

## **Firm Brochure**

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of WHITE PINE INVESTMENT COMPANY. If you have any questions about the contents of this brochure, please contact us at 734-464-2532, or by email at [sporter@wpinv.com](mailto:sporter@wpinv.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.

We are a registered investment adviser. Registration of an adviser does not imply any level of skill or training.

Additional information about WHITE PINE INVESTMENT COMPANY is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

March 20, 2023

## Item 2: Material Changes

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### **Annual Update**

In this Section, we discuss only specific material changes (including a summary of those changes) that we made to our Brochure since the last annual update.

### **Material Changes since March 1<sup>st</sup>, 2022**

- Stefanie Porter, JD, CFP® joined White Pine Investment Co. in March as a Relationship Manager.
- At the Annual Compliance Meeting in May Stefanie Porter was appointed as Chief Compliance Officer, replacing Anthony DiGiovanni.
- In consideration of PTE-2020 changes were made to our investment management agreement and the policy and procedures manual as it pertains to rollovers from qualified plans to IRAs.
- Changes were made to our Policy and Procedures Manual to ensure compliance with IAR Continuing Education requirements effective beginning Jan. 1, 2023
- Over the course of the year, enhancements were made to our cybersecurity protocols to help protect client information and firm data.

In the future, we will ensure that you receive a summary of all material changes, if any, to this and subsequent Brochures within 120 days of the close of our fiscal year. At that time, we will reference the date of our last annual update to our Brochure. We will further provide other ongoing disclosure information about material changes as necessary, without charge.

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### **Full Brochure Available**

Our current Brochure and supplements may be obtained, free of charge, by contacting us by telephone at 734-464-2532 or by email at [sporter@wpinv.com](mailto:sporter@wpinv.com). Additional information about us is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with us who are registered, or are required to be registered, as one of our investment adviser representatives of our firm.

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## Item 4: Advisory Business

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### **Firm Description**

White Pine Investment Company ("WPIC," "us", "our," or "we") is a Michigan Corporation founded in 1997.

WPIC provides our clients with continuous and regular investment management services which includes financial planning as explained in more detail below. In providing these services, WPIC acts in the capacity of a fiduciary and, as such, is obligated to place the interests of our clients first at all times. WPIC is strictly a fee-only investment management firm. The firm is not affiliated with entities that sell financial products or securities. No commissions or finders' fees in any form are accepted for financial planning and investment management.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

### **Principal Owners**

We must inform you of any persons owning twenty-five percent (25%) or more of our firm's outstanding stock. J. Russell King and Anthony J. DiGiovanni own more than twenty-five percent (25%) of our firm's stock.

### **Investment Management Services**

WPIC will discuss and provide advice through consultation with the client which may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding and retirement planning. A written evaluation of each client's initial situation is provided to the client, often in the form of a Financial Plan Review. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

WPIC will recommend an investment strategy that we believe may help our client's meet their identified financial needs and objectives. Depending on the client's needs, objectives, and circumstances, the investment strategy may take into consideration various components such as: net worth; current portfolio allocation; goals and objectives; probability of achieving goals; retirement planning; an income tax summary; education funding; savings projections; and other financial matters specific to the client. We rely upon the information the

client provides and will not verify this information when preparing our recommendations. We rely on clients to inform us if their goals and objectives change over time, as these changes might affect our provision of investment management and financial planning services. WPIC suggestions are made and implemented on an ongoing basis, for example:

1. A client's review with WPIC results in a goal to plan for future education costs. After this goal has been met another review would take place to assess current goals.
2. An initial client's review with WPIC results in plans for retirement. After the client retires, another review takes place to assess current goals.

When WPIC provides our services to "related" parties (i.e. husband and wife, parent and child, etc.), our services will be based upon the joint goals communicated to us. We will be permitted to rely upon instructions from either party with respect to the services requested, unless and until such reliance is revoked in writing and provided to us. We will not be responsible for any claims or damages resulting from such reliance or from any change in the status of the relationship between the clients. We cannot and will not treat information provided by either party as confidential from the other related party.

### **Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. Financial plans are created that reflect the stated goals and objective. WPIC performs our investment management service pursuant to the terms and conditions we establish in our written investment management agreement at the beginning of our relationship with the client. As described in further detail below in "ITEM 16: INVESTMENT DISCRETION" WPIC manages client accounts on a discretionary basis; however, clients may place reasonable restrictions on investing in certain securities or types of securities.

### **Assets Under Management**

As of 12/31/2022, WPIC managed on a discretionary basis, \$347,445,967 in client assets.

## Item 5: Fees and Compensation

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### **Description**

WPIC's standard annual fee is based on the type of investable assets according to the following schedule:

#### **Stock Rates**

<b>Value of Account</b>	<b>Annual Fee Rate</b>
First \$1,000,000	1.00%
Next \$1,000,000	0.75%
Next \$2,000,000	0.65%
Next \$4,000,000	0.50%
\$8,000,000 and over	0.40%

#### **Active Mutual Fund & Fixed Income Rates**

<b>Value of Account</b>	<b>Annual Fee Rate</b>
First \$250,000	0.50%
Next \$250,000	0.35%
Next \$500,000	0.30%
Next \$1,000,000	0.25%
\$2,000,000 and over	0.20%

WPIC establishes the specific manner in which we charge our fees in the written investment management agreement signed prior to beginning our relationship with the client. Our investment management fee is inclusive of any financial planning advice or financial plan we may provide as part of our investment management services to a client.

Investment management fees are negotiable. WPIC in its sole discretion, may waive its minimum investment management fee and/or charge a lesser fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.). WPIC may change our fees at any time and we always have the right to amend our fees to be lower than the fees set forth above. Any changes will become effective after we provide the client with 30 day's prior written notice, unless the client terminates our agreement.

### **Fee Billing**

WPIC bills investment management fees quarterly, in advance, meaning that WPIC will invoice clients before the three-month billing period has begun. Our fee will be one-fourth of the applicable annual fee rate set forth above multiplied

by the fair market value of the assets in the client's account, determined by WPIC on the last trading day of each calendar quarter. Payment in full is expected upon invoice presentation. For new accounts, WPIC prorates the fee based on the number of days the investment management agreement was in effect during the initial calendar quarter. We do not adjust our fee based on your additions or withdrawals during the quarter.

### **Direct Billing to Client Custodian**

Fees are usually deducted from a designated client account to facilitate billing. Clients of WPIC must consent in advance to direct debiting of their investment account. If a client provides WPIC such authorization, the client will receive periodic statements from their custodian showing each fee deduction from their account. Clients may withdraw this authorization for direct billing of these fees at any time by notifying us or their custodian in writing.

### **Other Fees**

WPIC's fee is separate from and does not include brokerage commissions, dealer spreads and other costs associated with the purchase or sale of securities, Custodian fees, interest, taxes, and other expenses associated with the client's account.

### **Expense Ratios**

Mutual funds and exchange traded funds (ETFs) generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% annually for their services. These fees are in addition to the fees paid by you to WPIC. Consequently, for any type of fund investment, it is important for you to understand that you are directly and indirectly paying two levels of advisory fees and expenses: one layer of fees and expenses at the fund level and one layer of advisory fees to us.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

### **Past Due Accounts**

WPIC reserves the right to stop work on any account that is more than 30 days overdue. In addition, WPIC reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in WPIC's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

### **Termination of Agreement**

A client may terminate the investment management agreement at any time by notifying WPIC in writing. WPIC may terminate the investment management agreement at any time by providing the client with thirty (30) calendar days' advance written notice. Upon termination, the client will remain obligated for the payment of any services performed for their account prior to termination.

Termination of WPIC's agreement will not affect liabilities or obligations incurred from transactions initiated under our agreement prior to the termination date, such as the purchase of investments by WPIC for the client's account. Also, upon termination of any account, WPIC's fee will be prorated for the number of elapsed days of the billing period before termination. Any unearned fees will be automatically refunded to the client. Clients are responsible for any cost incurred in transferring assets from their account to a different account. After termination, WPIC will have no further duties or obligations to the client.

## **Item 6: Performance-Based Fees**

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### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

WPIC does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## **Item 7: Types of Clients**

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### **Description**

WPIC generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

### **Account Minimums**

The minimum account size is \$500,000 of assets under management. WPIC has the discretion to waive the account minimum. Accounts of less than \$500,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$500,000 within a



reasonable time. Other exceptions will apply to employees of WPIC and their relatives, or relatives of existing clients.

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

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### **Methods of Analysis**

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

#### **Definitions:**

**Fundamental Analysis:** Determining a security's true value (sometimes called the intrinsic value) by focusing on factors that are measurable. This data is analyzed and compared against other securities as well as future prospects. This analysis is used to evaluate whether a security is overvalued or undervalued.

**Cyclical Analysis:** Evaluation of the current economic cycle (sometimes referred to as the business cycle) to help determine proper valuations of companies. This is seen as a macro-economic analysis that helps identify opportunities/concerns in specific industries and furthermore specific companies.

**Charting & Technical Analysis:** Displaying several technical indicators of a single security on a "chart". This allows comparisons of technical measures using different charting methods to analyze investments and performance. Security analysis focused around past trends, price and volume. This is sometimes referred to as supply and demand analysis. There are various statistical measures used to forecast a security's future performance.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that WPIC may use include: past and present articles found within The Wall Street Journal; Morningstar Advisor; Schwab Institutional; and Bloomberg.

### **Investment Strategies**

WPIC will buy individual securities and ETF's in most accounts but does invest client dollars in money market funds, no-load mutual funds or load funds that allow investment advisors to buy their shares at net asset value. These mutual

funds are used to meet specific goals as outlined in the Financial Plan Review. Diversification in a smaller account will often make buying a mutual fund and/or ETFs rather than individual securities necessary.

### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Cybersecurity** - The computer systems, network and devices used by

WPIC and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption. Despite the various protections utilized systems, networks, or devices potentially can be breached. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties.

## **Item 9: Disciplinary Information**

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### **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

WPIC must disclose information regarding our business activities, other than giving investment advice, our other activities in the financial industry, and any arrangements with related persons that are material to you or our advisory business. We are also required to disclose if we receive cash or other economic benefits when recommending or selecting third-party investment advisers in connection with advising you. We do not utilize or select other investment advisers to manage your assets.

Stefanie Porter, the chief compliance officer, and a registered investment advisor at White Pine is also an attorney, sole member and resident agent of Five Needles Estate Planning Services, PLLC. Five Needles Estate Planning Services, PLLC was formed to offer estate planning and document drafting services to existing clients of White Pine Investment Co. Although Stefanie Porter is employed by both firms the relationships are separate and distinct. The following measures are in place to reduce the potential for conflict of interest:

- There is no obligation or incentive offered to clients to engage with Five Needles Estate Planning Services, PLLC.

- WPIC clients who wish to engage with Five Needles Estate Planning Services, PLLC will sign an engagement letter that is outside of the scope of the WPIC investment advisory agreement.
- The compensation Stefanie Porter receives under the Five Needles Estate Planning Services, PLLC is not shared with White Pine Investment Company and it does not impact, change, or in any way affect the fees clients pay to WPIC under the advisory agreement.
- Clients of WPIC who have shared information necessary to complete their financial plan or in the course of their investment advisory relationship, also sign a consent to disclose information if they wish to retain Five Needles Estate Planning Services, PLLC

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

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### **Code of Ethics**

The employees of WPIC have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

### **Participation or Interest in Client Transactions**

WPIC and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the WPIC *Code of Ethics and Compliance Manual*.

### **Personal Trading**

The Chief Compliance Officer of WPIC is Stefanie Porter. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small relative to the size of the market, the trades do not affect the securities markets.

## **Item 12: Brokerage Practices**

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### **Selecting Brokerage Firms**

White Pine Investment Co. (“we”/“our”) does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you

give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client referrals and other compensation). You should consider these conflicts of interest when selecting your custodian. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, and we anticipate that most trades will be executed through Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”)

### **How we select brokers/custodians**

We seek to 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 transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Services delivered or paid for by Schwab
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

### **Your brokerage and custody costs**

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 (for example, many mutual funds and ETFs) 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. In addition to, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. 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.

### **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/request/require] 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. [In some cases, the services that Schwab pays for are provided by an affiliate of ours or by another party that has some pecuniary, financial or other interests in us (or in which we have such an interest). This creates an additional conflict of interest.] We believe, however, that taken in the aggregate, our [selection/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.

### **Best Execution**

WPIC reviews the execution of trades at each custodian each quarter. The review is documented in the *WPIC Compliance Manual*. Trading fees charged by the custodians is also reviewed on a quarterly basis. WPIC does not receive any portion of the trading fees.

### **Soft Dollars**

WPIC is currently not engaged in any soft dollar arrangements. However, Charles Schwab & Co. Inc. does offer us other products and services that assist us in managing and administering clients' accounts, but will not necessarily directly benefit the clients' account. WPIC does use many of these products and services to service all or some substantial number of our client accounts. These products and services include software and other technology that (1) provide us access to client account data, such as trade confirmations and account statements; (2) facilitate trade execution; (3) provide research, pricing and other market data; (4) facilitate payment of our fees from our clients' accounts; and (5) assist with back-office functions, recordkeeping and client reporting.

### **Order Aggregation**

WPIC does aggregate client trades when it would be beneficial for clients. WPIC has a Bunched Order Policy that governs the practice of aggregating trades. The Bunched Order Policy states:

Transactions for each client account will occur independently unless WPIC decides to purchase or sell the same securities for several clients on the same day. WPIC may combine or "bunch" client orders.

When buying or selling, all clients will receive an average execution price for the security. Not all accounts participating in a bunched order will receive a pro-rata commission. Each account will be subject to the minimum ticket fee imposed by the broker dealer who has custody of the account.

In cases where a partial fill arises, accounts will be allocated based on a random assignment. Executives of WPIC will be excluded from the random draw in case of a partial fill.

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

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### **Periodic Reviews**

Account reviews are performed at least quarterly by advisor J. Russell King,



President, Anthony DiGiovanni, Chief Investment Officer, William Johnson, Business Development Officer, and Stefanie Porter, Chief Compliance Officer. Account reviews are performed more frequently when market conditions dictate.

### **Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

### **Regular Reports**

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. Clients that engaged WPIC for investment management services receive written quarterly updates. The written updates may include individual performance reports as well as an aggregate report for all of the clients' accounts. Realized gain and loss report in January for the previous year and other reports are also available upon request.

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

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### **Incoming Referrals**

WPIC has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. WPIC does not compensate referring parties for these referrals.

### **Referrals Out**

WPIC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

### **Other Compensation**

WPIC does not receive any compensation from sources other than those listed above. 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).

## **Item 15: Custody**

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Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab to deduct our advisory fees directly from your account or if you grant us authority to move your money to another person's account. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab's account statements with the periodic [account statements/ portfolio reports] you will receive from us.

WPIC does not custody client assets directly. Rather, each client appoints a qualified custodian to take possession of all client funds and securities. We do not accept cash or securities. We have procedures in place to direct employees regarding the inadvertent receipt of any client funds or securities. Nevertheless, WPIC is deemed to have custody when we are authorized, by the client, to directly debit our advisory fees from the client's custodian account. We are also deemed to have custody when a client establishes a letter of instruction or other asset transfer authorization arrangement with their qualified custodian, authorizing us to disburse funds to one or more third parties specifically designated by the client.

### **Account Statements**

All assets are held at qualified custodians. This means the custodians provide account statements directly to clients at their address of record at least quarterly. Clients should notify us promptly if statements are not received from the account's custodian on at least a quarterly basis.

### **Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by WPIC.

## **Item 16: Investment Discretion**

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### **Discretionary Authority for Trading**

WPIC generally receives discretionary authority from the client at the outset of an

advisory relationship. Discretionary authority grants us the ability to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the client's investment management agreement or any investment policies, limitations and restrictions provided to us in writing. If a blanket trading authorization has not been given, WPIC consults with the client before each trade to obtain concurrence.

Discretionary trading authority facilitates placing trades in client accounts on the behalf of clients so that WPIC may promptly implement the investment policy that clients of WPIC have approved in writing.

### **Limited Power of Attorney**

Clients also sign an agreement with their custodian which generally includes a limited power of attorney. granting WPIC authority to direct and implement the investment and reinvestment of client assets within the account.

## **Item 17: Voting Client Securities**

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WPIC does accept authority to vote proxies on securities on behalf of clients. In voting client proxies, WPIC will usually vote all proxies according to management recommendations. We will on occasion vote against management if it is in the client's best interest to do so. If there is a conflict of interest between our clients and ourselves, we will always vote for the interest of our clients. If a client would like to vote against management, he or she must inform us with sufficient time to change their vote. Clients may obtain a copy of WPIC's proxy voting policy and information about how we voted proxies with respect to the client's securities by contacting us by telephone at 734-464-2532.

## **Item 18: Financial Information**

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WPIC has not been the subject of a bankruptcy proceeding and does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

## **Privacy Notice**

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WPIC is committed to maintaining the confidentiality, integrity and security of the personal information that is gathered.

The categories of nonpublic information that WPIC collects from clients may

include information about client personal finances, information about client health to the extent that it is needed for the financial planning process, information about transactions between clients and third parties, and information from consumer reporting agencies, e.g., credit reports. WPIC uses this information to help clients meet personal financial goals.

With permission, WPIC discloses limited information to attorneys, accountants, and mortgage lenders with whom clients have established a relationship. Clients may opt out from WPIC sharing information with these nonaffiliated third parties by notifying WPIC at any time by telephone, mail, fax, email, or in person. With permission, WPIC shares a limited amount of information about clients with the client's brokerage firm to execute securities transactions on the behalf of clients.

WPIC maintains a secure office to ensure that client information is not placed at unreasonable risk. WPIC employs a firewall barrier, secure data encryption techniques and authentication procedures in WPIC's computer environment.

WPIC does not provide personal information to mailing list vendors or solicitors. WPIC requires strict confidentiality in agreements with unaffiliated third parties that require access to client personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review WPIC records and client personal records as permitted by law.

Personally identifiable information about clients will be maintained throughout the client's relationship with WPIC, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

WPIC will notify clients in advance if WPIC's privacy policy is expected to change. WPIC is required by law to deliver this *Privacy Notice* to clients annually, in writing.