had the following client assets under management (AUM):

- \$2,125,126 AUM for discretionary accounts
- \$209,592,107 AUM for non-discretionary accounts

Item 5: Fees and Compensation

VISION2020 WEALTH MANAGEMENT PLATFORM – ADVISOR MANAGED PORTFOLIOS PROGRAM

We offer Advisor Managed Portfolios as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account"). In a Wrap Account, the wrap fee can be set-up so that either the Firm or the Advisory Representative pays the underlying ticket charges for securities transactions. In cases where the Advisory Representative pays the ticket charges, the Advisory Representative may be incentivized to trade less frequently which results in the Advisory Representative retaining a greater portion of the wrap fee. The Firm has policies and procedures to monitor and reduce the risk of this occurring. We also offer Advisor Managed Portfolios with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly account fee described below for advisory services, you will also pay separate per-trade transaction charges.

You will pay a quarterly account fee, ***in advance***, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. If you terminate your participation in this program, you will be entitled to a pro-rata refund of any prepaid quarterly fees based upon the number of days remaining in the quarter after the date upon which the notice of termination is received.

In certain circumstances, additional, ancillary fees will apply. Mutual funds and ETFs invested in the account have their own internal fees which are separate and distinct from the program account fees. Some Fund fees include 12b-1 fees which are internal distribution fees assessed by the Fund, all or a portion which are paid to the distributor(s) of the Funds. The Firm and your Advisory Representative do not retain 12b-1 fees paid by Funds. For complete fee details including account fee schedule guidelines and a list of transaction charges, please see the Advisor Managed Portfolios Wrap Fee Program Brochure and the applicable fund prospectus.

The below fee chart represents the maximum fee that can be charged per the level of assets under management (AUM) held in your account and are negotiable. Our Advisor Managed Portfolios Program account fee schedule is as follows:

\$0 - \$249,999.99	1.600%
\$250,000.00 - \$499,999.99	1.400%
\$500,000.00 - \$749,999.99	1.375%
\$750,000.00 - \$1,249,999.99	1.250%
\$1,250,000.00 - \$1,999,999.99	1.225%
\$2,000,000.00 - \$4,999,999.99	1.100%
\$5,000,000.00 - \$24,999,999.99	0.975%
Over \$25,000,000	0.850%

VISION2020 WEALTH MANAGEMENT PLATFORM – GENESIS MODEL PORTFOLIOS PROGRAM

We offer the Model Program as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, *in advance*, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. If you terminate your participation in this program, you will be entitled to a pro-rata refund of any prepaid quarterly fees based upon the number of days remaining in the quarter after the date upon which the notice of termination is received.

In certain circumstances, additional, ancillary fees will apply. For complete fee details including account fee schedule guidelines, please see the Genesis Model Program Wrap Fee Program Brochure.

The below fee chart represents the maximum fee that can be charged per the level of assets under management (AUM) held in your account and are negotiable. Our Genesis Model Portfolios Program account fee schedule is as follows:

0 - \$249,999.99	2.340%
\$250,000.00 - \$499,999.99	2.305%
\$500,000.00 - \$749,999.99	2.295%
\$750,000.00 - \$999,999.99	2.260%
\$1,000,000.00 - \$1,999,999.99	2.235%
\$2,000,000.00 - \$4,999,999.99	2.200%
\$5,000,000.00 - \$24,999,999.99	2.165%
Over \$25,000,000	2.155%

VISION2020 WEALTH MANAGEMENT PLATFORM – SMA AND UMA PROGRAM

We offer the Wealth Management Platform – SMA and UMA Account Program (WMP) as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, ***in advance***, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. If you terminate your participation in this program, you will be entitled to a pro-rata refund of any prepaid quarterly fees based upon the number of days remaining in the quarter after the date upon which the notice of termination is received.

In certain circumstances, additional, ancillary fees will apply. For complete fee details including account fee schedule guidelines and a list of transaction charges, please see the Wealth Management Platform (WMP) Wrap Fee Program Brochure.

The below fee chart represents the maximum fee that can be charged per the level of assets under management (AUM) held in your account. Our WMP account fee schedule is as follows:

0 - \$249,999.99	3.170%
\$250,000.00 - \$799,999.99	3.130%
\$750,000.00 - \$999,999.99	3.090%
\$1,000,000.00 - \$1,249,999.99	3.065%
\$1,250,000.00 - \$1,999,999.99	3.040%
\$2,000,000.00 - \$4,999,999.99	2.990%
\$5,000,000.00 – \$9,999,999.99	2.925%
\$10,000,000.00 – \$24,999,999.99	2.775%
\$25,000,000.00 - \$49,999,999.99	2.585%
\$50,000,000.00 - \$99,999,999.99	2.535%
Over \$100,000,000	2.500%

Some of our wrap fees are negotiable. Please refer to the Wrap Fee Brochure for this program for additional details regarding the various fees associated with this program and whether the fees are negotiable or not.

THIRD-PARTY ADVISORY SERVICES

Compensation in connection with Third-Party Advisory Services generally consists of six elements:

1. Management fees paid to Third-Party Advisory Services,
2. Management fees paid to us as outlined below,
3. Transaction costs – if applicable – which may be charged to purchase and sell such securities,
4. Custody fees,
5. Revenue sharing compensation paid to Royal Alliance Associates, Inc. (“Royal Alliance”) the securities broker-dealer to which members of our Firm are associated with, and
6. Fees paid to Royal Alliance for administrative and supervisory services.

Your account will be held with the Third-Party Advisory Service custodian where your fees will be assessed and deducted.

For more complete fee details, please see the applicable Third-Party Advisory Service’s disclosure brochures, investment advisory contracts, and account opening documents. Please see below for our fee schedule:

0 - \$249,999.99	1.700%
\$250,000.00 - \$999,999.99	1.550%
\$1,000,000.00 - \$2,999,999.99	1.250%
\$3,000,000.00 - \$4,999,999.99	1.150%
Over \$5,000,000	1.150%

The above referenced advisory fees are negotiable. However, fees charged by the Third-Party Advisory Service in connection with their services are not negotiable.

RETIREMENT PLAN CONSULTING SERVICES

We offer our Retirement Plan Consulting Services as a fixed fee or a fee based upon a percentage of the Plan assets that is billed to the plan sponsor (the “Company”). The exact fee is negotiated in advance of services rendered and is disclosed in the executed written agreement that we sign with the Company. Fees may be billed quarterly or monthly (*in arrears or in advance*). In special circumstances other fee paying arrangements may be negotiated. The above referenced terms will be disclosed in the client agreement we sign with the Company.

The written agreement may be terminated by us or the Company at any time upon 60 days’ prior written notice. Upon termination, we will deliver a final billing statement for unbilled work performed prior to termination, and the Company will have a period of 30 days within which to deliver payment.

Our Retirement Plan Consulting Services fee schedule is as follows:

- **Fixed Fee:**

Based on the scope of services agreed upon in engagement agreement, reasonable in light of geographical location, complexity of engagement, size of Plan, and other relevant factors:

Range: \$1,000 - \$100,000

- **Percentage of Plan Assets:**

Based on specific asset levels in Plan at dates provided in the engagement agreement.

Range:	\$0 - \$20,000,000	0.10 - 1.00% of Plan Assets
	\$20,000,001 - \$40,000,000	0.05 - 0.50% of Plan Assets
	\$40,000,001 and above	0.03 - 0.25% of Plan Assets

- **On-site Participant Education:**

Based on the scope of services requested by the company and the length of time needed, On-site Participant Education is available. The rates for On-site Participant Educational services, which are above and beyond the Fixed Fee or Percentage of Plan Asset consulting fees, include:

Full Day: \$1,500

All Retirement Plan Consulting Services fees are payable either monthly or quarterly (*in advance or arrears*) as invoiced. On-site Participant Education fees are payable monthly in arrears. In special circumstances, other fee paying arrangements may be negotiated.

Negotiation of Fees:

Fees are negotiated on a case-by-case basis, depending on a variety of factors, including the nature and complexity of the particular service, your relationship with us, the size of the account, the potential for other business or clients, the amount of work anticipated and the attention needed to manage your account. As a result of these and other factors, the sponsors of the advisory programs offered also set different limits on fees that we may charge you. Please note that the same or similar services to those described above may be available elsewhere to you at a lower cost.

Additional Fees and Expenses:

Mutual fund investments in the programs that we offer are no-load or load at NAV. Your mutual fund investments may be subject to early redemption fees, 12b-1 fees and mutual fund management fees as well as other mutual fund expenses. These fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details. We do not retain 12b-a fees paid by funds.

Advisory Representative may receive commission or other fees or compensation in relation to any investment or insurance product placed through or with Royal Alliance as a broker-dealer outside of your Model Program account. Therefore, Advisory Representatives have a conflict of interest in recommending such products, as does any commission-based broker.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you normally incur such as maintenance and termination fees. These types of fees are charged directly from our custodian that is holding your investment account. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

In addition to providing advisory services, our Advisory Representatives will likely also sell you securities products and other investment and insurance products in their capacity as registered representatives of Royal Alliance and as licensed insurance agents. We will receive additional compensation in connection with this activity and the amount of compensation will depend on the type of product purchased. We will have a greater financial incentive to sell certain products as opposed to others (for example, in the case of mutual funds those that have a higher 12b-1 fee than others). While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

Mutual funds generally offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to more commonly offered retail share classes (typically Class A, B and C shares), mutual funds may also offer institutional shares classes and other share classes that are specifically designed for purchase in an account enrolled in fee-based investment advisory programs. Institutional share classes or classes of shares designed for purchase in an investment advisory program usually, but not always, have a lower expense ratio than other shares classes. An investor who holds a more expensive share class of a fund will pay higher fees over time – and earn lower investment returns than an investor who holds a less expensive share class of the same fund. Not all mutual funds and share classes offered to the investing public are available through our advisory programs for which a client might otherwise be eligible to purchase.

Royal Alliance Associates Inc. has provided some of our Advisory Representatives with funding in the form of a five (5) year forgivable retention based loan ending 09/06/2024 as incentive to continue our relationship with Royal Alliance Associates Inc. The loan established a schedule of annual bonus payments to our Advisory Representatives that is based upon continued affiliation with Royal Alliance Associates Inc. and best efforts at maintaining assets and accounts at the firm. At the end of each calendar year, the Advisory Representatives will be credited with a bonus equivalent to the principal and interest owing at that time pursuant to the Promissory Note. This is a conflict of interest for our Advisory Representatives to maintain a relationship with Royal Alliance Associates Inc rather than serving our clients' best interest to move to another broker/dealer that may be more suitable, lower cost, and/or offer services that better serve you. The costs to a client to maintain accounts through Royal Alliance Associates Inc. may be higher or lower than other broker/dealers. To mitigate this conflict of interest, we are providing you with this disclosure. If you

have any concerns about the appropriateness of the recommendations provided to you, please contact the Firm's Chief Compliance Officer.

The Firm and its Advisory Representatives have a financial incentive to recommend or select share classes that have higher expense ratios because such share classes generally result in higher compensation. The Firm has taken steps to minimize this conflict of interest by implementing additional training for Advisory Representatives, increasing the proportion of institutional share classes that are available on the platform and rebating Rule 12b-1 fees on both qualified and non-qualified client accounts. Regardless, however, clients should not assume that they will be invested in the share class with the lowest possible expense ratio.

Wrap Accounts:

For Advisory Programs that we offer Wrap Account pricing, the fee for transactions executed in your account are included in your quarterly account fee. As a result, we may charge you a higher quarterly account fee for a Wrap Account than a Non-Wrap Account with separate advisory fees and transaction charges. Please consider that depending upon the level of the wrap fee charges, the amount of portfolio activity in the account, the value of services that are provided under the investment program, and other factors, the wrap fee may or may not exceed the aggregate cost of services if they were to be provided separately. Generally, wrap programs are relatively less expensive for actively traded accounts. However, they may result in higher overall costs to the Client in accounts that experience little trading activity.

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

We do not charge performance-based fees (fees based on a share of capital gains or capital appreciation of assets of a client) in any of our investment advisory programs. We do not have any side-by-side management situations (managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees). As a result, this disclosure item is not applicable.

Item 7: Types of Clients

We provide advisory services to individuals, high net worth individuals, trusts, estates, pension and profit sharing plans, charitable organizations and corporations.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis:

When analyzing investments that may be right for you, we use a methodology that utilizes both quantitative and qualitative factors in evaluating investment managers and their strategies, to arrive at a score for the investment. This scoring system is built around pass/fail criteria, on a scale of 0 to 10 (with 10 being the best).

Ninety percent of the investment's score is quantitative, incorporating modern portfolio theory statistics, risk and return factors, style attribution analysis and peer group rankings. The remaining ten percent of the score is qualitative, taking into account the average tenure of the investment management team. Other criteria that may be considered include the viability of the firm managing the assets, management or personnel issues, regulatory issues and/or whether there has been a change in direction of the stated investment strategy.

Combined, these factors represent our way of measuring the relative performance, characteristics, behavior and overall appropriateness of an investment for inclusion in your portfolio. General investment guidelines are illustrated below:

- Good 9 – 10 Points
- Acceptable 7 – 8 Points
- Watch List 5 – 6 Points
- Poor 0 – 4 Points

An investment scoring a 7 or better may be selected for your portfolio. Investments are reviewed quarterly. If an investment scores a 5 or 6, it is placed on a watch list. If an investment remains on the watch list for two consecutive quarters, it is removed from your portfolio and replaced with another investment scoring at least a 7. Investments which score 4 or lower are evaluated for immediate removal and replacement in your portfolio.

Investment Strategies:

Subject to suitability requirements, we generally advise the long-term purchase of securities to our clients. Long-term purchases are typically defined as the purchase of securities held for at least a year. However, we do utilize a tactical approach to asset allocation, which means we may overweight a certain asset class at any given time, if we feel it is undervalued relative to others. This may cause us to utilize short-term purchases, in which securities are held for less than one year.

Methods of Analysis Risks:

When using quantitative and qualitative analysis, we generally rely on, among other things, data base subscriptions for the statistics utilized in our methodology. Data we review is generally considered reliable, but we cannot guarantee, nor have we verified its accuracy. In addition, the data that we review is sometimes subjective in nature and open to interpretation. Even if our data and interpretation of the data is correct, there may be other factors that determine the value of securities other than those considered in quantitative and qualitative analysis.

Investment Strategy Risks:

Long-term purchases – Using a long-term purchase strategy generally assumes the Financial Markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall Financial Markets advance. Purchasing investments long-term may create an opportunity cost - “locking-up” assets that may be better utilized in the short-term in other investments.

Short-term purchases – Using a short-term purchase strategy generally assumes that we can predict how Financial Markets will perform in the short-term which may be very difficult. There are many factors that can affect Financial Market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Security Type Risks:

Mutual Funds

Investing in mutual funds involves the assumption of risk including:

- Manager Risk: which is the risk that an actively managed mutual fund’s investment adviser will fail to execute the fund’s stated investment strategy.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities contained within the mutual funds we recommend to you.

- Industry Risk: which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the mutual fund.

Exchange-Traded Funds (ETFs)

Investment in ETF's combine aspects of mutual funds and conventional stocks. Like a mutual fund, an ETF is a pooled investment fund that offers an investor an interest in a professionally managed, diversified portfolio of investments. Unlike mutual funds, ETF shares trade like stocks on stock exchanges and can be bought or sold throughout the trading day at fluctuating prices. This enables investors to buy and sell ETF shares like the shares of any publicly-traded company. Market inefficiencies can cause ETF shares to trade at premiums or discounts to their net asset value. Also, during the trading day there is a difference between the price you pay to acquire an ETF and the price at which you can sell it (referred to as the "spread"). For some ETFs the spread can be large. There is also no guarantee that an active secondary market for a particular ETF will exist when a shareholder wants to sell his or her shares. When we invest in an ETF or mutual fund for a client, the client will bear additional expenses based on the pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds.

Associated Risks:

When using quantitative and qualitative analysis, we generally rely on, among other things, data base subscriptions for the statistics utilized in our methodology. Data we review is generally considered reliable, but we cannot guarantee, nor have we verified its accuracy. In addition, the data that we review is sometimes subjective in nature and open to interpretation. Even if our data and interpretation of the data is correct, there may be other factors that determine the value of securities other than those considered in quantitative and qualitative analysis.

When pursuing our long-term purchase strategy, we are assuming the Financial Markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall Financial Markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

When pursuing our short-term purchase strategy, we are assuming that we can predict how Financial Markets will perform in the short-term which may be very difficult. There are many factors that can affect Financial Market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Listed above are some of the primary risks associated with the way we recommend investments to you. Please do not hesitate to contact us to discuss these risks and others in more detail. In instances where we recommend that a Third-Party manage your assets, please refer to the Third-Party's ADV and associated disclosure documents for details on their investment strategies, methods of analysis and associated risks.

Investing in securities involves risk of loss that you should be prepared to bear.

Item 9: Disciplinary Information

There are no material disciplinary events to report.

Item 10: Other Financial Industry Activities and Affiliations

All representatives of our firm that provide advice to you (“Advisory Representatives”) are associated with Royal Alliance Associates, Inc. (“Royal Alliance”) as Registered Representatives. Royal Alliance is a diversified financial services company registered with the Financial Industry Regulatory Authority (“FINRA”) as a broker-dealer engaged in the offer and sale of securities products. Our Advisory Representatives may recommend the purchase of securities offered by Royal Alliance. If you purchase these products through them, they will receive normal commissions which may be in addition to customary advisory fees. As such, Advisory Representatives may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest may exist between their interests and your best interests.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

All such transactions are affected in compliance with the Advisers Act and other applicable law, including our duty to seek best execution.

In addition, some members of Paradigm Consulting, Inc. are affiliated with Royal’s Investment Advisor. Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

Our advisory representatives are also licensed as insurance agents. We may, from time to time, recommend to clients insurance products, including variable annuities, fixed annuities, and other life and health insurance products. Such recommendations may be considered to create a conflict of interest because they may result in an increase in compensation to us. Please be aware that you are under no obligation to purchase any insurance products or services recommended by us or members of our Firm.

Due to the fact that we receive compensation from Third-Party Investment Advisers for utilizing their services for clients and because such compensation may differ depending upon the individual agreement with each Third-Party Investment Adviser, we may have an incentive to recommend one of these Third-Party Investment Advisers over others who may have a less favorable compensation arrangement or other advisory programs previously mentioned. In instances where we recommend that a Third-Party Investment Adviser manage your assets, please refer to the Third-Party’s ADV and associated disclosure documents for details on its compensation arrangements.

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

We have adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 of the Advisers Act to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;

- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of your security holdings and financial circumstances are confidential; and
- The principle that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we are offered, that our broker-dealer has negotiated, to sell certain securities product and are encouraged to ask us about any conflict presented.

We may recommend securities to you or buy or sell securities for your account at or about the same time we may buy or sell the same securities in our own account. As such, there may be instances where our interests may appear to be placed ahead of yours. To mitigate this conflict, our firm policy prohibits us from receiving a better price on our order, if you and we invest in the same security on the same side of the market on the same day.

Item 12: Brokerage Practices

As described in Item 10, our Advisory Representatives are also Registered Representatives of Royal Alliance, a FINRA registered broker-dealer. In order to meet its FINRA supervisory obligations, Royal Alliance requires that all investment advisory activities that we conduct are processed through Royal Alliance's clearing relationships with Pershing LLC ("Pershing"). As a result, we do not have the discretion to choose the broker-dealer or commission rates to be paid. However, we do believe that Pershing's blend of execution services, commission and transaction costs as well as professionalism will allow us to seek best execution and competitive prices.

In connection with the provision of Third-Party Advisory Services, our choice of custodian will be limited to those choices offered by the Third-Party Advisory Service.

We may aggregate your orders with those of other clients in a bunched trade or trades when securities are purchased or sold. For each account that we include in the bunched trade, we must reasonably believe that the bunched order is consistent with our duty to seek best execution and may benefit you and each client participating in the aggregated order. The average price per share of each bunched trade is allocated to each account that participates in the bunched trade. Accounts that participate in the same bunched trade are charged transaction costs, if applicable, in accordance with their advisory contracts.

If a bunched order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation. Partial fills will be allocated in a way that does not consistently advantage or disadvantage particular client accounts and are generally filled pro-rata among participating accounts.

The aggregation and allocation practices of mutual funds and third party managers that we recommend to you are disclosed in the respective mutual fund prospectuses and third party manager disclosure documents which will be provided to you.

The Firm does not utilize any soft-dollar arrangements.

Item 13: Review of Accounts

Accounts under our management and supervision will be reviewed by us on an ongoing basis. You will be contacted, at least annually, by a member of our team to review your financial status, goals, and objectives.

You will receive written Quarterly Performance Reports (“QPRs”) from us on a quarterly basis for the following Advisory Programs: Wealth Management Platform (Advisor Managed Portfolios, Model Portfolios, and the SMA and UMA Programs). These reports contain the following information:

- Summary of all the accounts we manage for you
- Performance of your accounts over stated time periods and how they compare to selected benchmarks
- Additions to or withdrawals from your accounts
- Asset allocation of your investment holdings
- Details of your investment holdings
- Realized gains and losses in your taxable accounts

If you have an account with a Third-Party Advisory Service, you will receive a written QPR from us on a quarterly basis containing the following information:

- Summary of all the accounts we manage for you
- Performance of your accounts over stated time periods and how they compare to selected benchmarks
- Asset allocation of your investment holdings
- Details of your investment holdings

If you are a pension consulting client, you will receive a written Quarterly Fiduciary Investment Review from us containing the following information:

- Details of your plan’s holdings
- Asset allocation of your plan’s holdings
- Performance of your plan’s holdings over stated time periods and how they compare to selected benchmarks

Item 14: Client Referrals and Other Compensation

As discussed previously, all our Advisory Representatives are Registered Representatives of Royal Alliance. This arrangement requires us to offer you advisory services and programs sponsored or approved by Royal Alliance. Royal Alliance sets limits on how much we can charge you for these advisory services. Some advisory programs have higher fee limits than others. As such, there may be an incentive for us to recommend to you advisory services or programs with higher limits. In addition, Royal Alliance may charge us certain usage fees and expenses to use their advisory programs which may decrease the amount of money we make when offering investment advice to you. Therefore, there may be an incentive to provide you with advisory programs and services that may be cheaper for us to use but not as suitable to your needs as other advisory programs that Royal Alliance sponsors which may be more expensive for us to use.

In addition, Royal Alliance offers our Advisory Representatives educational, training and incentive programs for those Advisory Representatives that meet certain sales production goals. There may be an incentive for

us to manage your account in ways that assist us in meeting these production goals even if such strategies may not always be suitable for your account.

Certain Third-Party Advisory Service programs may provide our Advisory Representatives with the opportunity to attend training or education conferences. Such conferences include the payment or reimbursement of travel, meals and lodging expenses for attendees. Payment/reimbursement of expenses is not contingent upon sales targets or contests, but rather on total assets managed on their respective Third-Party Advisory Service platforms. We may have an incentive to recommend Third-Party Advisory Service programs that provide us with the above referenced opportunities over those that do not.

We may utilize Third-Party Managers for investment management of wrap fee programs. You are welcome to, but never obligated to participate in these investment programs. In such cases, we receive a portion of the investment management fees paid, which may give us an incentive to recommend these investment opportunities.

Royal Alliance has provided some of our Advisory Representatives with funding in the form of loans as incentive to establish, maintain or expand our broker-dealer relationships with Royal Alliance. Such loans are typically used to assist in the transition and expansion of our practice. All or a portion of the loans require cash repayments of principal and interest if specific production levels are not achieved over a specified time frame. Any year in which the practice achieves its production levels initiates pro rata loan forgiveness by Royal Alliance. Thus, there may be an incentive for us to offer advisory services and programs to you that may not be suitable in an effort to achieve specific production levels.

We do not receive any additional compensation from any type of revenue sharing arrangement.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Item 15: Custody

We do not maintain custody of any account assets. Your account assets are maintained at our custodian, Pershing, LLC. and custody of your account assets are with Royal Alliance. Royal Alliance is deemed to have custody of your funds because it has the ability to direct such custodians to deduct advisory fees from your account. On at least a quarterly basis, you will receive statements from the qualified custodian. We urge you to carefully review your statements provided by the custodian. You should promptly notify us upon discovery of any errors, discrepancies or irregularities.

Item 16: Investment Discretion

We may manage your accounts on a discretionary basis upon obtaining your consent. Your consent is typically granted and evidenced in the client agreement that you sign with us. We define discretion as: the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. Within the Genesis Model Portfolios Program, discretion is defined as the ability to change managers within your risk tolerance and suitability profile without obtaining your prior consent. Discretion does not extend to the withdrawal or transfer of your account funds.

We do not directly manage any Third-Party Advisory Services on a discretionary basis. These advisory programs are delivered to you as non-discretionary services. If you are invested in one of these programs, we will take no action on your account unless specifically requested by you.

Our Retirement Plan Consulting Services are provided to you on a non-discretionary basis only. A non-discretionary basis means that your Advisory Representative cannot complete a transaction on your account without first getting permission from you.

Item 17: Voting Client Securities

We do not have the authority to vote proxies solicited by, or with respect to, the issuers of securities held in your account. Typically, proxy materials will be forwarded to you by our custodian. We will forward proxy materials that we may receive to you. Please contact us at any time with questions you may have regarding proxy solicitations.

In addition, we do not take any action or render any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits or bankruptcy proceedings. However, we will forward you any information we receive regarding class action legal matters involving any security held in your account.

Item 18: Financial Information

Paradigm Consulting, Inc. is required to provide you with certain financial information or disclosures about our financial condition. We do not have any financial commitment that impairs our ability to our meet contractual commitments to our clients and we have not been the subject of any bankruptcy proceedings.