

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

**EDMP, Inc.**

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03/15/2023

This brochure provides information about the qualifications and business practices of EDMP, Inc.. If you have any questions about the contents of this brochure, please contact us at 813-960-9600 or [chuckc@edmpinc.com](mailto:chuckc@edmpinc.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.

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

Additional information about EDMP, Inc. 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 110248.

## **Item 2     Material Changes**

This Firm Brochure, dated **03/15/2023**, provides you with a summary of EDMP, Inc.'s advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of **December 31**. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates - any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following summarizes new or revised disclosures based on information previously provided in our Firm Brochure dated **07/18/2022**: No Updates

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## **Item 4     Advisory Business**

EDMP, Inc. is a SEC-registered investment adviser with its principal place of business located in Florida. EDMP, Inc. began conducting business in 1993.

Listed below are the firm's principal shareholders; i.e., those individuals and/or entities that control 25% or more of this company.

Julie C Carnevale and Charles C Carnevale

EDMP, Inc. offers the following advisory services to our clients:

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

EDMP manages a Total Return equity product, a SMID Cap equity growth product, and a Income product. These products are offered to investors in separately managed accounts.

Our firm provides continuous asset management of client funds. We provide advisory services to individual clients and institutional clients such as pension or profit sharing plans, public plans, trust, estates or charitable organizations and corporations. EDMP will establish the account and manage it based upon the mandate given by the client or consultant. A meeting is required to review which product is the best fit based on the client's circumstance. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may 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 basis; and on a limited basis, non-discretionary accounts. 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. Typically, in all circumstances we may tailor a portfolio for an individual client.

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

Once the client's portfolio has been established, we review the master portfolio continuously, looking for various fundamental factors (i.e. overvaluation, undervaluation, over weighting, cash position, etc.). And, if necessary, rebalance the portfolio based upon the mentioned fundamental factors.

Our investment recommendations are limited to our specific products; however, on a limited basis we may advise on the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers (ADRs)
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit

- Municipal securities
- United States governmental securities

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

### **AMOUNT OF MANAGED ASSETS**

As of **12/31/2021**, we were actively managing **\$124,962,933.75** assets on a discretionary basis plus **\$3,216,378.08** of clients' assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **PORTFOLIO MANAGEMENT SERVICES FEES**

Our annual fees for Portfolio Management Services are based upon a percentage of assets under management and are generally 1%. For our services, the fees are typically paid a quarter in advance, at the following rates, based on the market value of the investment account under our supervision, including cash or its equivalent held for investment. (We also accept paid in arrears contracts). These fees do not include any transaction costs, expenses, custodial fees, etc. charged by the executing broker/dealer. Typically, EDMP management fees are authorized to be deducted from the clients' accounts. However, some clients pay this fee direct via an invoice. Based on certain account guidelines, some fee contracts are payable in arrears.

The annualized fee for Portfolio Management Services is charged as a percentage of assets under management, according to the following schedules:

<b><u>Assets Under Management</u></b>	<b><u>Annual</u></b>
On First \$1,000,000	1.00%
\$1,000,001 to \$5,000,000	0.90%
\$5,000,001 to \$10,000,000	0.80%
\$10,000,001 to \$20,000,000	0.70%
Negotiable on Balance	

We may also offer a FLAT Fee Arrangement. The annualized FLAT Fee arrangement is charged as a percentage of assets under management, according to the following schedule, which may also be negotiated:

FLAT FEE     1%

Additionally, on a limited basis, we have some arrangements as a sub-advisor and the total fee can be as high as 2%. These fees are negotiated with the firm that we sub-advise for. On a limited basis, EDMP will collect the full fee, (Advisory & Sub-Advisory Fee), these fees are then distributed appropriately to the firms that we have the sub-advisory contracts arrangements.

A minimum of \$1,000,000 of assets under management is required for this service for retail clients and \$5,000,000.00 for institutional clients. This account size may be negotiable under certain circumstances. EDMP, Inc. may group certain related client accounts for the purposes

of achieving the minimum account size and determining the annualized fee.

**Limited Negotiability of Advisory Fees:** Although EDMP, Inc. 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. This may include a flat fee arrangement.

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 agreement may be canceled at any time, by either party, for any reason upon notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be refunded, any contracts that are paid in arrears will be calculated for the unpaid earned fees. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period. For accounts that pay in arrears, a final bill is calculated for earned fees and billed accordingly.

**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:** Pre-existing advisory clients are subject to EDMP, Inc.'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 may differ among clients.

**ERISA Accounts:** EDMP, Inc. 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, EDMP, Inc. 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 EDMP, Inc.'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.

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

EDMP, Inc. does not charge performance-based fees.

## **Item 7 Types of Clients**

EDMP, Inc. 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)
- Charitable organizations
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

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

**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.

**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.

**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 offer 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:

**Total Return Portfolio Investment Objective**

The EDMP Total Return portfolio seeks to provide long-term capital appreciation over time, with strict adherence to valuation.

**Primary Investment Strategy**

The large cap growth portfolio seeks long-term capital appreciation in long-term ownership of high quality growth large cap businesses, with market capitalizations greater than \$3 Billion, purchased only at a very definable "economic value" where each holding has a unique industry driver and is built with the long-term potential for Above 10% earnings growth, putting primary emphasis on valuation, balance sheet quality, cash flows and other internal drivers indicative of profitability.

**Smid-cap Growth Portfolio Investment Objective:**

The Smid-cap portfolio seeks long-term capital appreciation through investments in small and mid capitalization companies with strict adherence to valuation.

**Primary Investment Philosophy**

Our investment philosophy is the long-term ownership of high quality growing small-cap and mid-cap businesses, with market capitalizations usually between \$500 million and \$10 billion, purchased only at a very definable "economic value" where each holding has a unique industry driver and is built with the long-term potential for 15-20% earnings growth, putting primary emphasis on valuation, balance sheet quality, cash flows and other internal drivers indicative of profitability.

**Income Portfolio Investment Objective**

The EDMP, Inc. Income portfolio seeks to provide long-term capital appreciation and a growing dividend income stream over time, with strict adherence to valuation.

**Primary Investment Strategy**

The Income portfolio seeks long-term capital appreciation and a growing dividend income stream over time. The portfolio is focused on growing dividend income and capital appreciation consistent with above average earnings growth. Our primary objective is to create a diversified portfolio of industry leading, blue chip, mostly multinational companies, offering an increasing yield on cost, which we call growth yield. Additionally, we screen for companies with consistent above average earnings growth and a long legacy of increasing their dividends proportionately. Most importantly, we are disciplined to only invest when valuation makes sound economic sense based on widely accepted formulas for determining the fundamental value of a company.

**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.

**Risk of Loss:**

Clients should understand that investing in securities (including mutual funds) is subject to risk, including the possible loss of some or the entire principal amount invested. Before deciding whether to invest, these risk factors should be carefully considered.

**Risk of using Independent Investment Managers:**

**Market Risk:** A portfolio may be affected by a sudden decline in market value of an investment, or by an overall decline in the stock market. Market risk may affect a single issue, industry, sector of the economy or the market as a whole.

**Equity Securities Risk:** The value of the equity securities held in a portfolio may fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held participate, or factors relating to specific companies whose stock is held in the portfolio. For example, an adverse event, such as an unfavorable earnings report, may depress the value of equity securities of an issuer held in a separate portfolio; the price of common stock of an issuer may be particularly sensitive to general movements in the stock market; or a drop in the stock market may depress the price of most or all of the common stocks and other equity securities held in a portfolio. Common stock of an issuer in a separately managed account may decline in price if the issuer fails to make anticipated dividend payments because, among other reasons, the issuer of the security experiences a decline in its financial condition. Common stock is subordinated to preferred stocks, bonds and other debt instruments in a company's capital structure, and therefore will be subject to greater dividend risk than preferred stocks or debt instruments of such issuers. The stock market has been subject to significant volatility recently which has increased the risk associated with an investment in equities.

**Concentrated Investment Risk:** Although our portfolios are diversified, we normally hold 25 - 30 equity securities.

**Investing/Trade Error Risk:** EDMP considers numerous risks associated with committing trade errors in clients accounts. These risk identified are: Trade errors are not identified and corrected in a timely manner; trade errors are not reported to management; Management does not carefully review each error to determine if procedures may be implemented to prevent future similar errors; Clients bear the loss of trade errors; The number of trade errors is excessive; Documentation of trade errors and their resolution is not adequately maintained.

## **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**

Other Registered Investment Advisory Activities and Affiliations:

Charles C. Carnevale, Julie C. Carnevale, Colton C. Carnevale and Timothy W. Loudin, managing members of our firm, are officers/portfolio managers and/or principle owners in a registered investment advisory firm - Fundamentals Investment Advisory Group (FIAG). FIAG

was formed in 2004 in order to facilitate CPA's working with their clients. No EDMP, Inc. client is obligated to use the advisory services of FIAG, however FIAG advisory clients are obligated to use our advisory services.

EDMP, Inc. is the manager on the FIAG accounts and will trade the same or similar securities in client portfolios that are traded since they are under management by EDMP, Inc. When trades are placed they are placed with all other EDMP accounts that are managed under similar disciplines.

EDMP, Inc. will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

As this affiliation with FIAG may present potential conflicts of interest, we have established written policies and procedures for insider trading that prohibit any employee of our firm from buying, selling or recommending the securities of companies bought, sold or recommended by FIAG or EDMP without prior written permission.

#### Other Industry Activities and Affiliations:

Charles Carnevale, Julie Carnevale, Colton Carnevale and Timothy Loudin managing members of EDMP, or/and/are principle owners of FAST Graphs, Inc. a software research tool.

As required, any affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.)

Clients should be aware that the receipt of additional compensation by EDMP, Inc. and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. EDMP, Inc. endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

We engage in no other financial industry activities and are not affiliated with any broker-dealer, financial planner or additional investment advisers.

## **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.

EDMP, Inc. 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.

EDMP, Inc.'s Code of Ethics further includes the firm's policy prohibiting the use of material non-public 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 [chuckc@edmpinc.com](mailto:chuckc@edmpinc.com), or by calling us at 813-960-9600.

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.

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, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

All employee purchases and sells must be approved prior to transactions being placed.

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 securities 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. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
8. We require delivery and acknowledgment of the Code of Ethics by each supervised person of our firm.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
10. Any individual who violates any of the above restrictions may be subject to termination.

## **Item 12 Brokerage Practices**

For discretionary clients, EDMP, Inc. may recommend to a client a broker dealer to use and the commission costs that will be charged to these clients for these transactions.

These clients may include any limitations on this discretionary authority. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

EDMP, Inc. does not have any soft-dollar arrangements.

EDMP, Inc. will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. EDMP, Inc. will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. EDMP, Inc.'s block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with EDMP, Inc., or our firm's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.

3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable EDMP, Inc. to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.

4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.

5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.

7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

8) EDMP, Inc.'s client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

9) Funds and securities for aggregated orders are clearly identified on EDMP, Inc.'s records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

10) No client or account will be favored over another.

EDMP, Inc. may recommend Schwab, a custodian/broker that will hold your assets and execute transactions. When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, we take into account a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate, on a limited basis, transfers and payments to and from accounts.
- Quality of services

- Competitiveness of the price of those services (commission rates, other fees, etc.
- Reputations, financial strength, security and stability.

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers.

Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians"). By using another broker or dealer you may pay lower transaction costs.

Products and services available to us from Schwab

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

**Services that benefit you.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

**Services that do not directly benefit you.** Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts

- Assist with back-office functions, recordkeeping, and client reporting

**Services that generally benefit only us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and related compliance needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab also provides us with other benefits, such as occasional business entertainment of our personnel. If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources.

#### Our interest in Schwab's services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. [These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody.] The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate, our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

#### Brokerage Transactions

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

#### Trading Errors

EDMP has established guidelines as an attempt to mitigate these risk:

It is the policy of EDMP that the utmost care be taken in making and implementing investment decisions of behalf of client accounts. To the extent that any errors occur, they are to be (a) corrected as soon as practicable and in such a manner that the client incurs no loss, (b) reported to the CCO/President, and (c) scrutinized carefully with a view toward implementing

procedures to prevent or reduce future errors, if necessary.

Errors may occur either in the (a) investment decision-making process (e.g., a decision may be to purchase a Security or an amount of a Security that is inconsistent with a client's investment restrictions) or (b) trading process (e.g., a buy order may be executed as a sell, or vice versa, or a Security other than that which the Portfolio Manager ordered may be purchased or sold). For purposes of this policy, errors in both investment decision-making and trading are referred to as trade errors.

Because EDMP manages accounts on a primarily discretionary basis, an overwhelming majority, if not all, trade errors will be caused by EDMP or an executing broker. As mentioned above, in all cases of trade errors, it is EDMP's policy that a client account be "made whole." Thus, trades are adjusted as needed in order to put the client in such a position as if the error had never occurred.

Trade errors must be corrected at no cost to the client and Clients may retain any gains resulting from a trade error.

EDMP attempts to minimize trade errors by promptly reconciling confirmations with order tickets and intended orders, and by reviewing past trade errors to understand the internal control breakdown that caused the errors.

Please contact us at 813-960-9600 for a full copy of our Trade Error Policy and Procedures.

### **Privacy Disclosure**

One of EDMP, Inc.'s primary client goals is to protect your privacy. Because we respect your right to privacy, we have always placed a high priority on protecting the personal information you provide us. EDMP collects and uses personal information for legitimate business purposes and our Privacy Policy is to continue to protect your right to privacy, even beyond the laws and regulations that provide protection.

We collect and use information necessary to administer our business, to advise you about our services, and to provide you with customer services. To conduct regular business, we may collect and maintain several types of nonpublic customer information needed for these purposes, such as: Information reported by you on applications or other forms provided to us by you, your consultants, brokerage firms, or others. Information about your transactions with us, your consultants, brokerage firms or others.

We do not sell customer information. We do not provide customer information to persons or organizations that you have not authorized. We afford prospective and former clients the same protections as existing clients with respect to the use of personal information.

For our full Privacy Disclosure, please contact us at 813-960-9600.

## **Item 13 Review of Accounts**

### **PORTFOLIO MANAGEMENT SERVICES**

**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.

These accounts are reviewed by: Charles C. Carnevale, CIO; Timothy Loudin, Sr. VP, Colton Carnevale, COO/VP Portfolio Manager, and Julie Carnevale, President.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that Portfolio Management Services clients receive from their broker-dealer, EDMP, Inc. will provide daily reports summarizing account performance, balances and holdings, on the EDMP, Inc. secure website.

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

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the referral arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes the following information:

i. the Solicitor's name and relationship with our firm;

- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

It is EDMP, Inc.'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**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts. However, we will bill clients direct should they request.

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 upload account statements directly to our clients secure location on our site daily. 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.

For informational purposes only. Schwab Advisor Services™ serves independent investment advisors and includes the custody, trading, and support services of Schwab. Independent investment advisors are not owned by, affiliated with, or supervised by Schwab. ©2019 Charles Schwab & Co., Inc. All rights reserved. Member SIPC. HNW (0519-92Z7) REG41051-02 (05/14)

## **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 discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

We vote proxies for all client accounts; however, you always have the right to vote proxies yourself. You can exercise this right by instructing us in writing to not vote proxies in your account.

We will vote proxies in the best interests of the clients and in accordance with our established policies and procedures. However, our firm typically votes with management. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record the vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, if available, and a copy of each written client request for information on how the adviser voted proxies.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting [edmp@edmpinc.com](mailto:edmp@edmpinc.com) or 813-960-9600 by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies

whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or on a limited bases well will transmit for you. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact us 813-960-9600 by telephone, email, or in writing.

You can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. You can also instruct us on how to cast your vote in a particular proxy contest by contacting us at 813-960-9600.

## **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 reasonable likely to impair our ability to meet our contractual obligations. EDMP, Inc. has no such financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

EDMP, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.