

**Form ADV Part 2A: Firm Brochure**



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This brochure provides information about the qualifications and business practices of Ruggaard & Associates, LLC. If you have any questions about the contents of this brochure, please contact our office at (330) 487-5888 or by email to our president Randy Ruggaard ([randy@ruggaard.net](mailto:randy@ruggaard.net)) or Chief Compliance Officer Ryan Ruggaard ([ryan@ruggaard.net](mailto:ryan@ruggaard.net)). 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.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Ruggaard & Associates, LLC. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 107489.

## Item 2 Material Changes

Ruggaard & Associates, LLC is required to make clients aware of information deemed to be material that has changed since the last annual update to the Form ADV Part 2 or Firm Brochure.

Since the last annual amendment filing on March 23, 2022, there have been the following material changes to report:

- The firm converted its legal structure from a corporation to a limited liability company. Corresponding updates have been made throughout this brochure.
- The firm's ownership structure changed such that Ryan Ruggaard, John May, and David Sleeter are now minority owners in the firm. Randall Ruggaard continues to own his majority interest in the firm through his holding company, RM Group Holdings Inc. Corresponding updates have been made to Item 4 of this brochure.
- The firm has appointed Ryan Ruggaard to the role of Chief Compliance Officer effective the date of this filing. He will report directly to the firm's President, Randall Ruggaard as both Director of Research and Chief Compliance Officer.
- The firm's annual fee for portfolio management services has been updated from 0.80% to a range of 0.80-1.0% depending on several client factors.
- The firm's portfolios are reviewed by one or more of the firm's investment adviser representatives (IARs): Randall Ruggaard, Portfolio Manager, John May, Co-Portfolio Manager, David Sleeter Co-Portfolio Manager, Ryan Ruggaard, Director of Research, Jan Sleeter, Wealth Advisor and/or Tom Sleeter, Wealth Advisor, depending on the client relationship.

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## **Item 4     Advisory Business**

Ruggaard & Associates, LLC is a SEC registered investment adviser with its principal place of business located in Ohio. Ruggaard & Associates, LLC began conducting business in 1993.

Listed below are the firm's members:

- RM Group Holdings Inc., fully owned by Randall Paul Ruggaard, President, Portfolio Manager
- Ryan Philip Ruggaard, Vice President, Director of Research and Chief Compliance Officer
- John Dean May III, Vice President and Co-Portfolio Manager
- David Sleeter, Vice President and Co-Portfolio Manager

Ruggaard & Associates, LLC offers the following advisory services to our clients:

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter

- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable life insurance (no sales compensation received)
- Variable annuities (no sales compensation received)
- Mutual fund shares
- United States governmental securities
- Options contracts on securities

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

### **INVESTMENT SUPERVISORY SERVICES ("ISS") RETIREMENT ACCOUNT MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds held in corporate retirement accounts such as a 401(k) or 403(b) Plan based on the individual needs of the client. Through personal discussions in which goals and objectives are based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income).

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are usually limited to the specific mutual funds available through participant's corporate retirement plan. In some situations, clients may have a self-directed investment account with a wider selection of securities.

## **INVESTMENT SUPERVISORY SERVICES ("ISS") CORPORATE SPONSORED RETIREMENT ADVISORY**

Our firm provides noncontinuous advice to corporate sponsored retirement plans. Our services include the evaluation of various mutual fund alternatives available at the custodian, creation of mutual fund models for plan participants with varying levels of potential risk and return, monitoring of mutual fund performance and providing educational group seminars and individual counseling to plan participants as requested.

Plan trustees have the ultimate responsibility and authorization on the selection of the mutual funds offered to plan participants within their corporate retirement plan.

## **FINANCIAL PLANNING**

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to make a reasoned judgment as to future cash flows, asset values and withdrawal plans. Through the financial planning process, a plethora of questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

Clients are ultimately responsible for implementing the financial plan recommended by us unless we are otherwise engaged to provide individual portfolio management services or retirement account management as described above.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

The financial plan is presented to the client within six months of the date of engagement, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. Investment recommendations with respect to securities or asset classes are of a generic nature.

## **TAX PREPARATION AND TAX PLANNING SERVICES**

We provide tax preparation and tax planning services if requested by the client. The fees for such services are separate from our investment management fees.

### **WRAP PROGRAM**

We do not participate in any wrap fee programs.

### **ERISA ACCOUNTS**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code (the "Code"), as applicable, which are laws governing retirement accounts. The way we

make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

### **AMOUNT OF MANAGED ASSETS**

As of December 31, 2022, we were actively managing \$210,516,139 of clients' assets on a discretionary basis and \$0 of clients' assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

Fees for investment management services are generally directly debited from a client's investment account with client authorization, or may be paid by check.

### **INVESTMENT SUPERVISORY SERVICES ("ISS")**

#### **INDIVIDUAL PORTFOLIO MANAGEMENT FEES**

Our annual fees for individual portfolio management are based upon a percentage of assets under management and range from **0.80%-1.00%** depending on several factors, and are payable quarterly in advance based on the client's assets under our management as of the last day of the prior calendar quarter. Pre-existing clients may be grandfathered and may be subject to a different fee schedule that was in effect at the time the client entered into the advisory agreement with Ruggaard & Associates LLC.

### **INVESTMENT SUPERVISORY SERVICES ("ISS")**

#### **RETIREMENT ACCOUNT MANAGEMENT FEES**

Our annual fees for managing an individual client's retirement account (such as a 401(k) or 403(b) account) are **0.40%**, payable quarterly in advance based on the client's assets under our management as of the last day of the prior calendar quarter.



**INVESTMENT SUPERVISORY SERVICES ("ISS")  
CORPORATE SPONSORED RETIREMENT ADVISORY**

Our annual fees for individual portfolio management are based upon a percentage of assets under management and generally range from 0.50% to 1.00%, payable quarterly in advance.

**FINANCIAL PLANNING FEES**

Ruggaard & Associates, LLC's Financial Planning fees are determined based on the nature of the services being provided and the complexity of each client's circumstances. Our fees are based on an hourly billing rate of \$100.00 to \$200.00/hour depending on the experience and level of the personnel assigned, and are due upon completion of the financial plan.

**TAX PREPARATION AND TAX PLANNING FEES**

Ruggaard & Associates, LLC's fees are based on hourly billing rates from \$100.00 to \$200.00/hour depending on the experience and level of the personnel assigned.

**Performance-Based Fees**

Performance-based fees are only charged to a single existing client, and we do not intend to charge any performance-based fees to any other current or future client.

Our performance-based fee schedule is based on a percentage of assets under management plus a percentage of the difference between a client's account and that of an appropriate index. The index will be mutually agreed to by Ruggaard & Associates, LLC and the client based on the nature of the investment strategy to be used.

The fees charged for this service will be determined by the client's individual circumstances and will never exceed 20% of the account's performance above the agreed-upon index. The actual fees are disclosed to the client before entering into this type of arrangement. Performance-based fees are billed quarterly, in arrears.

The client must understand the proposed method of compensation and its risks prior to entering into a performance-fee arrangement. Accordingly, clients paying performance-based fees are directed to the "Performance-Based Fees" section (Item 6) below for more comprehensive disclosures, including potential conflicts of interest resulting from this type of compensation.

To qualify for this type of fee schedule, a client must be a "qualified client" as defined in Rule 205-3 of the Investment Advisers Act of 1940 and either demonstrate a net worth of at least \$2,100,000 or must have at least \$1,000,000 under our management. These net worth and assets under management thresholds may be adjusted for inflation from time to time by the SEC.

Clients who elect to terminate our advisory relationship will be charged a performance-based fee based on the performance of the account for the measuring period going back from the termination date and pro-rated from the date on which the performance-based fee was previously assessed by our firm.

In measuring the client's assets for the calculation of performance-based fees, Ruggaard & Associates, LLC shall include: for securities for which market quotations are readily available, the realized capital losses and unrealized capital losses of securities over the period and, if the unrealized capital appreciation of the securities over this period is included, the unrealized capital depreciation of securities over the period.

The performance-based fee may create an incentive for Ruggaard & Associates, LLC to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

PERFORMANCE-BASED FEES WILL ONLY BE CHARGED IN ACCORDANCE WITH THE PROVISIONS OF RULE 205-3 OF THE INVESTMENT ADVISERS ACT OF 1940 AND/OR APPLICABLE STATE REGULATIONS. THE FEES WILL NOT BE OFFERED TO ANY CLIENT RESIDING IN A STATE IN WHICH SUCH FEES ARE PROHIBITED.

***Limited Negotiability of Advisory Fees:*** Although Ruggaard & Associates, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

## **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client relationship may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be refunded. In calculating a client's reimbursement of fees, we will prorate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund Fees:*** All fees paid to Ruggaard & Associates, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's

prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s).

Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Grandfathering of Minimum Account Requirements:*** Preexisting advisory clients are subject to Ruggaard & Associates, LLC's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

***ERISA Accounts:*** Ruggaard & Associates, LLC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Ruggaard & Associates, LLC may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Ruggaard & Associates, LLC's advisory fees.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Product Based Compensation:*** Since inception, neither Ruggaard & Associates, LLC nor any of its associated persons accepts compensation for the sale of securities or other investment products.

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

### **PERFORMANCE-BASED FEES**

As we disclosed in Item 5 of this Brochure, our firm accepts a performance-based fee from a single qualified client. Such a performance-based fee is calculated based on a share of capital gains on or capital appreciation of the assets of the client. To qualify for a performance-based fee arrangement, a client must either demonstrate a net worth of at least \$2,100,000 or must have at least \$1,000,000 under management immediately after entering into an investment management relationship with us.

Clients should be aware that performance-based fee arrangement may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

Furthermore, as we also have clients who do not pay performance-based fees, we have an incentive to favor accounts that do pay such fees because compensation we receive from these clients is more directly tied to the performance of their accounts.

We address these potential conflicts of interest by only investing the performance-based fee account(s) into a universe of securities agreed-to in advance by the client, by constraining risk to that which is agreed to with the client pursuant to their specific risk tolerance, and by conferring no special treatment to the performance-based fee account(s) in comparison to accounts that do not pay us a performance-based fee.

## **Item 7     Types of Clients**

Ruggaard & Associates, LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Other

Our minimum account value requirement is \$100,000, subject to negotiation with the client at our sole discretion. Alternatively, clients that do not meet this account size minimum may alternatively elect to pay a minimum annual fee of \$800.

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

### METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is likely to move up or down and to predict how long the trend may last and when that trend might reverse.

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Quantitative Analysis.** We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

**Qualitative Analysis.** We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

***Mutual Fund and/or ETF Analysis.*** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

***Risks for all forms of analysis.*** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## ***INVESTMENT STRATEGIES***

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

***Long-term purchases.*** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover,

if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

**Trading.** We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

**Short sales.** We borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.

**Margin transactions.** We will purchase stocks for your portfolio with money borrowed from your brokerage account upon your account being approved for margin borrowing by your custodial broker-dealer. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

**Option writing.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you

receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9 Disciplinary Information**

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

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations. However, as described in Item 4, Ruggaard & Associates, LLC also provides tax preparation services in addition to its investment advisory and financial planning services. This has the potential to create a conflict of interest to the extent that clients will pay additional fees for tax preparation services in addition to the fees paid for investment advisory and/or financial planning services. We address this conflict of interest by fully disclosing any additional tax preparation fees that clients will pay, and by informing clients that they are under no obligation to utilize our tax preparation services.

In addition, Janis Sleeter is a licensed insurance agent and from time to time will earn an ordinary and customary commission from the sale of an insurance product in such capacity. This creates a conflict of interest, because Janis Sleeter has the potential to earn both an insurance commission and advisory fee revenue from a client. Janis Sleeter addresses this conflict of interest by fully disclosing his relationship with the applicable insurance provider, and informing clients that they are under no obligation to purchase an insurance product through him.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Ruggaard & Associates, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the



Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Ruggaard & Associates, LLC's Code of Ethics further includes the firm's policy prohibiting the use of material nonpublic information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to our President Randall Ruggaard (randy@ruggaard.net) or our Chief Compliance Officer Ryan Ruggaard (ryan@ruggaard.net), or by calling us at 330-487-5888.

Ruggaard & Associates, LLC and individuals associated with our firm are prohibited from engaging in principal transactions.

Ruggaard & Associates, LLC and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

Employees of our firm are discouraged from purchasing or selling any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.

2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable security holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgment of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination.

## **Item 12 Brokerage Practices**

We consider several factors when recommending a custodial broker-dealer for client transactions and determining the reasonableness of such custodial broker-dealer's compensation. Such factors include the custodial broker-dealer's industry reputation and financial stability, service quality and responsiveness, execution price, speed and accuracy, reporting abilities, and general expertise. Assessing these factors as a whole allows us to fulfill our duty to seek best execution for its clients' securities transactions. However, we do not guarantee that the custodial broker-dealer recommended for client transactions will necessarily provide the best possible price, as price is not the sole factor considered when seeking best execution. As our firm does not have the discretionary authority to determine

the broker-dealer to be used or the commission rates to be paid, clients must direct Ruggaard & Associates, LLC as to the broker-dealer to be used after considering our recommendations.

Ruggaard & Associates, LLC requests that clients direct us to place trades through certain preferred brokers as described below. Ruggaard & Associates, LLC has evaluated these brokers and believes that it will provide our clients with a blend of execution services, commission costs and professionalism that will assist our firm to meet our fiduciary obligations to clients.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than our preferred list if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. In directing the use of another broker, it should be understood that Ruggaard & Associates, LLC will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker).

Clients should note, while Ruggaard & Associates, LLC has a reasonable belief that clients' brokers are able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers. Not all advisers require clients to direct it to use a particular broker-dealer.

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, we generally recommend the use of one of several brokers (including, but not limited to ***Charles Schwab & Co., Inc. ("Schwab"), National Financial Services LLC/Fidelity Brokerage Services LLC ("Fidelity"), or TD Ameritrade, Inc. ("TD Ameritrade")***), provided that such recommendation is consistent with our firm's fiduciary duty to the client. Our clients must evaluate these brokers before opening an account. The factors considered by Ruggaard & Associates, LLC when making these recommendations are the broker's ability to provide professional services, our experience with the broker, the broker's reputation, the broker's quality of execution services and costs of such services, among other factors. Clients are not under any obligation to effect trades through any recommended broker.

As a matter of policy and practice, Ruggaard & Associates, LLC does not generally execute block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who execute block client trades.

#### Schwab and TD Ameritrade

Ruggaard & Associates, LLC recommends that certain clients establish brokerage accounts

with the Schwab Institutional division of Schwab, a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Ruggaard & Associates, LLC is independently owned and operated and not affiliated with Schwab. For clients with an existing brokerage relationship with TD Ameritrade, we generally recommend that such clients maintain their existing relationship with TD Ameritrade with the understanding that TD Ameritrade will be merged into and part of Schwab by late 2023. As such, the discussion of Schwab in the paragraphs below should be read to apply to TD Ameritrade as well.

Schwab provides Ruggaard & Associates, LLC with access to its 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 Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, 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 our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit Ruggaard & Associates, LLC but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab retains the discretion to make available, arrange and/or pay third-party vendors for the types of services rendered to Ruggaard & Associates, LLC. Schwab Institutional also retains the discretion to 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 our firm. Schwab Institutional also retains the discretion to provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest. We address this conflict of interest by making custodial broker-dealer recommendations that are in a client's best interests, and by avoiding any undue influence provided by any custodial broker-dealer.

### Fidelity

Ruggaard & Associates, LLC has an arrangement with Fidelity through which Fidelity provides our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like Ruggaard & Associates, LLC in conducting business and in serving the best interests of our clients but that may also benefit us.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables Ruggaard & Associates, LLC to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity also makes available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by Ruggaard & Associates, LLC (within specified parameters).

From time to time, Ruggaard & Associates, LLC will also receive additional services which may include, but are not limited to, performance reporting, financial planning, contact

management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom the firm may contact directly. Without this arrangement, we might be compelled to purchase the same or similar services at our own expense.

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

## **Item 13    Review of Accounts**

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Accounts are reviewed by one or more of the firm's investment adviser representatives (IARs): Randall Ruggaard, Portfolio Manager, John May, Co-Portfolio Manager, David Sleeter Co-Portfolio Manager, Ryan Ruggaard, Director of Research, Jan Sleeter, Wealth Advisor and/or Tom Sleeter, Wealth Advisor, depending on the client relationship.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings.

## FINANCIAL PLANNING SERVICES

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

### Item 14 Client Referrals and Other Compensation

It is Ruggaard & Associates, LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Ruggaard & Associates, LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

### Item 15 Custody

At no time will we accept full custody of client funds or securities in the capacity of a custodial broker-dealer, and at all times client accounts will be held by a third-party qualified custodian as described in Item 12, above.

However, the SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodians:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.

- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We believe that the affected accounts with third party SLOA, which are held at qualified custodians who have met the above conditions and are not related to the investment adviser, **are not** subject to an annual surprise CPA examination.

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a new account form or agreement with their respective custodial broker-dealer, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us or the custodial broker-dealer with written instructions.



## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

## **Item 18 Financial Information**

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Ruggaard & Associates, LLC has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement. Ruggaard & Associates, LLC has not been the subject of a bankruptcy petition at any time.