

Item 1 – Cover Page  
**FORM ADV PART 2A**



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**September 14, 2022**

This brochure provides information about the qualifications and business practices of Bell Rock Capital, LLC. If you have any questions about the contents of this Brochure, please contact us at (302) 227-7607 and/or Jackieb@bellrockcapital.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 Bell Rock Capital, LLC (IARD #139163) also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Any references to Bell Rock Capital, LLC as a registered investment adviser or its related persons as registered advisory representatives does not imply a certain level of skill or training.



## Item 2 - Material Changes

At least annually, this Item will discuss only specific material changes that are made to the Brochure and provide you with a summary of such changes. Additionally, reference to the date of the last annual update to this Brochure will be provided.

The material changes discussed are only those changes that have been made to this brochure since the firm's update of the brochure. The date of the last annual update of the brochure was March 24, 2022.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. We will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year, which is December 31st. We can further provide other ongoing disclosure information about material changes as necessary.

Our brochure can be requested free of charge by contacting Jacquelyn Blue (302) 227-7608 and/or [Jackieb@bellrockcapital.com](mailto:Jackieb@bellrockcapital.com). Additional information about Bell Rock Capital, LLC is also available via the SEC's website [www.adviser.sec.gov](http://www.adviser.sec.gov). The website also provides information about any persons affiliated with Bell Rock Capital, LLC who are registered, or are required to be registered, as investment adviser representatives of Bell Rock Capital, LLC.



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#### Item 4 - Advisory Business

Bell Rock Capital, LLC (hereinafter referred to as “Bell Rock”) is an investment advisory firm offering a variety of advisory services customized to client’s individual needs. Bell Rock’s services are more fully described below. Bell Rock was founded in January 2006. Cassandra Toroian is Managing Member of the LLC and the majority owner.

Bell Rock offers the following advisory services tailored to client’s individual needs.

- Asset Management Services
- Financial Planning
- 401(k) Retirement Plan Fiduciary and Advisor Services

During the initial meeting between each client and Bell Rock, a series of financial questions will be asked in an attempt to gauge each client’s financial goals, objectives, risk tolerance, concerns, and investment time horizon. Additionally, we take an educational approach to gauge each client’s investment sophistication through a risk tolerance review. The meeting also enables a prospective client to determine if Bell Rock is a good fit.

#### Asset Management Services

Once you indicate that you wish to be a client of Bell Rock’s, the firm will implement the investment selections it believes fit your goals. You may impose restrictions and/or limitations on the investing in certain securities or types of securities. Bell Rock will provide continuous and ongoing management of your account. Bell Rock will manage the account on a discretionary basis. Therefore, Bell Rock will determine the securities to be purchased and sold in your managed account(s) and alter the securities holdings from time to time, without prior consultation with you. Bell Rock may actively trade securities and hold such holdings for periods of thirty (30) days or less or maintain positions for longer or shorter-term periods.

Bell Rock primarily uses individual equities, fixed income investments, exchange traded funds (ETFs) and cash. All of which are considered asset allocation categories for the client’s investment strategy. Mutual funds are rarely used in managed portfolios. Some clients who engage Bell Rock may have previously invested in mutual funds and these positions can be held within the portfolio as legacy positions. Bell Rock constructs portfolios based on risk tolerance, income needs and other factors of the client. Bell Rock does not purchase mutual funds, off-the-shelf model portfolios, or use outside firms for investment selections. Bell Rock employs a proprietary investment screening process to determine the securities on the buy, sell and hold lists.

#### Retirement Plan Fiduciary and Advisor Services

Bell Rock provides qualified plan management and monitoring services for a fee, based on the size of the plan assets. The services include, but are not limited to, assisting with the Investment Policy Statement, providing a screened list of fund choices, providing asset allocation models, monitoring the fund selections on a quarterly basis, document fund monitoring process and educating employees. Implementation of the specific investment allocation for participants remains with each participant.



As a result of the recent regulations promulgated by the Department of Labor, which interpret the Employee Retirement Income Security Act (ERISA), there are choices when it comes to the fiduciary responsibilities for managing your company's retirement plan. It is crucial that plan sponsors and trustees have a good understanding of the different types of financial advisers who can service their retirement plan and provide protection for all plan participants.

Bell Rock offers two different options for managing a company's retirement plan:

1. 3(38) Fiduciary Investment Manager
2. 3(21) Fiduciary Investment Adviser

There is a distinct difference between a 3(38)-fiduciary investment manager and a 3(21)-retirement plan fiduciary. Bell Rock can be hired in either capacity through our registered investment adviser (RIA) structure, so the arrangement chosen is dependent upon the type of relationship you desire. In some instances, Bell Rock has discretion for the plan participant investments.

### 3(38) Fiduciary Investment Management Services

Under this arrangement, Bell Rock is appointed by the plan sponsor or trustee and accepts discretion over plan assets and assumes full responsibility for the fiduciary functions concerning decisions related to the plan investment selections. As a 3(38)-investment manager, Bell Rock has the responsibility and authority to select the investment options for the plan and decide if and when to make changes to the plan investments. If selected as a 3(38)-investment manager, our services are as follows:

1. Be responsible for the selection of plan investments
2. Have discretionary authority to determine the core investment options and qualified default investment alternatives under the plan; and
3. Provide asset allocation portfolios to participants reflecting a range of risk and potential return characteristics. These portfolios are updated by Bell Rock on a discretionary basis and traded accordingly.

### 3(21) Fiduciary Investment Advisory Services

A 3(21)-retirement plan fiduciary adviser is appointed by the plan sponsor or trustee to act in a co-fiduciary capacity. Through the 3(21) arrangement the plan sponsor or trustee and 3(21) fiduciary adviser share responsibility and accountability for the investment decisions made at the plan level. When the plan sponsor is provided with investment recommendations from the 3(21) adviser, the plan sponsor can agree or disagree with the recommendation. Under this arrangement, the plan sponsor is legally responsible and liable for the decision of whether or not to implement that advice.

If selected as a 3(21)-fiduciary adviser, our services are as follows:

1. Assist in the development and/or review of an investment policy statement (IPS)
2. Assist in the evaluation, selection, and monitoring of plan investments, core options, and qualified default investment alternatives, if applicable;
3. Provide periodic reports to the sponsor regarding the performance of investments and related fees, compared with applicable benchmarks and peer groups; and
4. Provide investment options to the plan sponsor.
5. Should investment changes occur in accordance with an Investment Policy Statement procedure, notices are sent to plan participants notifying them of the upcoming change by the plan



administrator and the participant can go into their account and make investment changes, at any time.

The plan sponsor remains responsible for selecting investments and investment options under the plan, and the participant shall remain responsible for making investment decisions regarding his/her accounts from among the options permitted under the plan.

#### [Disclosure Regarding Rollover Recommendations](#)

A client or prospect leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) rollover to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Our Firm may recommend an investor roll over plan assets to an IRA for which our Firm provides investment advisory services. As a result, our Firm and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave their plan assets with their previous employer or roll over the assets to a plan sponsored by a new employer will generally result in no compensation to our Firm. Our Firm therefore has an economic incentive to encourage a client to roll plan assets into an IRA that our Firm will manage, which presents a conflict of interest. To mitigate the conflict of interest, there are various factors that our Firm will consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus those of our Firm, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. All rollover recommendations are also reviewed by our Firm's Chief Compliance Officer in a best effort to determine that the recommendation to a client was reasonable or that the client has determined to make the rollover after being provided ample information about their options. No client is under any obligation to roll over plan assets to an IRA advised by our Firm or to engage our Firm to monitor and/or advise on the account while maintained with the client's employer. Our Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client has regarding this disclosure.

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

#### [200Deep Powered by Bell Rock](#)

Bell Rock provides portfolio management services through 200Deep.com, Powered by Bell Rock ("200Deep"), an automated, online investment management platform. At this time, we are not accepting new accounts as we are working on an infrastructure update. Through 200Deep, Bell Rock offers clients a range of investment strategies it has constructed and manages each consisting of a portfolio of exchange-traded funds ("ETFs"), equities, and a cash allocation. The assets are held in custody at Pershing.



Bell Rock provides a web-based platform and related account management services for 200Deep. This platform enables Bell Rock to make 200Deep available to clients online and includes a system that automates certain key parts of Bell Rock's investment process (the "System"). The System includes an online questionnaire, that helps Bell Rock match the client's investment goals, investment risk profile, risk tolerance, with a matching model portfolio that is constructed to align with your risk score. At the end of the questionnaire, a preliminary recommendation is made showing a portfolio strategy with assets classes and weightings. Bell Rock does not use any algorithms to select securities for the models. Our portfolio managers select all investments for the model portfolios. The results of the questionnaire are the sole basis for advice. The system also includes an automated investment engine, which uses Pershing as its custodian and trade execution platform, through which Bell Rock manages the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects). Rebalancing occurs if the client requests in the questionnaire that they would like the portfolio to continue to be rebalanced based on the initial asset allocation match and will be rebalanced based on drift parameters established by Bell Rock.

### Financial Planning

Through the financial planning process, our team strives to engage our clients in conversations around the family's goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each family in mind, our team will offer financial planning ideas and strategies to address the client's holistic financial picture, including estate, income tax, charitable, cash flow, wealth transfer, and family legacy objectives. Our team partners with our client's other advisors (CPAs, Enrolled Agents, Estate Attorneys, Insurance Brokers, etc.) to ensure a coordinated effort of all parties toward the client's stated goals. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets, and periodic updates.

Our specific services in preparing your plan may include:

- Review and clarification of your financial goals
  - Assessment of your overall financial position including cash flow, balance sheet, investment strategy, risk management, and estate planning
  - Creation of a unique plan for each goal you have, including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession, and other personal goals
  - Development of a goal-oriented investment plan, with input from various advisors to our clients around tax suggestions, asset allocation, expenses, risk, and liquidity factors for each goal. This includes IRA and qualified plans, taxable, and trust accounts that require special attention
  - Design of a risk management plan including risk tolerance, risk avoidance, mitigation, and transfer, including liquidity as well as various insurance and possible company benefits; and
  - Crafting and implementation of, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death
- A written evaluation of each client's initial situation or Financial Plan is provided to the client. An annual review will be provided by the Advisor, if indicated by the Client and Advisor per the Agreement. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

### Miscellaneous



**No Non-Investment Consulting/Implementation Services.** Bell Rock does not provide related consulting services regarding non-investment related matters, such as estate planning, tax advice, etc. Bell Rock does not serve as an attorney or accountant and no portion of our services should be construed as legal or accounting services. Accordingly, we do not prepare estate planning documents. To the extent requested by a client, we will recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). You are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation made by Bell Rock or its representatives. If the client engages any unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

**Retirement Rollovers** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Bell Rock recommends that a client roll over their retirement plan assets into an account to be managed by Bell Rock, such a recommendation creates a conflict of interest if Bell Rock will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account managed by Bell Rock. Bell Rock's Chief Compliance Officer remains available to address any questions that a client or prospective client has regarding the conflict of interest presented by a rollover recommendation.

**Client Obligations** Bell Rock will not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely on the information in its possession. Clients are responsible for promptly notifying Bell Rock if there is ever any change in their financial situation or investment objectives so that Bell Rock can review, and if necessary, revise its previous recommendations or services.

You are advised that transactions in your account, account reallocations and rebalancing may trigger a taxable event, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts. Investment recommendations and advice offered by Bell Rock is not legal or accounting advice. You should coordinate and discuss the impact of financial advice with your attorney or accountant. You are advised that it is necessary to inform Bell Rock promptly with respect to any changes in your financial situation and investment goals and objectives. Failure to notify Bell Rock of any such changes could result in investment recommendations not meeting your needs.

As further described below, Bell Rock has entered into a relationship to offer you brokerage and custodial services through) and Pershing Advisor Solutions LLC ("Pershing"). There is no affiliation between Bell Rock, or Pershing. Further, you are not obligated to use the services of Pershing.

#### **Wrap Fee Programs**

Bell Rock does not maintain a wrap fee program.

**Assets Under Management** As of December 31, 2021, Bell Rock has \$237,585,120 of discretionary assets under management. The firm does not have non-discretionary assets. The Firm has \$351,952,631 assets under advisement.





## Item 5 - Fees and Compensation

### Asset Management Services

Fees are negotiable and are not based on a share of capital gains, or capital appreciation of the funds or any portion of the funds.

Bell Rock's advisory fees will be charged in advance on a calendar quarterly basis based upon the market value of your portfolio (including cash and cash equivalents) on the last business day of the calendar quarter. The advisory fee may exceed the money market yield. Accounts managed for a part of the quarter will be charged a prorated portion of the advisory fees for the quarter. The initial fee will be based on the value of the account upon account establishment and prorated for the remaining days in the current calendar quarter and billed at the end of the first quarter following the opening of the account.

Bell Rock can deduct its fees directly from your account provided you have given Bell Rock written authorization by signing the Investment Management Agreement and custodial application. Written authorization to have advisory fees deducted directly from your account is granted in the management agreement executed between you and Bell Rock. The advisory fees may be payable by invoice, upon request, for of management services and paid directly by you upon receipt of the invoice from Bell Rock. You will be provided with at least quarterly statements directly from the account custodian reflecting the deduction of Bell Rock's fees from your account. If your account does not contain sufficient funds to pay advisory fees, Bell Rock has the authority to sell or redeem securities in sufficient amounts to pay its advisory fees. You may reimburse the account for advisory fees paid to Bell Rock, except for ERISA and IRA accounts.

You may make additional deposits and partial withdrawals to the account. Additional deposits to the account and partial withdrawals from the account impacts Bell Rock's management of the account, particularly partial withdrawals from the account. Prorated fee adjustments will be charged to you for additional deposits to the account, and a prorated credit of fees will be issued for partial withdrawals from the account. No fee adjustments will be made for Account appreciation or depreciation due to market performance.

Account Size	Maximum Annual Fee
\$0 to \$1,000,000	249 basis points
\$1,000,000 to \$5,000,000	179 basis points
\$5,000,000 and above	140 basis points
Fixed Income Only (any \$ amount)	100 basis points

We may negotiate a lower advisory fee, charge a flat fee or have the right to waive fees. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and the client. In certain circumstances, our fees and the timing of the fee payments may be negotiated. If you have multiple accounts under management with Bell Rock, all of your managed accounts will be aggregated together to determine the fee.



The quarterly fee formula is as follows and will be adjusted for inflows or outflows of funds during the previous quarter.

End of quarter account value x quarterly fee (i.e. annual fee /4) = quarterly fee

Fee adjustments for inflow and outflows are calculated as follows.

# of days/days in the calendar quarter x quarterly fee = fee adjustment

In addition to the advisory fees above, you will pay transaction fees for securities transactions executed in your account in accordance with the custodian's transaction fee schedule. Additionally, you will pay fees for custodial services, account maintenance fees, transaction fees, and other fees associated with maintaining the account. You will pay your proportionate share of the internal fund's management and administrative fees and sales charges imposed by any mutual fund or ETF held in your account. Such fees are not shared with Bell Rock and are compensation to the fund-manager. You should read the fund's prospectus prior to investing. Many custodians are no longer charging fees for trading in certain securities such as exchange-traded equities and ETF's.

Bell Rock may change the above fee schedule upon 30-days prior written notice to you.

Bell Rock, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, personal relationship, anticipated future additional assets, dollar amount of assets to be managed, related accounts, industry fee compression, account composition, negotiations with client, etc.). As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

Bell Rock charges an annual \$100 administrative fee. This fee is in addition to the investment advisory fee described above and under certain circumstances may be waived. This fee is for the increased cost of technology used to manage your account.

**ANY QUESTIONS:** Bell Rock's Chief Compliance Officer remains available to address any questions that a client or prospective client has regarding the above.

### Termination Provisions

Either party may terminate management services by telephone or confirmed in writing. The management fee will be pro-rated to the date of termination, for the quarter in which the termination notice was given, and the unearned fee refunded to your account, or mailed to you, as indicated in your Agreement. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of client's death or disability, our Firm will continue management of the account until we are notified of such death or incapacity and given alternative instructions by an authorized party. We will not require prepayment of more than \$1,200 in fees per client, six (6) or more months in advance of providing any services.

### Financial Planning Fees

For stand-alone financial planning arrangements, Bell Rock will negotiate the planning fees with the client using a fixed fee schedule. Fees may vary based on the extent and complexity of the client's individual or family circumstances and the amount of the client's assets under our management. Bell Rock will



determine the client's fee for the designated financial advisory services based on a fixed fee arrangement described below.

Under our fixed fee arrangement, any fee will be agreed in advance of services being performed. The fee will be determined based on factors including the complexity of the client's financial situation, agreed upon deliverables, and whether the client intends to implement any recommendations through Bell Rock. Fixed fees for comprehensive financial plans start at \$3,000. As part of the financial planning agreement, Bell Rock may also be engaged for ongoing financial planning services payable through an annual retainer fee. Annual retainer fees are at a fixed rate of up to \$35,000 which will be based on the complexity of the services, the frequency of client interactions and other factors. Fees may be negotiable, at the sole discretion of Bell Rock, based on the nature and complexity of the services to be provided and the overall relationship with Bell Rock. Fees for the ongoing retainer will be invoiced quarterly, at the end of each quarter.

### Termination Provisions

Bell Rock offers Financial Planning Services as a defined project or a perpetual agreement. Typically, we complete a plan within 30 days and will present it to the client within 90 days of the contract date, provided that the client has provided us all information needed to prepare the financial plan. Fees are billed as a negotiated flat fee. The client may terminate the financial planning agreement by providing us with written notice. Upon termination of a fixed fee defined project the client will be billed for the percentage of the engagement scope completed by Bell Rock. For ongoing engagements, the Client will be billed for the pro-rate period in the quarter for which the service was rendered.

In no case are Bell Rock fees based on, or related to, the performance of the client's funds or investments.

When both investment management or plan implementation and investment management services are offered, there is a conflict of interest since there is an incentive for us offering investment management services to recommend products or services for which Bell Rock receives compensation. However, Bell Rock will make all recommendations independent of such considerations and based solely on our obligations to consider the client's objectives and needs. As a wealth planning client, the client has the right not to act upon any of our recommendations and not affect the transaction(s) through us if the client decides to follow the recommendations.

### Retirement Plan Fiduciary and Advisor Services

Bell Rock offers qualified plan management services with annual fees ranging from 0.03% to 0.10%. We offer a Fiduciary Advisory Services role with an annual fee ranging from 0.30% to 1.00%. Bell Rock Capital offers BRC portfolios, and if the portfolios are chosen, the company receives a maximum fee of 0.35% which is included in the expense ratio. Fees are negotiable and are due in advance or arrears of each calendar quarter. The fee will be calculated on a calendar quarterly basis and based upon the value of the qualified plan as of the last business day of the calendar quarter as valued by the account custodian.

ERISA 3(38) fiduciary services will be subject to a minimum annual fee of \$2,000 for accounts with less than \$2,000,000 in assets under management. Any clients that opened these accounts prior to January 1, 2019 fees are grand-fathered. Multiple Employer Plans ("MEP'S") are not included in this minimum fee.

The advisory fee will generally be deducted directly from the account provided the qualified plan has authorized deduction of the advisory fee from the qualified plan account. Fee deductions will be authorized via execution of an agreement with Bell Rock.



### Termination Provisions

Qualified plan sponsors may terminate Bell Rock's services at any time upon 30-days prior written notice to Bell Rock. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

### 200Deep Powered by Bell Rock

Bell Rock provides portfolio management services through 200Deep, an automated, online investment management platform. At this time, we are not accepting new accounts as we are working on an infrastructure update. Through 200Deep, Bell Rock offers clients a range of investment strategies it has constructed and manages each consisting of a portfolio of exchange traded funds ("ETFs"), equities, and a cash allocation. Bell Rock's investment management fee for Program accounts shall vary based on the market value of the assets placed under Bell Rock's management and shall range between an annual fixed fee of \$60 to a maximum annual fee of 0.85% of assets under management.

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

Fees are not based on a share of the capital gains or capital appreciation of managed securities. Bell Rock does not charge performance-based fees.

### **Item 7 - Types of Clients**

Bell Rock generally provides investment advice to individuals, high net worth individuals, retirement plans, trusts, estates, foundations, charitable organization, and corporations. Bell Rock has no minimum initial account value for opening an account with our firm. Please see Item 5 above for information about minimum account fees.

### **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

Bell Rock offers you several different management strategies. One or more strategies may be used for you managed account(s) depending on your financial goals and risk assessment. Bell Rock generally takes either a value or growth as a reasonable price manager approach. Bell Rock will customize the allocation of your portfolio to your financial situation as determined by Bell Rock.

### Our Investment Styles

**Classic Growth and Income Strategy:** A balanced approach designed for more moderate risk tolerant investors who seek long term capital appreciation and growth as well as balance of fixed income cash flows. We employ a value-and growth at a reasonable price-based approach in the selection of equities, which populate the portfolio. This strategy includes the use of ETFs for sector, country and/or market exposure. Our fixed income approach seeks out more stable and tax advantaged vehicles such as municipals and government municipals as well as investment grade corporate securities.



**GARP (Growth At Reasonable Price) Strategy:** The GARP strategy is a combination of both value and growth investing. We look for companies that are somewhat undervalued and have solid sustainable growth potential. The criteria that we look for in a company fall right in between those sought by the value and growth investors. In this strategy, we are concerned with the growth prospects of a company.

**Income and Capital Preservation Strategy:** This strategy invests in a variety of fixed income securities in order to maximize income. Investments will include, but not be limited to, municipal bonds (general obligation bonds as well as revenue bonds), preferred stock, corporate bonds, mortgages, certificates of deposit, convertible bonds, and hybrids. The primary forms of risk that exist for income investors are income, inflation, and default risk. This investment style requires an understanding that capital is invested in fixed income securities that may have more or less liquidity than an exchange-traded instrument. Withdrawing funds from this type of strategy can generally be done at any time. However, clients are advised there is no guarantee of performance or price and liquidations will be based on market prices at the time.

**BRC Portfolios:** Bell Rock also offers multiple portfolios to clients. All portfolios are constructed by Bell Rock using individual equities and ETFs. They range from very conservative to very aggressive. These portfolios are constructed using a tool called Riskalyze, assigning a risk tolerance score based on the weightings of each investment in the portfolio. This risk tolerance weighting is determined by historical performance data of investments in the portfolio. Clients are then mapped to the appropriate portfolio based on their own risk tolerance score determined through a questionnaire. While we use the risk tolerance scores as a guideline, not all clients' portfolios are completely based on a portfolio due to various factors, including but not limited to client instructions, other holdings and tax ramifications.

### **Risks of Investing**

Bell Rock uses fundamental analysis to help identify investment opportunities for you. Fundamental analysis generally involves assessing a company's or security's value based on factors such as sales, assets, markets, management, products and services, earnings, and financial structure. Fundamental analysis involves interest rate risk, market risk, business risk, and financial risk. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest rate Risk** – fluctuations in interest rates cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive causing the market values to decline.
- **Market Risk** – The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Business Risk** – These risks are associated with a particular industry or a particular company within an industry. For example, before oil-drilling companies can generate a profit, they depend on finding oil and then refining it, which is a lengthy process. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Financial Risk** – excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and



bad. During periods of financial stress, the inability to meet loan obligations often result in bankruptcy and/or a declining market value.

- **Credit Risk** - A bond issuer's credit rating may change, which can cause price volatility, and in the case of a credit rating downgrade, lower prices.
- **Inflation Risk** - Inflation causes tomorrow's dollar to be worth less than today's; in other words, it reduces the purchasing power of a bond investor's future payments and principal, collectively known as "cash flows." Inflation also leads to higher interest rates, which in turn leads to lower bond prices. Inflation-indexed securities such as Treasury Protection Securities (TIPS) are structured to limit inflation risks.
- **Bond Market Risk** - The risk that the bond market as a whole would decline, bringing the value of individual securities down with it regardless of their fundamental characteristics.
- **Liquidity Risk** - The risk that investors have difficulty finding a buyer when they want to sell and may be forced to sell at a significant discount to market value. Liquidity risk is greater for thinly traded securities such as lower-rated bonds, bonds that were part of a small issue, bonds that have recently had their credit ratings downgraded or bonds that sold by an infrequent issuer. Bonds are generally the most liquid during the period right after issuance when the typical bond has the highest trading volume.
- **Default Risk** - The possibility that a bond issuer will be unable to make interest or principal payments when they are due. If these payments are not made according to the agreements in the bond documentation, the issuer can default.
- **Reinvestment Risk** - When interest rates are declining, investors have to reinvest their interest income and any return of principal, whether scheduled or unscheduled, at lower prevailing rates.
- **Call Risk** - Some corporate, municipal and agency bonds have a "call provision" entitling their issuers to redeem them at a specified price on a date prior to maturity. Declining interest rates may accelerate the redemption of a callable bond, causing an investor's principal to be returned sooner than expected. In that scenario, investors have to reinvest the principal at the lower interest rates. (See also Reinvestment risk.) If the bond is called at or close to a par value, as is usually the case, investors who paid a premium for their bond also risk a loss of principal. In reality, prices of callable bonds are unlikely to move much above the call price if lower interest rates make the bond likely to be called.
- **Prepayment Risk** - For mortgage-backed securities, the risk that declining interest rates or a strong housing market will cause mortgage holders to refinance or otherwise repay their loans sooner than expected and thereby create an early return of principal to holders of the loans.
- **Options Risk** - Certain types of option trading are permitted in order to generate income or hedge a security held in the program account; namely, the selling (writing) of covered call options or the purchasing of put options on a security held in the program account. Client should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security can be called away and the program account will no longer hold the security. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold by the program account.
- **Leveraged and Inverse ETFs Risk** - Leveraged ETFs, sometimes labeled "ultra" or "2x" for example, are designed to provide a multiple of the underlying index's return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance



of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re-setting of returns within the product add to the underlying costs and increase the tracking error. As a result, this often prevents these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions may be magnified over time. Some deviations from the stated objectives, to the positive or negative, are possible and may or may not correct themselves over time. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs.

- **Cybersecurity Risk** - In addition to the Material Risks listed above, investing involves various operational and "cybersecurity" risks. These risks include both intentional and unintentional events at Bell Rock or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm's ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients' information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

In addition to the fundamental investment strategies discussed above, Bell Rock may also implement and/or recommend – use of margin. Each of these strategies has a high level of inherent risk. (See discussion below).

**Use of Margin and Loans from Account Custodian** Bell Rock does not recommend the use of margin for investment purposes. However, from time to time, clients may request margin to be used in their account, held at the custodian. The client will generally be required to secure the loan and will pay interest on the borrowed money. If the securities in the client's account decline in value, so does the value of the collateral supporting the margin loan, and as a result, the client's custodian will take action, such as issue a margin call and/or sell securities in the account, in order to maintain the required equity. In calculating its advisory fee, Bell Rock includes the total absolute value of the securities in the client's account, long or short, plus all credit balances, with no offset for any margin or debit balances.

Bell Rock therefore is conflicted when it (i) recommends that clients take loans from their account custodians, (ii) recommends that clients use and continue using margin, and (iii) when recommending an account custodian as a lender to clients, because in each instance, Bell Rock could otherwise suggest that the client sell securities in their account. Clients remain solely responsible for determining whether to use or continue using margin or taking loans from their account custodian.

**Inverse/Enhanced Market Strategies** Bell Rock may use long and short exchange traded funds (ETF's) that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the opposite result of the corresponding index) as an investment strategy and/or for the purpose of





hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct Bell Rock, in writing, not to employ any or all such strategies for their accounts. Bell Rock will discuss with a client that these strategies are being used prior to implementation.

**Covered Call Writing** Covered call writing is the sale of in-, at-, or out-of- the money call option against a long security position held in a client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy involves a degree of trading velocity, transaction costs and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

Bell Rock does not represent, warrant or imply that the services or methods of analysis used by Bell Rock can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that your goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by Bell Rock will provide a better return than other investment strategies.

As stated above, Bell Rock primarily uses individual equities, fixed income securities and exchange traded funds (ETFs). The risks with the aforementioned investments are that prices fluctuate from moment to moment. The liquidity of the security is dependent on a market existing where someone wants to purchase the security.

**Investing in securities involves risk of loss, including the potential loss of principal.** Therefore, your participation in any of the management programs offered by Bell Rock will require you to prepare to bear the risk of loss and fluctuating performance.

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

The Securities and Exchange Commission has filed a civil complaint against Bell Rock Capital and Ms. Cassandra Toroian. The allegations date back from 2011 to 2015. For more information regarding the matter, we encourage you to independently view the background of Ms. Toroian on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). More detail can be obtained by visiting [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), selecting the Investment Adviser Representative and entering Ms. Toroian. Her Individual CRD# 3051646 in the field labeled "Individual CRD Number".

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

Neither Bell Rock nor any of its employees are registered representatives of a broker-dealer, registered as a futures commission merchant, commodity pool operator or a commodity trading advisor or having a pending application.





Managing Director and Investment Advisor Representative Jacqueline Reeves and certain associated persons are licensed insurance agents. In addition, Bell Rock has an affiliated insurance agency called Bell Rock Insurance Agency, LLC. The recommendation by Bell Rock Insurance Agency, LLC, or any associated person, that clients purchase insurance commission products presents a conflict of interest, as the receipt of commissions provides an incentive to recommend a product instead of a client's particular need. No client is under any obligation to purchase any commission products from an associated person or Bell Rock Insurance Agency, LLC. Clients are reminded that they may purchase insurance products recommended through other non-affiliated insurance agents or agencies. Bell Rock's Chief Compliance Officer remains available to address any questions that the above conflicts of interest pose.

Malvern Bank N.A. is a 10% owner of Bell Rock. Malvern Bank, N.A. is a nationally chartered bank offering various banking products and services to clients. In addition, Bell Rock refers prospective clients to Malvern Bank N.A. See Item 14 for additional information.

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

Bell Rock and its associated persons may buy or sell securities identical to those securities recommended to you. Therefore, Bell Rock and/or its associated persons may have an interest or position in certain securities that are also recommended and bought or sold to you. Bell Rock and its associated persons will not put their interests before your interest. Bell Rock and its associated persons will not trade ahead of you or trade in such a way to obtain a better price for themselves than for you or other clients. Further, associated persons are prohibited from trading on non-public information or sharing such information.

In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide Bell Rock with copies of their brokerage statements for review. Bell Rock also instituted a pre-approval process for all employee's transactions prior to execution.

You have the right to decline any investment recommendation. Bell Rock and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

#### **Code of Ethics**

Bell Rock has a fiduciary duty to you to act in your best interest and always place your interests first and foremost or disclose any conflicts of interest. Bell Rock takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as Bell Rock's policies and procedures. Further, Bell Rock strives to handle your non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides you with Bell Rock's Privacy Policy. As such, Bell Rock maintains a code of ethics for its Advisory Representatives, supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about your transactions. Further, Bell Rock's Code of Ethics establishes Bell Rock's expectation for business conduct. A copy of our Code of Ethics will be provided to you upon request.



## Item 12 - Brokerage Practices

In the event that the client requests that Bell Rock recommends a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that direct Bell Rock to use a specific broker-dealer/custodian), Bell Rock generally recommends that investment management accounts be maintained at and Pershing Advisor Solutions, LLC, a BNY Mellon Company. (Pershing), a registered broker-dealer, Member SIPC/NYSE. Bell Rock participates in the institutional advisor program (the "Program") Pershing which is offered to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Bell Rock receives some benefits from and Pershing through its participation in their Programs.

Prior to engaging Bell Rock to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Bell Rock setting forth the terms and conditions under which Bell Rock shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Bell Rock considers in recommending its Custodians (or another broker-dealer/custodian, investment platform and/or mutual fund sponsor) include historical relationship with Bell Rock, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Bell Rock's clients shall comply with Bell Rock's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction where Bell Rock determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Bell Rock will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Bell Rock's investment management fee. Bell Rock's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

Bell Rock participates in Pershing's institutional customer program and Bell Rock will typically recommend these Custodians to Clients for custody and brokerage services. There is no direct link between Bell Rock's participation in the program and the investment advice it gives to its clients, although Bell Rock receives economic benefits through its participation in the program that are typically not available to the Custodians retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Bell Rock participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Bell Rock by third party vendors. Our Custodian may also have paid for business consulting and professional services received by Bell Rock's related persons. Some of the products and services made available by our Custodian through the program may benefit Bell Rock but may not benefit its client accounts. These products or services may assist Bell Rock in managing and administering client accounts, including accounts not maintained at our Custodian. Other services made available by our Custodian are intended to



help Bell Rock manage and further develop its business enterprise. The benefits received by Bell Rock or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to our Custodian. As part of its fiduciary duties to clients, Bell Rock endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Bell Rock or its related persons in and of itself creates a potential conflict of interest and indirectly influence Bell Rock's choice of Pershing for custody and brokerage services.

#### Non-Soft Dollar Research and Additional Benefits

Bell Rock receives from the Custodians and potentially other broker-dealers, custodians, investment platforms, unaffiliated investment managers, vendors, or fund sponsors free or discounted support services and products. Certain of these products and services assist Bell Rock to better monitor and service client accounts maintained at these institutions. The support services that Bell Rock obtains can include investment-related research; pricing information and market data; compliance or practice management-related publications; discounted or free attendance at conferences, educational or social events; or other products used by Bell Rock to further its investment management business operations.

Certain of the support services or products received may assist Bell Rock in managing and administering client accounts. Others do not directly provide this assistance, but rather assist Bell Rock to manage and further develop its business enterprise.

Bell Rock's clients do not pay more for investment transactions effected or assets maintained at the broker-dealers and custodians because of these arrangements. There is no corresponding commitment made by Bell Rock to any broker-dealer or custodian or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products because of the above arrangements.

Bell Rock does not receive referrals from broker-dealers.

Bell Rock does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Bell Rock will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Bell Rock. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs Bell Rock to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Bell Rock. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

Bell Rock's Chief Compliance Officer remains available to address any questions that a client or prospective client have regarding the above arrangement.



### Aggregation and Allocation of Transactions

To the extent that Bell Rock provides investment advisory services to its clients, the transactions for each client account generally will be effected independently, unless Bell Rock decides to purchase or sell the same securities for several clients at approximately the same time. Bell Rock may (but is not obligated to) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Bell Rock’s client’s differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. We may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client Investment Advisory Agreement. We may make trades in individual accounts (that are not aggregated with others) so that we may address that client’s unique circumstances. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day. Bell Rock shall not receive any additional compensation or remuneration as a result of such aggregation.

We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

1. Our policy for the aggregation and allocation of transactions shall be fully disclosed to our existing clients (if any) and the Custodian(s) through which such transactions will be placed;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our Investment Advisory Agreement with you for which trades are being aggregated.
3. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client’s participation in the transaction;
4. We will prepare an (“Allocation Statement”) which is entered into our trading platform upon execution of the trade, specifying the participating client accounts and how to allocate the order among those clients;
5. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade’s positions should be “first in line” to receive the next allocation. If an aggregated order is only partially filled, an Associated Person may not take part in the aggregate purchase or sale and the aggregated purchase or sale will be allocated on a pro-rata basis among the remaining participating clients;
6. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is reviewed by our Chief Compliance Officer. Our books



and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account;

7. We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
8. Individual advice and treatment will be accorded to each advisory client.

### Trade Errors

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client will not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole, and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the custodian or our trading platform provider, the custodian or trading platform provider will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

### Item 13 - Review of Accounts

You will be invited to have at least an annual review with Bell Rock. You may request more frequent reviews and set thresholds for triggering events that would cause a review to take place. Levels of reviews will vary depending on your needs as well as changes in your financial status or position (tax status or otherwise), financial goals, current market conditions, performance standards, suitability changes, and age, among other things. This review may be done telephonically, in person, or utilizing other Internet based technology.

Your managed accounts will be reviewed on a continuous basis by Bell Rock several times a week for overall performance and performance of each holding in the portfolio. Bell Rock will monitor for changes or shifts in the economy, material changes or issues with a security in which you are invested, and market shifts and corrections.

You are advised that you must notify your Advisory Representative promptly of any changes to your financial goals, objectives or financial situation as such changes may require him review the potfolio allocation and make recommendations for changes.

You will be provided statements at least quarterly directly from the account custodian. Additionally, you will receive confirmations of all transactions occuring direct from the account custodian. Additionally, Bell Rock offers you the option of receiving a holdings report reflecting the performance of your account either monthly, quarterly or annually. You will select the frequency of the report and may revise the frequency at any time. It is important that you compare any report received from Bell Rock with statements received direct from the account custodian. Should there be any discrepancy the account custodian's report will prevail. Clients have access to a Client Portal provided by us through Orion Advisor Services, an Advisor platform which we provide to have access to real-time balances, custodian statements, performance reporting, and more.



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

Affiliated and Unaffiliated persons or entities, (“Promoters”) may, from time to time refer, solicit, or introduce clients to our Firm. Our Firm may compensate certain promoters consistent with the requirements of applicable law and regulation, including the Advisers Act as well as applicable state/local laws and regulations. In return, Bell Rock will agree to compensate the Promoter for the referral. Compensation to the Promoter is dependent on the prospective client entering into an advisory agreement with Bell Rock for advisory services. Compensation to the Promoter will be an agreed upon percentage of Bell Rock’s advisory fee which can be a one-time fee, or recurring. Bell Rock’s referral program is in compliance with the federal regulations as set out in 17 CFR Section 275.206(4)-1 under the Investment Advisers Act of 1940. The referral fee is paid pursuant to a written agreement retained by both Bell Rock and the Promoter.

One of the arrangements is with Malvern Bank NA, an affiliate of Bell Rock, with branches located in Pennsylvania, New Jersey, and Florida. This relationship creates compliance issues relative to consumer protection. The joint guidelines of regulators of the depository institution call for at a minimum both written and verbal disclosure at and prior to the time securities products are purchased or sold that such securities products:

1. Are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other federal or state deposit guarantee fund or other government agency;
2. Not endorsed or guaranteed by the bank or their affiliates;
3. Are not deposits or obligations of the depository institutions and are not guaranteed by the depository institutions

Bell Rock, in accordance with the new Marketing Rule set out in 17 CFR Section 275.206(4)-1 under the Investment Advisers Act of 1940, does allow for use of testimonials and endorsements in marketing and advertising. Bell Rock does not compensate individuals for testimonials to endorsements.

#### Item 15 - Custody

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Clients are urged to compare the account statements received to any reports prepared by Bell Rock. If clients noted any discrepancies, they should contact Bell Rock immediately.

#### Deduction of Advisory Fees

Our firm has custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee. For all accounts, our firm has the authority to have fees deducted directly from client accounts. Our firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client’s name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian’s name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client’s independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from our Firm.



When you have questions about your account statements, you should contact our Firm or the qualified custodian preparing the statement. Please refer to Item 5 for more information about the deduction of adviser fees.

### Standing Letters of Authorization ("SLOA")

Our Firm is deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and, under that SLOA, it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest on any of the accounts we are deemed to have Custody where SLOAs are on file. In addition, account statements reflecting all activity on the account(s), are delivered directly from the qualified custodian to each client or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from us. When you have questions about your account statements, you should contact us, your Advisor or the qualified custodian preparing the statement.

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

You may grant Bell Rock authorization to manage your account on a discretionary basis. You will grant such authority to Bell Rock by execution of the advisory agreement. You may terminate discretionary authorization at any time upon receipt of a telephone call, or written notice by Bell Rock. Discretionary authorization will provide Bell Rock the ability to determine the securities to buy, sell and/or exchange, the amount of the transaction and the timing of the transaction. Additionally, Bell Rock has discretionary authorization to direct transactions where it believes best execution can be obtained after taking into consideration several factors including execution costs, price of the trade, service, broker/dealer reputation, service, and ability to meet the needs of the transaction.

Additionally, you are advised that:

- 1) Except with respect to 200Deep accounts, you may set parameters with respect to when account should be rebalanced and set trading restrictions or limitations;
- 2) Your written consent is required to establish any mutual fund, variable annuity, or brokerage account;
- 3) With the exception of deduction of Bell Rock's advisory fees from the account, if you have authorized automatic deductions, Bell Rock will not have the ability to withdraw your funds or securities from the account.

### **Item 17 - Voting Client Securities**

Bell Rock does not vote your securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent. When assistance on voting proxies is requested, Bell Rock will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

Bell Rock will not be responsible, and each client has the right and responsibility to take any actions with respect to any legal proceedings, including without limitation, bankruptcies and shareholder litigation, and



the right to initiate or pursue any legal proceedings, including without limitation, shareholder litigation, including with respect to transactions, securities or other investments held in the client's account or the issuers thereof. Bell Rock is not obligated to render any advice or take any action on a client's behalf with respect to securities or other property held in the client's account, or the issuers thereof, which become the subject of any legal proceedings, including without limitation, bankruptcies and shareholder litigation, to which any securities or other investments held or previously held in the account, or the issuers thereof, become subject.

#### **Item 18 - Financial Information**

A balance sheet is not required to be provided by Bell Rock because it does not serve as a custodian for client funds or securities, nor does Bell Rock require you to prepay more than \$1,200 and six or more months in advance of receiving the advisory service.

Bell Rock has no condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients.