

# TOTAL SOLUTIONS ENTERPRISE, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Total Solutions Enterprise, LLC. If you have any questions about the contents of this brochure, please contact us at (704) 575-1148 or by email at: [bt@spartawp.com](mailto:bt@spartawp.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Total Solutions Enterprise, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Total Solutions Enterprise, LLC's CRD number is: 318036.*

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*Registration as an investment adviser does not imply a certain level of skill or training.*

Version Date: 03/07/2022

## **Item 2: Material Changes**

The following material changes have been made since the last brochure amendment dated 12/13/2021 and are included in the Amendment:

- The addition of performance-based fees.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

### B. Types of Advisory Services

#### *Portfolio Management Services*

Total Solutions offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Total Solutions creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

Total Solutions evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Total Solutions will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Total Solutions seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of Total Solutions' economic, investment or other financial interests. To meet its fiduciary obligations, Total Solutions attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, Total Solutions' policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Total Solutions' policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

## ***Financial Planning***

Financial plans and financial planning may include, but are not limited to: investment planning; insurance; tax concerns; retirement planning; college planning; estate planning; and debt/credit planning.

## ***Services Limited to Specific Types of Investments***

Total Solutions generally limits its investment advice to mutual funds, fixed income securities, equities and ETFs. Total Solutions may use other securities as well to help diversify a portfolio when applicable.

## **C. Client Tailored Services and Client Imposed Restrictions**

Total Solutions offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent Total Solutions from properly servicing the client account, or if the restrictions would require Total Solutions to deviate from its standard suite of services, Total Solutions ~~reserves~~ the right to end the relationship.

## **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. Total Solutions does not participate in any wrap fee programs.

## **E. Assets Under Management**

Total Solutions has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$94,000,000	\$0	March 2022

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Portfolio Management Fees*

Total Assets Under Management	Annual Fees
\$0 - \$999,999	1.50%
\$1,000,000 - \$4,999,999	1.00%
\$5,000,000 – And Up	0.9%

Total Solutions uses the value of the account as of the last business day of the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement and custodial agreements. Clients may terminate the agreement without penalty for a full refund of Total Solutions' fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

#### Long/Short Strategy

For clients that elect a Long/Short strategy with a sub-advisor, a 1.00% annual asset-based and a 10% performance-based "incentive" fee will be charged. The annual asset-based fee is payable monthly in arrears and is based on the value of the client's account at the end of the prior month, with performance-based fee being assessed quarterly in arrears. If management begins after the start of a month, fees will be prorated accordingly. With client authorization, fees are normally debited directly from client accounts.

#### Performance Fee Calculation Methodology

Under the performance fee election, the performance-based fee component of the investment management fee is calculated as of December 31 of each year. When "Net Profits" are earned for the current period, Total Solutions and the sub-advisor will internally share the performance fee of 10% of the Net Profits generated, subject to a "High Water Mark." No performance fee is assessed in any performance measurement period if the Net Profits for the performance measurement period are zero or negative.

Net Profits for any calculation period equal the current period ending value of net assets (including unrealized gains and losses, accrued dividends, accrued interest and net of asset-based fees), less the current High-Water Mark.

The High-Water Mark for an account for any calculation period is the highest ending

value of net assets of an account for which a performance fee was previously paid by the account. The High-Water Mark will be increased for any deposits added to an account during a calculation period.

If a client withdraws capital from its account before the end of an annual performance period, the performance fee for the amount withdrawn will be calculated based on the Net Profits for the year as of the withdrawal date and based on the High-Water Mark.

### ***Financial Planning Fees***

#### **Fixed Fees**

The negotiated fixed rate for creating client financial plans is between \$1,000 and \$20,000.

#### **Hourly Fees**

The negotiated hourly fee for these services is between \$250 and \$500.

Clients may terminate the agreement without penalty, for full refund of Total Solutions' fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

### **B. Payment of Fees**

#### ***Payment of Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis. Fees are paid in arrears.

#### ***Payment of Financial Planning Fees***

Financial planning fees are paid via check.

Fixed financial planning fees are paid 100% in advance, but never more than six months in advance.

Hourly financial planning fees are paid 100% in advance, but never more than six months in advance.

### **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, lending fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Total Solutions. Please see Item 12 of this brochure regarding broker-dealer/custodian.

#### **D. Prepayment of Fees**

Total Solutions collects certain fees in advance and certain fees in arrears, as indicated above. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check, or return deposit back into the client's account.

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

#### **E. Outside Compensation For the Sale of Securities to Clients**

With certain outside business activities (see Item 10 below), representatives of Total Solutions, including but not limited to David Blair Thompson, are licensed to accept compensation for the sale of investment products to Total Solutions clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which the supervised persons receives compensation, Total Solutions will document the conflict of interest in the client file and inform the client of the conflict of interest. Clients always have the right to decide whether to purchase HHCP-recommended products and, if purchasing, have the right to purchase those products through other brokers or agents that are not affiliated with Total Solutions.

Commissions are not Total Solutions primary source of compensation. Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients.

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

As noted above, Total Solutions offers to manage Long/Short Strategy portfolios pursuant to an asset-based investment management fee and performance-based investment management fee arrangement. The client compensates Total Solutions for its services, in addition to an asset-based investment management fee based on the market value of the client's assets, by paying Total Solutions a percentage of the Net Profits of the client's investment in the strategy. Total Solutions charges these performance-based fees on Net Profits each year, however, if a portfolio subject to such a fee arrangement has no Net Profits in a particular year, no performance fee will be charged until prior losses have been recouped (see discussion of "High Water Mark" in Item 5 Fees and Compensation above).



Performance-based fees are calculated and assessed in arrears, and the client should carefully review the performance fee calculations described in Item 5 Fees and Compensation above for accuracy.

Clients should be aware that when Total Solutions receives a performance-based fee, which is a financial incentive to achieve gains in excess of the disincentive to suffer losses, Total Solutions and/or sub advisors may have an incentive to choose investments that are riskier or more speculative than might otherwise be chosen.

## Item 7: Types of Clients

Total Solutions generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Corporations or Business Entities

There is no account minimum for any of Total Solutions' services.

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

Total Solutions' methods of analysis include Fundamental analysis and Technical analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

#### *Investment Strategies*

Total Solutions uses long term trading and short term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### B. Material Risks Involved

## *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. 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** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

## *Investment Strategies*

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage costs and taxes.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured

products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (iNAV), or price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that one of the typical benefits of ETFs. Additionally, regular trading to beneficially “time the market” is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities in particular are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another and losses may be magnified if no liquid market exists for the ETF’s shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Representatives of Total Solutions are also registered representatives of J. Alden Associates Inc. (CRD# 40002).

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither Total Solutions nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

David Blair Thompson is an independent licensed insurance agent, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Total Solutions always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of Total Solutions in connection with such individual's activities outside of Total Solutions.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

Total Solutions may recommend third-party asset managers from whom we will receive a portion of the advisory fees charges to you by the third-party manager. This is a conflict of interest which we manage by selecting only third-party managers that provide services advantageous to our clients based on cost, management styles, past history, ability to meet client needs, and unique services not otherwise available to our clients. The portion of the fee that we receive is based on the size and growth of your account, so our interests are aligned with yours to work to achieve your performance objectives.

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

#### **A. Code of Ethics**

Total Solutions has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Total Solutions' Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

Total Solutions does not recommend that clients buy or sell any security in which a related person to Total Solutions or Total Solutions has a material financial interest.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of Total Solutions may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Total Solutions to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Total Solutions will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of Total Solutions may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Total Solutions to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Total Solutions will never engage in trading that operates to the client's disadvantage if representatives of Total Solutions buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on Total Solutions' duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and Total Solutions may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in Total Solutions' research efforts. Total Solutions will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

Total Solutions recommends Schwab Institutional, a division of Charles Schwab & Co., Inc.

### **1. *Research and Other Soft-Dollar Benefits***

While Total Solutions has no formal soft dollars program in which soft dollars are used to pay for third party services, Total Solutions may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). Total Solutions may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and Total Solutions does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. Total Solutions benefits by not having to produce or pay for the research, products or services, and Total Solutions will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that Total Solutions' acceptance of soft dollar benefits may result in higher commissions charges.

### **2. *Brokerage for Client Referrals***

Total Solutions receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

Total Solutions may permit clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to Total Solutions to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; the client may be unable to participate in block trades (unless Total Solutions is able to engage in "step outs"); and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

#### **B. Aggregating (Block) Trading for Multiple Client Accounts**

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

## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for Total Solutions' advisory services provided on an ongoing basis are reviewed at least Annually by David Blair Thompson, advisor, with regard to clients' respective investment policies and risk tolerance levels. All accounts at Total Solutions are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by David Blair Thompson, advisor. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, Total Solutions' services will generally conclude upon delivery of the financial plan.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of Total Solutions' advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Each financial planning client will receive the financial plan upon completion.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

Other than soft dollar benefits as described in Item 12 above, Total Solutions does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Total Solutions clients.

With respect to Schwab, Total Solutions receives access to Schwab's institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For Total Solutions client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through



commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to Total Solutions other products and services that benefit Total Solutions but may not benefit its clients' accounts. These benefits may include national, regional or Total Solutions specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of Total Solutions by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Total Solutions in managing and administering clients' accounts. These include software and other technology (and related technological training) 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, if applicable), provide research, pricing information and other market data, facilitate payment of Total Solutions' fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of Total Solutions' accounts. Schwab Advisor Services also makes available to Total Solutions other services intended to help Total Solutions manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to Total Solutions by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Total Solutions. Total Solutions is independently owned and operated and not affiliated with Schwab.

## **B. Compensation to Non - Advisory Personnel for Client Referrals**

Total Solutions does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, Total Solutions will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

Total Solutions provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, Total Solutions generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

## **Item 17: Voting Client Securities (Proxy Voting)**

Total Solutions will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

Total Solutions neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither Total Solutions nor its management has any financial condition that is likely to reasonably impair Total Solutions' ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

Total Solutions has not been the subject of a bankruptcy petition in the last ten years.