



**Item 1      Cover Page**

**Marquis Wealth Management Group**  
SEC File Number: 801 – 60851

**Brochure Dated: March 21, 2023**

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This brochure provides information about the qualifications and business practices of Marquis Wealth Management Group (the "Registrant"). If you have any questions about the contents of this brochure, please contact us at (239) 454-1117 or [rickk@marquiswealthgroup.com](mailto:rickk@marquiswealthgroup.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Marquis Wealth Management Group also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to Marquis Wealth Management Group, as a "registered investment adviser" or any reference to being "registered", does not imply a certain level of skill or training.

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## **Item 2 Material Changes**

There has been one material change made to this Part 2A since the last Annual Amendment filing on March 24, 2022 as follows:

- Item 1 has been updated to reflect the Registrant's new main office location.
- Item 5 has been updated to appropriately reflect the Registrant's annual minimum fee structure.

**ANY QUESTIONS: Registrant's Chief Compliance Officer, Richard E. Krichbaum, remains available to address any questions regarding this Part 2A, including the disclosure additions and enhancements.**

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## **Item 4      Advisory Business**

- A Marquis Wealth Management Group (the “Registrant”) is a limited liability company formed on January 25, 1999, in the State of Florida. The Registrant became registered as an Investment Adviser Firm in April 1999. The Registrant is principally owned by Trevor R. Whitley, Brian P. O’Connell, and Richard E. Krichbaum. Richard E. Krichbaum, remains as the Registrant’s Managing Member, President and Chief Compliance Officer.
- B As discussed below, the Registrant offers to its clients (individuals, business entities, pension and profit-sharing plans, trusts, estates and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

### **INVESTMENT ADVISORY SERVICES**

The client can determine to engage the Registrant to provide discretionary and / or non-discretionary investment advisory services and, to the extent specifically requested by the client, financial planning and consulting services on a *fee* basis. The Registrant’s full-service annual investment advisory fee is based upon a percentage (%) of the market value of the assets, which may include accrued interest, placed under the Registrant’s management. Prior to engaging the Registrant to provide investment advisory services, clients are required to enter into an *Investment Advisory Agreement* with the Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and any fees that are due from the client prior to Registrant commencing services.

The Registrant provides investment advisory services specific to the needs of each client. Before Registrant provides investment advisory services, an investment adviser representative will ascertain each client’s investment objectives. The Registrant will then allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. The Registrant primarily recommends that clients allocate investment assets among various individual equities (stocks), debt (bonds) and fixed income securities, unaffiliated private investment funds, mutual funds and/or exchange traded funds (“ETFs”) on a discretionary and / or non-discretionary basis in accordance with the client’s designated investment objective(s). Once allocated, the Registrant provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives.

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent specifically requested by a client, the Registrant *may* provide financial planning and/or consulting services (including investment and non- investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Registrant’s planning and consulting fees are negotiable, depending upon the level and scope of the service(s) required and the person(s) rendering the service(s).

Prior to engaging the Registrant to provide planning or consulting services, clients are required to enter into a *Financial Planning Agreement* or a *Limited Scope Service Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the

portion of the fee that is due as a deposit from the client prior to Registrant commencing services. **Please Note:** The Registrant **does not** serve as an attorney or accountant, and no portion of our services should be construed as legal or accounting services. Accordingly, The Marquis Wealth Management Group **does not** prepare estate planning or any other legal documents or tax returns. To the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e., attorneys, accountants, insurance, etc.).

If requested by the client, Registrant may recommend the services of other professionals for implementation purposes; including certain of the Registrant's representatives in their individual capacities as licensed insurance agents. (**See** disclosure at Item 10(C).

The client is under no obligation to engage the services of any such recommended professional. If, and when, the Registrant is involved in a specific matter (i.e., estate planning, insurance, accounting-related engagement, etc.), it is the engaged licensed professionals (i.e. attorney, accountant, insurance agent, etc.), and not the Registrant, that is responsible for the quality and competency of the services provided.

The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e., attorney, accountant, insurance agent, etc.), and **not** the Registrant, shall be responsible for the quality and competency of the services provided. **Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

## **MISCELLANEOUS**

### **Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.**

As indicated above, to the extent requested by a client, Registrant may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, business consulting, real estate transactions, private investment offerings, etc., per the terms and conditions of a *Financial Planning and Consulting Agreement*. Registrant does not serve as an attorney or accountant, and no portion of its services should be construed as legal or accounting services. Accordingly, Registrant does not prepare estate planning documents or tax returns. To the extent requested by a client, Registrant may recommend the services of other professionals for certain non-investment implementation purpose (i.e., attorneys, accountants, insurance agents, etc.), including representatives of Registrant in their separate individual capacities as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant and/or its representatives (See Item 10 below). **Please Note:** If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek

recourse exclusively from and against the engaged professional. Please Also Note-Conflict of Interest: The recommendation by Registrant's representative that a client purchase an insurance commission product through Registrant's representative in his/her separate and individual capacity as an insurance agent, presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any insurance commission products through such representative. Clients are reminded that they may purchase insurance products recommended by Registrant through other non-affiliated insurance agents.

## **INDEPENDENT MANAGERS**

The Registrant may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the Independent Manager(s), including independent managers sponsored by Charles Schwab & Co., Inc. ("Schwab"), Fidelity Investments ("Fidelity") or Envestnet Asset Management (Envestnet) shall have day-to-day responsibility for the active discretionary management of the allocated assets.

The Registrant shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which the Registrant shall consider in recommending Independent Manager(s) include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. Registrant shall receive an annual investment advisory fee which is based upon a percentage of the market value of the assets being managed by the designated Independent Manager(s) (generally between 0.50% and 1.50%). **Please Note:** The investment management fee charged by the Independent Manager[s] is separate from, and in addition to, Registrant's advisory fee as set forth in the fee schedule at Item 5 below and which will be disclosed to the client before entering into an engagement with the Independent Manager and/or subject to the terms and conditions of a separate agreement between the client and the Independent Manager(s).

**Retirement Plan Rollovers-Potential for Conflict of Interest.** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Registrant recommends that a client roll over their retirement plan assets into an account to be managed by Registrant, such a recommendation potentially creates a conflict of interest if Registrant will earn new (or increase its current) compensation as a result of the rollover. If Registrant provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), Registrant is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. **No**

**client is under any obligation to roll over retirement plan assets to an account managed by Registrant, whether it is from an employer's plan or an existing IRA. Registrant's Chief Compliance Officer, Name of CCO, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Private Investments.** Registrant also provides investment advice regarding private investment funds. Registrant, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in private investment funds, the description of which (the terms, conditions, risks, conflicts and fees, including incentive compensation) is set forth in the fund's offering documents. Registrant's role relative to unaffiliated private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become an unaffiliated private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of Registrant calculating its investment advisory fee. Registrant's fee shall be in addition to the fund's fees. Registrant's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

**Please Note:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.

**Please Also Note: Valuation.** In the event that the Registrant references private investment funds owned by the client on any supplemental account reports prepared by the Registrant, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. However, if subsequent to purchase, the fund has not provided an updated valuation, the valuation shall reflect the initial purchase price. If subsequent to purchase, the fund provides an updated valuation, then the statement will reflect that updated value. The updated value will continue to be reflected on the report until the fund provides a further updated value. **Please Also Note:** As result of the valuation process, if the valuation reflects initial purchase price or an updated value subsequent to purchase price, the current value(s) of an investor's fund holding(s) could be significantly more or less than the value reflected on the report. Unless otherwise indicated, Registrant shall calculate its fee based upon the latest value provided by the fund sponsor.

**Use of Mutual Funds and Exchange Traded Funds.** Registrant utilizes mutual funds and exchange traded funds for its client portfolios. In addition to Registrant's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).

**Custodian Charges-Additional Fees.** As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Registrant generally recommends that Schwab or Fidelity serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab and Fidelity charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian. While certain custodians, including Schwab and Fidelity, generally (with the potential exception for large orders) do not currently charge fees on individual equity transactions (including ETFs), others do. **Please Note:** there can be no assurance that Schwab and/or Fidelity will not change their transaction fee pricing in the future. **Please Also Note:** Fidelity and Schwab may also assess fees to clients who elect to receive trade confirmations and account statements by regular mail rather than electronically. **Tradeaways:** When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom Registrant and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a “trade-away” fee charged by Schwab and/or Fidelity). The above fees/charges are in addition to Registrant’s investment advisory fee at Item 5 below. Registrant does not receive any portion of these fees/charges. **ANY QUESTIONS: Registrant’s Chief Compliance Officer, Richard E. Krichbaum, remains available to address any questions that a client or prospective client may have regarding the above.**

**Socially Responsible Investing Limitations.** Socially Responsible Investing involves the incorporation of Environmental, Social and Governance (“ESG”) considerations into the investment due diligence process. ESG investing incorporates a set of criteria/factors used in evaluating potential investments: Environmental (i.e., considers how a company safeguards the environment); Social (i.e., the manner in which a company manages relationships with its employees, customers, and the communities in which it operates); and Governance (i.e., company management considerations). The number of companies that maintain an acceptable ESG mandate can be limited when compared to those that do not and could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and exchange-traded funds are limited when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by the Registrant), there can be no assurance that investment in ESG securities or funds will be profitable or prove successful. The Registrant does not maintain or advocate an ESG investment strategy but will seek to employ ESG if directed by a client to do so.

**Bitcoin, Cryptocurrency, and Digital Assets.** For clients who want exposure to cryptocurrencies and digital assets, including Bitcoin, the Registrant will advise the client to place those investments with custodians in a manner such that those investments are

outside the advisor's management. Cryptocurrencies are digital assets that can be used to buy goods and services and use an online ledger with strong cryptography (i.e., a method of protecting information and communications through the use of codes) to secure online transactions. Unlike conventional currencies issued by a monetary authority, cryptocurrencies are generally not controlled or regulated, and their price is determined by the supply and demand of their market. Because cryptocurrency is currently considered to be a speculative investment, the Registrant will not exercise discretionary authority to purchase a cryptocurrency investment for client accounts. Rather, a client must expressly authorize the purchase of the cryptocurrency investment. The Registrant does not recommend or advocate the purchase of, or investment in, cryptocurrencies. The Registrant considers such an investment to be speculative. Clients who purchase a cryptocurrency investment must be prepared for the potential for liquidity constraints, extreme price volatility and complete loss of principal.

**Cash Positions.** Registrant continues to treat cash as an asset class. As such, unless determined to the contrary by Registrant, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Registrant's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), Registrant may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Registrant's advisory fee could exceed the interest paid by the client's money market fund. **ANY QUESTIONS: The Registrant's Chief Compliance Officer, Richard E. Krichbaum, remains available to address any questions that a client or prospective may have regarding the above fee billing practice.**

**Cash Sweep Accounts.** Account custodians generally require that cash proceeds from account transactions or cash deposits be swept into and/or initially maintained in the custodian's sweep account. The yield on the sweep account is generally lower than those available in money market accounts. To help mitigate this issue, Registrant shall generally purchase a higher yielding money market fund available on the custodian's platform with cash proceeds or deposits, unless Registrant reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to, the amount of dispersion between the sweep account and a money market fund, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Richard E. Krichbaum, remains available to address any questions that a client or prospective client may have regarding the above.**

**Other Assets.** To the extent that the Registrant provides advisory monitoring or review services for client investment assets for which the Registrant does not maintain custodian access or trading authority (including initial and ongoing consideration of such assets as part of the client's asset allocation), the Registrant may determine to include such assets in its advisory fee calculation per Item 5 below.

**Portfolio Activity.**

Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by Registrant will be profitable or equal any specific performance level(s). Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

**Please Note: Non-Discretionary Service Limitations.** Clients that determine to engage the Registrant on a non-discretionary investment advisory basis **must be willing to accept** that the Registrant cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event Registrant would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and client is unavailable, the Registrant will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's consent.

**Cybersecurity Risk.** The information technology systems and networks that Registrant and its third-party service providers use to provide services to Registrant's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Registrant's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Registrant are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost, and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Registrant has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Registrant does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

**Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Registrant) will be profitable or equal any specific performance level(s).

**Client Obligations.** In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals and is

expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

**Disclosure Brochure.** A copy of the Registrant's written Privacy Notice, Disclosure Brochure as set forth on Part 2 of Form ADV and Form CRS (Client Relationship Summary) shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement* or *Financial Planning Agreement*. Any client who has not received a copy of Registrant's written Brochure at least 48 hours prior to executing the *Investment Advisory Agreement* and/or *Financial Planning and Consulting Agreement* shall have five business days subsequent to executing the agreement to terminate the Registrant's services without penalty.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.
- D. Registrant does not sponsor a wrap fee program. Registrant participates in unaffiliated programs sponsored by Schwab, Fidelity and Envestnet, which may include wrap program pricing. Through these programs, Registrant will engage independent portfolio managers including the following managers: Goldman Sachs, GW&K, Polen Capital, Lazard, Nuance, Blackrock, Kayne, Anderson Rudnick (KAR) Dana, Jensen, Clark Capital, Pimco, Miller Tabak and Eaton Vance in which the sponsor arranges for the investor to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. In each instance, the custodian/broker-dealer is the wrap program sponsor. Registrant will generally not be able to negotiate commissions, transaction costs, and/or seek better execution. As a result, investors through the wrap program may pay higher commissions, other transaction costs, greater spreads, or receive less favorable net prices on transactions for the account than would otherwise be the case through alternative clearing arrangements recommended by Registrant. Higher transaction costs adversely impact account performance. In addition, participation in a wrap program may cost the participant more or less than purchasing such services separately.

**Asset Based Pricing Limitations:** Relative to Independent Manager engagements, Registrant, depending upon anticipated trading activity of the recommended Independent Manager, may recommend that its clients consider entering into an asset-based pricing agreement with the account custodian. Under an asset-based pricing arrangement, the amount that a client will pay the custodian for account commission/transaction fees is based upon a percentage (%) of the market value of your account, generally expressed in basis points. One basis point is equal to one one-hundredth of one percent (1/100th of 1%, or 0.01% (0.0001). This differs from transaction-based pricing, which assesses a separate commission/transaction fee against the account for each account transaction. Account investment decisions are driven by security selection and anticipated market

conditions and not the amount of transaction fees payable by you to the account custodian. Under either the asset-based or transaction-based pricing scenario, the fees charged by the respective broker-dealer/custodian are separate from, and in addition to, the advisory fee payable by the client to Registrant per Item 5 below. Registrant does not receive any portion of the asset based transaction fees payable by you to the account custodian. You are under no obligation to enter into an asset-based arrangement, and, if you do, you can request at any time to switch from asset based pricing to transactions based pricing. However, there can be no assurance that the volume of transactions will be consistent from year-to-year given changes in market events and security selection. Thus, given the variances in trading volume, any decision by you to switch to transaction-based pricing could prove to be economically disadvantageous. **ANY QUESTIONS Registrant's Chief Compliance Officer, Richard E. Krichbaum, remains available to address any questions that a client or prospective client may have regarding the above.**

E. As of December 31, 2022, the Registrant had total assets under management of \$326,493,216. The total was made up of \$49,816,412 in assets under management on a discretionary basis and \$276,676,804 in assets under management on a non- discretionary basis.

## **Item 5 Fees and Compensation**

- A. The client can determine to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a fee basis.

### **INVESTMENT ADVISORY SERVICES**

If a client determines to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis, the Registrant's full-service annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under the Registrant's management (between negotiable and 1.50%) as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
Up to \$500,000	1.50%
\$500,001-\$750,000	1.25%
\$750,001-\$1,000,000	1.10%
\$1,000,001-\$2,000,000	1.00%
\$2,000,001-\$4,000,000	0.90%
Over \$4,000,000	Negotiable

The fee tiers noted above reflect the fees and incorporate services and frequency of services that the Registrant defines in its marketing materials. For assets under management below \$500,000, the Registrant generally recommends its Wealth Builder Service Level. For assets under management above \$500,001 and below \$2.0 million, the Registrant generally recommends its Wealth Manager Service Level. For assets above \$2.0 million, the Registrant generally recommends its Wealth Protector Service Level.

Registrant, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e.

anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Richard E. Krichbaum, remains available to address any questions that a client or prospective client may have regarding advisory fees.**

## **INDEPENDENT MANAGERS**

The Registrant may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). Registrant shall receive an annual investment advisory fee which is based upon a percentage of the market value of the assets being managed by the designated Independent Manager(s) (generally between 0.50% and 1.50%). **Please Note:** The investment management fee charged by the Independent Manager[s] is separate from, and in addition to, Registrant's advisory fee as set forth in the fee schedule above and which will be disclosed to the client before entering into an engagement with the Independent Manager and/or subject to the terms and conditions of a separate agreement between the client and the Independent Manager(s).

## **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

**Limitations of Financial Planning and Non-Investment Consulting / Implementation Services.** To the extent specifically requested by a client, the Registrant may provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Registrant's planning and consulting fees are negotiable, but generally range from \$175 to \$300 on an hourly rate basis for professional time and \$80 on an hourly basis for administrative time, depending upon the level and scope of the service(s) required and the person(s) rendering the service(s).

**Fee Dispersion:** The Registrant's investment advisory fee is negotiable at Registrant's discretion, depending upon objective and subjective factors including but not limited to: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professional(s) rendering the service(s); prior relationships with the Registrant and/or its representatives, and negotiations with the client. As a result of these factors, similarly situated clients could pay different fees, the services to be provided by the Registrant to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above. **The Registrant's Chief Compliance Officer, Richard E. Krichbaum, remains available to address any questions that a client or prospective client may have regarding the above fee determination.**

- B. The Registrant's *Investment Advisory Agreement* and the custodial/clearing agreement authorize the custodian to debit the account for the amount of the Registrant's Investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.

**Custodian Charges-Additional Fees.** As discussed at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, the Registrant generally recommends that Schwab or Fidelity serve as the broker-dealer/custodian for client investment management assets. Broker-dealers may charge brokerage commissions and/or transaction and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians, including Schwab and Fidelity, do not currently charge fees on individual equity transactions, others do). **ANY QUESTIONS: The Registrant's Chief Compliance Officer, Richard Krichbaum, remains available to address any questions that a client or prospective client may have regarding the above.**

**Trade away/Prime Broker Fees.** When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom Registrant and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a "trade-away" fee charged by *Schwab and/or Fidelity*). These fees/charges are in addition to Registrant's investment advisory fee described above. Registrant does not receive any portion of these fees/charges.

**Mutual Fund Multi-Class Shares -** When recommending investments in mutual funds, it is the Registrant's policy to review and consider available share classes. Some mutual funds offer multi-class shares which have a similar investment portfolio of securities and the same investment objective. However, the multi-class shares may differ with respect to the shareholder services and / or distribution arrangements. The Registrant's policy is to select the most appropriate share classes based on various factors including but not limited to: minimum investment requirements, trading restrictions, internal expense structure, transaction charges, sales loads, availability and other factors. When considering all the appropriate factors the Registrant may select a share class other than the 'lowest cost' share class. In order to select the most appropriate share class, the Registrant may select retail, institutional or other structured share classes when appropriate. Institutional share class mutual funds typically have lower cost than other share classes and generally do not have an associated 12b-1 fee, leading to a lower overall expense ratio than class A, B, or C shares of the same mutual fund. As a result, the different share classes will have varying investment returns. The Registrant periodically reviews the mutual funds held by its clients in order to determine whether the client is invested in the most appropriate share class(es), in light of its duty to obtain best

execution. **Any Questions: The Registrant's Chief Compliance Officer, Richard Krichbaum, remains available to address any questions that a client or prospective client may have regarding Registrant's use of multi-class shares.**

- C. Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The Registrant generally requires a minimum asset level of \$500,000 for full-service investment advisory services depending on the service level (See Item 5.A. above). The Registrant also requires a minimum fee of \$1,500 annually when a client has less than \$500,000 of assets under management, or \$2,500 annually when a client has \$500,000 or more of assets under management. Since the fee is determined quarterly, in advance, based upon the market value of such assets on the last day of the previous quarter, the Registrant's policy is to treat intra-quarter account additions and withdrawals equally, unless indicated to the contrary on the Registrant's written Brochure and/or Investment Advisory Agreement executed by the client.

The Registrant, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum fee or asset requirement based upon certain circumstances (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, client's need for limited services, etc.).

The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

- D. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither the Registrant nor any supervised person of the Registrant accepts performance-based or incentive-related compensation arrangements with its clients.

## **Item 7 Types of Clients**

The Registrant's clients shall generally include individuals, business entities, pension and profit-sharing plans, trusts, estates and charitable organizations. The Registrant generally requires an annual minimum fee of \$1,500 or \$375 per quarter for limited service clients, \$2,500 or \$625 per quarter and a minimum asset level of \$500,000 for full-service investment advisory services. The Registrant, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum fee or asset requirement based upon certain circumstances (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, client's need for limited services, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services

may be available from other investment advisers for similar or lower fees. **Please Also Note:** If a client maintains less than \$500,000 of assets under Registrant's management, and are subject to the \$1,500 minimum fee, the client will pay a higher percentage quarterly fee than the 1.5% referenced in the fee schedule at Item 5 above. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Richard E. Krichbaum, remains available to address any questions that a client or prospective client may have regarding advisory fees.**

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

- A. The Registrant may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
  - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear, including the complete loss of principal investment. Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s). Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease and client account values could suffer a loss.

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases and Short-Term

Purchases are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer-term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer-term investment strategy.

In addition to the fundamental investment strategies discussed above, the Registrant may also implement and/or recommend the use of options transactions including covered calls and protective puts. This strategy has a high level of inherent risk. (*See discussion below*).

The use of options transactions as an investment strategy generally involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by the Registrant shall be with the intent of offsetting/“hedging” a potential market risk in a client’s portfolio. **Please Note:** Although the intent of the options-related transactions that may be implemented by the Registrant is to hedge against principal risk, certain of the options-related strategies (i.e., straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct the Registrant, in writing, not to employ any or all such strategies for their accounts.

- C. Currently, the Registrant primarily recommends that clients allocate investment assets among various individual equities (stocks), debt (bonds) and fixed income securities, unaffiliated private investment funds, mutual funds and/or exchange traded funds (“ETFs”) on a discretionary and/or non-discretionary basis in accordance with the client’s designated investment objective(s). Each type of security has its own unique set of risks associated with it. The following provides a short description of some of the underlying risks associated with investing in these types of securities:

As noted above, the Registrant utilizes a variety of investable instruments, all of which contain the risk of loss of capital. These instruments may be U.S. or non-U.S. individual stocks and bonds, pooled investment vehicles such as mutual funds or Exchange Traded Funds (ETFs), all of which contain the risk of loss of capital.

Transactions involve the risk of loss of capital and contain transaction costs associated with conducting trades and the settlement process as well as potential tax consequences. It is not the intent of the investment strategy or process to result in frequent trading of securities, however more frequent or shorter-term holding periods may occur if market conditions change quickly or valuations are altered unexpectedly. A client’s investment portfolio will fluctuate in value as market conditions change and the client could lose all or a portion of the value of the investment portfolio over short or long periods of time. The risks of investing in equity securities, fixed income securities and exchange traded funds include, but are not limited to:

Market Risk. The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors (such as economic or political factors), but may also be incurred because of a security's specific underlying investments. Additionally, each security's price can fluctuate based on market movement, which may or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.

Unsystematic Risk. Unsystematic risk is the company-specific or industry-specific risk in a portfolio that the investor bears. Unsystematic risk is typically addressed through diversification. However, as indicated above, diversification does not guarantee better performance and cannot eliminate the risk of investment losses.

Inflation Risk. When any type of inflation is present, a dollar at present value will not carry the same purchasing power as a dollar in the future, because that purchasing power erodes at the rate of inflation.

Reinvestment Risk. Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate), which primarily relates to fixed income securities.

Value Investment Risk. Value stocks may perform differently from the market as a whole and following a value-oriented investment strategy may cause a portfolio to underperform growth stocks.

Growth Investment Risk. Prices of growth stocks tend to be higher in relation to their companies' earnings and may be more sensitive to market, political and economic developments than other stocks, making their prices more volatile.

Small Company Risk. Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, small capitalization companies are more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

Regulatory Risk. Changes in laws and regulations from any government can change the market value of companies subject to such regulations. Certain industries are more susceptible to government regulation. For example, changes in zoning, tax structure or laws may impact the return on investments.

Mutual Fund Risk. Mutual funds are operated by investment companies that raise money from shareholders and invests it in stocks, bonds, and/or other types of securities. Each fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. Mutual funds charge a separate management fee for their services, so the returns on mutual funds are reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Mutual funds that are sold through brokers are called load funds, and those sold to investors directly from the fund companies are called no-load funds. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while

others are conservative and are designed to generate income for shareholders. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

Exchange Traded Fund Risk. ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) an ETF's shares may trade at a market price that is above or below its net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

## **Item 9      Disciplinary Information**

The Registrant has not been the subject of any disciplinary actions.

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

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Licensed Insurance Agents.** Certain of Registrant's representatives, in their individual capacities, are licensed insurance agents, and (1) may be appointed by Brighthouse Life Insurance Company, Guardian Life Insurance Company of America, Principle Life Insurance Company, American General Life Insurance, Banner Life Insurance Company, Transamerica Life Insurance Company, United of Omaha Life Insurance Company, Berkshire Life Insurance Company of America, Lincoln National Life Insurance Company, or Mutual of Omaha Insurance Company to review insurance policies or long term care policies and / or (2) recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4B above, clients can engage certain of Registrant's representatives to purchase insurance products on a commission basis. Generally, the Registrant's representatives refer the client to an unaffiliated experienced insurance professional. In the event that the client purchases an insurance product from the unaffiliated insurance professional, the Registrant's representative shall generally receive a portion of the insurance commission.

**Conflict of Interest:** The recommendation by Registrant's representatives that a client purchase an insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Registrant's representatives and/or any recommended unaffiliated insurance professional. Clients are reminded that they may

purchase insurance products recommended by Registrant through other, non-affiliated insurance agents. **The Registrant's Chief Compliance Officer, Richard E. Krichbaum, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons". The Registrant's securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 D, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

## **Item 12 Brokerage Practices**

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian). Registrant generally recommends that investment management accounts be maintained at Schwab and/or Fidelity. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Registrant considers in recommending Schwab or Fidelity (or any other broker-dealer/custodian to clients) include historical relationship with Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Broker-dealers such as Schwab and Fidelity can charge transaction fees for effecting certain securities transactions (*See* Item 4 above). To the extent that a transaction fee will be payable by the client to Schwab or Fidelity, the transaction fee shall be in addition to Registrant's investment advisory fee referenced in Item 5 above.

To the extent that a transaction fee is payable, Registrant shall have a duty to obtain best execution for such transaction. However, that does not mean that the client will not pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where Registrant determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions.

### **1. Additional Benefits**

Registrant has received from Schwab, certain additional economic benefits ("Additional Benefits") that may or may not be offered to the Registrant again in the future. Specifically, the Additional Benefits include partial payment research and technology expenses for the benefit of the Registrant. Specifically, Schwab offered Portfolio Center, its proprietary data and portfolio management system, at a discounted rate to the Registrant. The Registrant has no expectation that Schwab will continue to offer Portfolio Center at a discounted rate for any definite period. However, the Registrant reserves the right to negotiate for these Additional Benefits in the future. Schwab provides the Additional Benefits to Registrant in its sole

discretion and at its own expense, and neither the Registrant nor its clients pay any fees to Schwab for the Additional Benefits. Registrant and Schwab have not entered into any written agreement to govern the Additional Benefits.

Non-Soft Dollar Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker- dealer/custodian, Registrant may receive from Schwab and/or Fidelity (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, vendor, unaffiliated product/fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment- related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* and/or *Fidelity* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *Schwab* and/or *Fidelity* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**The Registrant's Chief Compliance Officer, Richard E. Krichbaum, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the corresponding conflict of interest created by such arrangement.**

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

**Please Note:** In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker- dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to

effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance.

**Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

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

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, the Registrant may receive an economic benefit from Schwab and/or Fidelity. The Registrant, without cost (and/or at a discount), may receive support services and/or products from Schwab and/or Fidelity.

Registrant’s clients do not pay more for investment transactions effected and/or assets maintained at Schwab and/or Fidelity as a result of this arrangement and in certain cases may pay less (for example lower mutual fund expense ratios for institutional share classes only offered through certain registered investment advisors). There is no corresponding commitment

made by the Registrant to Schwab and/or Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**The Registrant's Chief Compliance Officer, Richard E. Krichbaum, and remains available to address any questions that a client or prospective client may have regarding the above arrangement and the corresponding conflict of interest any such arrangement creates.**

- B. Registrant does not maintain promoter arrangements/pay referral fee compensation to non-employees for new client introductions.

## **Item 15 Custody**

Registrant shall have the ability to deduct its advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., Schwab, etc.) at least quarterly. **Please Note:** To the extent that Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Registrant with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Registrant's advisory fee calculation.

In addition, certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from Registrant to transfer client funds or securities to third parties. These arrangements are disclosed at Item 9 of Part 1 of Form ADV. However, in accordance with the guidance provided in the SEC's February 21, 2017 *Investment Adviser Association* No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination.

In addition, Registrant and/or certain of its members engage in other services and/or practices (i.e., password possession, trustee service, etc.) requiring disclosure at Item 9 of Part 1 of Form ADV. These services and practices result in Registrant having custody under Rule 206(4)-2 of the Advisers Act. Per the Rule, having such custody requires Registrant to undergo an annual surprise CPA examination, and make a corresponding Form ADV-E filing with the SEC, for as long as Registrant provides such services and/or engages in such practices. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Richard E. Krichbaum, remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

## **Item 16 Investment Discretion**

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming the Registrant as the client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, **in writing**, (typically by a separate Investment Policy Statement) the Registrant's discretionary

**authority** (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

## **Item 17      Voting Client Securities**

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

## **Item 18      Financial Information**

- A. The Registrant does not solicit fees of more than \$1,200, per client, or more than six months or in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: The Registrant's Chief Compliance Officer, Richard E. Krichbaum remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**