

# Main Street Financial Life Advisors, LLC<sup>®</sup>

SEC File Number: 801 – 60820

## **ADV Part 2A, Firm Brochure Dated: March 30, 2023**

Contact: J. Joseph Roman, Chief Compliance Officer  
212 W. Route 38, Suite 600  
Moorestown, New Jersey 08057  
[www.mainstreetfla.com](http://www.mainstreetfla.com)

This brochure provides information about the qualifications and business practices of Main Street Financial Life Advisors, LLC<sup>®</sup>. If you have any questions about the contents of this brochure, please contact us at (856) 234-3550 or [jroman@mainstreetfla.com](mailto:jroman@mainstreetfla.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.

References herein to Main Street Financial Life Advisors, LLC<sup>®</sup> as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Additional information about Main Street Financial Life Advisors, LLC<sup>®</sup> (“Registrant” or “Main Street”) is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Main Street who are required to be registered as an investment adviser representative with Main Street.

## Item 2 Material Changes

Since its Annual Amendment filing on November 8, 2022, this Main Street Financial Life Advisors, LLC®'s (hereinafter referred to as “Main Street Financial Life Advisors” or the “Registrant”) Form ADV 2A Disclosure Brochure has been materially amended at Item 4 below to reflect that the Registrant is no longer an SEC registered investment adviser as it is seeking registration with the state of New Jersey.

**ANY QUESTIONS: Main Street Financial Life Advisors’ Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that an existing or prospective client may have regarding this Brochure.**

## Item 3 Table of Contents

Item 1	Cover Page .....	1
Item 2	Material Changes .....	2
Item 3	Table of Contents .....	2
Item 4	Advisory Business.....	3
Item 5	Fees and Compensation.....	11
Item 6	Performance-Based Fees and Side-by-Side Management.....	13
Item 7	Types of Clients .....	13
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss .....	13
Item 9	Disciplinary Information.....	17
Item 10	Other Financial Industry Activities and Affiliations .....	17
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	18
Item 12	Brokerage Practices.....	19
Item 13	Review of Accounts .....	21
Item 14	Client Referrals and Other Compensation.....	22
Item 15	Custody .....	22
Item 16	Investment Discretion .....	22
Item 17	Voting Client Securities .....	23
Item 18	Financial Information.....	23

#### Item 4            **Advisory Business**

- A. The Registrant is a limited liability company formed on May 3, 1999 in the State of New Jersey. The Registrant became registered as an Investment Adviser Firm on December 21, 2001. The Registrant is principally owned by J. Joseph Roman, who is the Registrant's Managing Member and Chief Compliance Officer.
- B. As discussed below, the Registrant offers to its clients (individuals, business entities, trusts, estates, and charitable organizations, etc.) investment management services, and, to the extent specifically engaged to do so, tax, insurance, and accountancy consulting services.

#### **INVESTMENT MANAGEMENT SERVICES ONLY**

The Registrant may be engaged to provide discretionary and/or non-discretionary investment management services on a *fee-based* basis. Before Registrant provides investment management services, an investment adviser representative will ascertain each client's investment objectives and, for a separate initial fixed fee, develop a financial plan. The Registrant will then allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives, risk tolerance and financial plan. Once allocated, the Registrant provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives. The Registrant's annual investment management fee is based upon a percentage (%) of the market value of the assets placed under the Registrant's management. Prior to engaging Registrant to provide investment advisory services, clients are required to enter into an *Investment Advisory 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 fee that is due from the client.

#### **TAX RETURN PREPARATION SERVICES**

The Registrant may be engaged to provide tax preparation services in conjunction with its Investment Management and Financial Planning services. The Registrant's *Investment Advisory Agreement* shall indicate if the client has determined to engage the Registrant to provide tax preparation services. Tax preparation services may also be provided by certain of Registrant's employees in their separate capacity as a CPA with the accounting firm, Roman & Kulpa, LLC ("R & K"), (See Item 10. C. below for additional details regarding this service and the potential conflicts of interest). The client is under no obligation to engage the services of any such recommended professional and retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. However, 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] 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 their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

## **FINANCIAL PLANNING**

The Registrant does not offer Financial Planning services

**Please note:** Registrant may recommend other professionals, including certain of its investment advisor representatives (“IARs”), in their separate and individual capacity as an IAR for Carson Wealth Management, LLC (“CWM”), to provide Financial Planning and Consulting Services. The client is under no obligation to engage the services of any such recommended professional and retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant.

However, 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 their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant’s previous recommendations and/or services.

## **COMPREHENSIVE REPORTING**

The Registrant may also provide comprehensive reporting services which can incorporate all of the client’s investment assets, including those investment assets that are not part of the assets managed by the Registrant (the “Excluded Assets”). The client and/or their other advisors, and not the Registrant, shall maintain trading authority and will be exclusively responsible for the investment performance of the Excluded Assets. The Registrant’s service relative to the Excluded Assets is limited to reporting and non-discretionary consulting services only, which does not include investment implementation. The Registrant does not have trading authority for the Excluded Assets. As such, to the extent applicable to the nature of the Excluded Assets (assets over which the client maintains trading authority vs. trading authority designated to another investment professional), the client (and/or the other investment professional), and not the Registrant, shall be exclusively responsible for directly implementing any recommendations relative to the Excluded Assets. The Registrant shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that the Registrant provide non-discretionary investment management services (whereby the Registrant would have trading authority) with respect to the Excluded Assets, the client may engage the Registrant to do so pursuant to the terms and conditions of the *Investment Advisory Agreement* between the Registrant and the client.

**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 (“Independent Manager(s)”) in accordance with the client’s designated investment objective(s). In such situations, the *Independent Manager(s)* shall have day-to-day responsibility for the active discretionary management of the allocated assets. The Registrant shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives, for which Registrant shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Manager(s)* (See Item 5 below). Registrant generally considers the following factors when considering its recommendation to allocate investment assets to Independent

Manager(s): the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The Independent Managers fee is separate from, and in addition to, the Registrant's annual advisory fee. Additionally, client's review each Independent Manager's Form ADV 2A Disclosure Brochure and either the contract the client signs with the Independent Manager or their Statement of Investment Selection for information about additional fees and expenses charged.

### **MISCELLANEOUS**

**Limitations of Non-Investment Consulting/Implementation Services.** As indicated above, to the extent requested by a client, the Registrant may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. **Please Note:** We **do not** serve as an attorney and no portion of our services should be construed as legal services. Accordingly, we **do not** prepare estate planning document or tax returns, unless the client has specifically engaged us pursuant to an All-Inclusive Investment Advisory Agreement. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.), including representatives of Registrant in their separate individual capacities as a licensed insurance agent or Certified Public Accountant. 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. **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. 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-Conflict of Interest:** The recommendation by Registrant's representative that a client purchase an insurance commission product through Registrant's representative in his separate and individual capacity as an insurance agent, presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment or 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 securities or insurance commission products through such a representative. Clients are reminded that they may purchase insurance products recommended by Registrant through other non-affiliated insurance agencies/agents and/or engage an unaffiliated Registrant to provide accounting services. **Registrant's Chief Compliance Officer, J. Joseph Roman remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Disclosure Statement.** A copy of the Registrant's written Privacy Notice, Disclosure Brochure as set forth on Parts 2A and 2B of Form ADV and Form CRS (also referred to as Client Relationship Summary) shall be provided to each prospective client or client before, or contemporaneously with, the execution of the *Investment Advisory Agreement*.

**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.

**Unaffiliated Private Investment Funds.** Registrant may recommend that certain qualified clients consider an investment in unaffiliated 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 any private investment fund(s).

**Risk Factors:** 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 own, 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.

**Valuation:** In the event that Registrant references private investment funds owned by the client on any supplemental account reports prepared by 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, or the capital called to date. 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, the Registrant shall calculate its fee based upon the latest value provided by the fund sponsor.

**Orion Communities Platform:** Registrant has entered into an agreement with Orion Portfolio Solutions, LLC ("OPS") to provide Registrant with access to its Orion Communities platform, an interactive marketplace, to access model portfolio allocations and investment research ("Model Portfolios") published by third party strategists. Registrant is not affiliated with OPS, the strategists or their affiliates. Additionally, neither OPS nor its strategists will exercise investment decisions with respect to client accounts. Registrant retains investment discretion over the client's account and recommendations to invest the client's account in a Model Portfolio is based upon Registrant's independent analysis of the Model Portfolio, including the underlying investments, and the client's particular financial circumstances, investment objectives and risk tolerance. 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.

**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 that Registrant would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), the 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.**

**Use of Mutual 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).

**Use of Dimensional Fund Advisors Mutual Funds:** Registrant utilizes the mutual funds issued by Dimensional Fund Advisors ("DFA"). DFA funds are generally only available through registered investment advisers approved by DFA. If the client decides to terminate Registrant's services, and transition to another adviser who has not been approved by DFA to utilize DFA funds, restrictions regarding additional purchases of, or reallocation among other DFA funds, will generally apply. **Registrant's Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the above**

**Retirement Plan Rollovers – No Obligation / 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 the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant will earn a new (or increase its current) advisory fee 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. The Registrant's Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such rollover recommendation.**

**eMoney Advisor Platform and Orion Advisor Services.** In conjunction with the services provided by *eMoney Advisor ("eMoney")* and *Orion Advisor Services ("Orion")*, Registrant may also provide access to account aggregation services, which can incorporate all of the client's investment assets," including those investment assets that are not part of the assets that we manage (the "Excluded Assets"). **The client and/or their other advisors that maintain trading authority, and not us, shall be exclusively responsible for the investment performance of the Excluded Assets.** In addition, *eMoney* also provides access to other types of information which should not, in any manner whatsoever, be construed as services, advice or recommendations provided by Registrant. The Registrant shall not be held responsible for any adverse results a client may experience if the client engages in other functions available on the *eMoney* platform without Registrant's assistance or oversight. Registrant does not provide investment management, monitoring

or implementation services for the Excluded Assets. If Registrant is asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and Registrant shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. The client may engage Registrant to provide investment management services for the Excluded Assets pursuant to the terms and conditions of the *Investment Advisory Agreement* between Registrant and the client.

**Borrowing Against Assets/Risks.** A client who has a need to borrow money could determine to do so by using:

- **Margin**- The account custodian or broker-dealer lends money to the client. The custodian charges the client interest for the right to borrow money, and uses the assets in the client's brokerage account as collateral or
- **Pledged Assets Loan**- In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges its investment assets held at the account custodian as collateral.

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e. custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, Registrant does not recommend such borrowing unless it is for specific short-term purposes (i.e. a bridge loan to purchase a new residence). Registrant does not recommend such borrowing for investment purposes (i.e. to invest borrowed funds in the market). Regardless, if the client was to determine to utilize margin or a pledged assets loan, the following economic benefits would inure to Registrant:

- by taking the loan rather than liquidating assets in the client's account, Registrant continues to earn a fee on such Account assets;
- if the client invests any portion of the loan proceeds in an account to be managed by Registrant, Registrant will receive an advisory fee on the invested amount; and,
- if Registrant's advisory fee is based upon the higher margined account value (*see* margin disclosure at Item 5 below), Registrant will earn a correspondingly higher advisory fee. This could provide Registrant with a disincentive to encourage the client to discontinue the use of margin.

**Please Note:** The client must accept the above risks and potential corresponding consequences associated with the use of margin or a pledged assets loans.

**Client Obligations.** In performing its services, Registrant, through the use of *eMoney*, will monitor the client's information as it changes during the engagement. However, 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, revising Registrant's previous recommendations and/or services.

**Consulting Services.** Registrant's investment management is generally inclusive of any



investment-related consulting services. In limited situations (i.e., non-investment management clients, and investment management clients that require a disproportionate amount of consulting services), Registrant may charge a fixed fee or hourly fee for investment-related consulting services, which shall be agreed upon before rendering the consultation services.

**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 Registrant's discretion, Registrant may treat cash held for short term needs as non-managed assets and may not charge a fee on said cash. 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, Joe Roman, 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, Joseph Roman, 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.

**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.

**Please Note: Socially Responsible Investing Limitations.** *Socially Responsible Investing* involves the incorporation of **Environmental, Social and Governance** considerations into the investment due diligence process (“ESG”). There are potential limitations associated with allocating a portion of an investment portfolio in qualifying ESG securities (i.e., securities that have a mandate to avoid, when possible, investments in such products as alcohol, tobacco, firearms, oil drilling, gambling, etc.). The number of these securities may be limited when compared to those that do not maintain such a mandate. ESG securities 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 fewer 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 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.

**WE DON'T RECOMMEND Cryptocurrency:** For clients who want exposure to cryptocurrencies, including Bitcoin, the Registrant, will advise the client to consider a potential investment in corresponding exchange traded securities, or an allocation to separate account managers and/or private funds that provide cryptocurrency exposure. Crypto is a digital currency that can be used to buy goods and services, but uses 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. **Please Note:** The Registrant **does not** recommend or advocate the purchase of, or investment in, cryptocurrencies. The Registrant considers such an investment to be **speculative**. **Please Also Note:** Clients who authorize the purchase of a cryptocurrency investment must be prepared for the potential for **liquidity constraints, extreme price volatility and complete loss of principal.**

- C. **Wrap / Separately Managed Account Programs:** In the event that Registrant is engaged to provide investment advisory services as part of an unaffiliated wrap-fee program, Registrant will be unable to negotiate commissions and/or transaction costs. Under a wrap program, the wrap program sponsor arranges for the investor participant to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the participant more or less than purchasing such services separately. In the event that Registrant is engaged to provide investment advisory services as part of an unaffiliated managed account program/platform, Registrant will likewise be unable to negotiate commissions and/or transaction costs. The program sponsor will determine the broker-dealer through which transactions must be effected, and the amount of transaction fees and/or commissions to be charged to the participant investor accounts. **Please Note:** In these type of engagements, the unaffiliated investment advisers that engage Registrant's services shall maintain both the initial and ongoing day-to-day relationship with the underlying investor, including initial and ongoing determination of the of the investor's suitability for Registrant's designated investment strategies. In addition, since the

custodian/broker-dealer is determined by the unaffiliated program/platform sponsor, Registrant will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, the investor 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 through alternative clearing arrangements recommended by Registrant. Higher transaction costs adversely impact account performance. **Registrant's Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client may have regarding participation in a wrap fee program.** Client is advised to review the Program Sponsor's Form ADV Disclosure Brochure and Wrap Fee Brochure for detailed information on their wrap fee program and the related fees.

- D. As of December 31, 2022, the Registrant had \$63,139,204 in assets under management on a discretionary basis and \$254,507 in assets under management on a non-discretionary basis.

## Item 5 Fees and Compensation

A.

### **INVESTMENT MANAGEMENT**

If a client determines to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a *fee-based* basis, Registrant's annual investment advisory fee shall be based upon a percentage of the market value and type of assets placed under Registrant's management (between negotiable and 2.25%) as follows:

<b>Fee Schedule</b>	
<b>Client Assets Under Management (AUM) or Assets Under Advisement (AUA)</b>	<b>Investment Management Services</b>
First \$100,000	2.25%
Next \$400,000	2.00%
Next \$500,000	1.50%
Next \$1,000,000	1.00%
Next \$3,000,000	0.85%
Next \$5,000,000	0.75%
Greater than \$10,000,000	Negotiable

The following information applies to the above Cost of Services Schedule:

1. The actual fee paid by each client is noted in an agreement executed between the Registrant and the client. As directed in the agreement, the costs agreed to may be higher or lower than the rates noted in the above schedule.
2. The client's total fee is a blended cost using these stepped rates.
3. Generally, Registrant does not impose a minimum asset requirement or minimum fee requirement for investment management services. 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 in this Item 5.

#### **Sub-Manager and Independent Manager Costs**

When the Registrant refers client assets to a Sub-Manager, the Sub-Manager will charge the client an additional fee which is debited directly from the client's account. The Sub-Manager assesses a fee for their management services and that fee is passed through directly to the client. The fee is based on a percent of the client's assets and ranges from 0.10% to 1.00%, depending on the manager and services provided. Sub-Managers may also impose minimum investment requirements. The minimum amounts vary. In addition to Sub-Manager costs, the investment vehicles that client assets are invested in may have their own associated cost. For instance, costs are charged to shareholders of mutual funds and exchange traded funds by the fund manager and deducted directly from the net asset value of the investment vehicle.

#### **COMPREHENSIVE REPORTING**

Registrant's fee shall be an annual fee of 0.25% of the Excluded Assets being reported. In the event that the client seeks to transfer Excluded Assets under Registrant's management, Registrant's normal fee schedule for investment management services will be imposed with respect to those assets and Registration will cease charging the reporting fee over those same assets. The Registrant, in its sole discretion, may charge a lesser fee for this Comprehensive Reporting service and/or waive or reduce this fee based upon certain criteria. See Item 5.D. below for a non-exhaustive list of potential reasons.

**Margin Accounts: Risks/Conflict of Interest.** Registrant **does not** recommend the use of margin for investment purposes. A *margin account* is a brokerage *account* that allows investors to borrow money to buy securities and/or for other non-investment borrowing purposes. The broker/custodian charges the investor interest for the right to borrow money and uses the securities as collateral. By using borrowed funds, the customer is employing leverage that will magnify both account gains and losses. Should a client determine to use margin, Registrant will include the entire market value of the margined assets when computing its advisory fee. Accordingly, Registrant's fee shall be based upon a higher margined account value, resulting in Registrant earning a correspondingly higher advisory fee. As a result, the potential of conflict of interest arises since Registrant may have an economic disincentive to recommend that the client terminate the use of margin. **Please Note:** The use of margin can cause significant adverse financial consequences in the event of a market correction. **ANY QUESTIONS: Our Chief Compliance Officer, Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the use of margin.**

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's *Investment Advisory Agreement* and the custodial/clearing agreement may 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.

- C. As discussed below, unless the client directs otherwise or an individual client's

circumstances require, the Registrant shall generally recommend that *Schwab* serve as the broker-dealer/custodian for client investment management assets. *Schwab* charges brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity/debt securities transactions). In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, the client will also incur, relative to all mutual fund purchases, charges imposed at the mutual fund level (e.g., management fees and other fund expenses). 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 *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 prorated 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 is a party to any performance or incentive-related compensation arrangements with its clients.

## **Item 7            Types of Clients**

The Registrant's clients shall generally include individuals, business entities, trusts, estates, pension and profit-sharing plans and charitable organizations. Registrant generally does not impose an annual minimum fee and does not impose an account minimum in order to provide investment management services.

The Registrant will price its investment advisory services based 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.

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

- A. The Registrant shall utilize the following methods of security analysis:
- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
  - 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)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Registrant shall 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)

**Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. 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 option strategies. The use of options has a high level of inherent risk. Accordingly, the decision as to whether to employ the use of options is left to the discretion of client.

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.

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.

For detailed information on the use of options and option strategies, please refer to the Option Clearing Corp.'s Option Disclosure Document, which can be found at: <http://www.optionsclearing.com/components/docs/riskstoc.pdf>

Hard copies may be ordered by calling 1-888-678-4667 or writing OCC, 1 North Wacker Drive, Suite 500 Chicago, IL 60606.

- C. Currently, Registrant primarily allocates investment management assets of its client accounts among various individual debt and equity securities, mutual funds and exchange traded funds, individual equities and *Independent Manager(s)*, on a discretionary basis, in accordance with the investment objectives of the client. (See *Independent Manager(s)* above). With respect to the Program, the Program Disclosure Brochure includes a discussion of various risks associated with the Program, including: the risks of investing in ETFs; the risks related to the underlying securities in which ETFs invest; market/systemic risks; asset allocation/strategy/diversification risks; investment strategy risks; trading/liquidity risks; and large investment risks. 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:

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.

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.

Interest Rate Risk. Fixed income securities and fixed income-based securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices tend to fall. When interest rates fall, fixed income security prices tend to rise. In general, fixed income securities with longer maturities are more sensitive to these price changes.

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.

Credit Risk. The issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and impact performance. Credit risk is considered greater for fixed income securities with ratings below investment grade. Fixed income securities that are below investment grade involve higher credit risk and are considered speculative.

Call Risk. During periods of falling interest rates, a bond issuer will call or repay a higher-yielding bond before its maturity date, forcing the investment to reinvest in bonds with lower interest rates than the original obligations.

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. **Other Investment Adviser.**

Beginning in February 2021, certain of Registrant's representatives, J. Joseph Roman, Matt Kulpa and Joel Davis are also registered as IARs with CWM, an unaffiliated SEC registered investment advisor based in Omaha, Nebraska. The Registrant is not an affiliate of Carson Partners. If the services are being provided under Registrant, the client will receive Registrant's Disclosure Brochure and Form CRS. If the services are provided on behalf of Carson Partners, the client will receive Carson Partners' Disclosure Brochure and Form CRS. The client is encouraged to read and review both the disclosure brochures and Form CRS as it will describe the services provided, fees charged and other important information. Additional information about Carson Partners is also available at <http://www.adviserinfo.sec.gov/>. You can view Carson Wealth's information on this website by searching for Carson Partners or by using Carson Partners' CRD number# 118544.

**Conflict of Interest:** The recommendation by Registrant that a client or its participants use *Innovative's* services presents a **conflict of interest**, as the receipt of compensation by Registrant's representative may provide an incentive to recommend the services of *Innovative* rather than a particular client's need. Clients are reminded that they are not under any obligation to use *Innovative's* services. **The Registrant's Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Certified Public Accountant.** Registrant's Principal J. Joseph Roman is the Managing Member of Roman & Kulpa, LLC ("R & K") a certified public accounting firm. To the extent that R & K provides accounting and/or tax preparation services to any clients, including clients of the Registrant, all such services shall be performed by R & K, in its individual professional capacity, independent of the Registrant, for which services Registrant shall not receive any portion of the fees charged by R & K, referral or otherwise. It is expected that the members of R & K, solely incidental to their respective practices as Certified Public Accountants with R & K, shall recommend the Registrant's services to certain of R & K's clients. R & K is not involved in providing investment advice on behalf of the Registrant, nor does R & K hold itself out as providing advisory services on behalf of the Registrant.

**Conflict of Interest.** The recommendation by Registrant's representatives that a client engage R & K presents a **conflict of interest**, as Registrant's representatives could have the incentive to make such a recommendation based on fees received, rather than a

particular client's need. No client is under any obligation to engage *R & K* or its representatives in such a capacity and clients are reminded that they may engage other non-affiliated Certified Public Accountants. **The Registrant's Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest.**

**Licensed Insurance Agency.** Registrant is under common control with Lifetime Insurance Strategy Advisors, LLC ("*Lifetime*"), which is a licensed insurance agency that provides insurance services. J. Joseph Roman provides insurance services as a licensed insurance agent of *Lifetime*.

**Conflict of Interest.** J. Joseph Roman in his separate capacity as a licensed insurance agent of *Lifetime* may be engaged by Registrant to provide insurance-related advice and products on a commission compensation basis. The commission compensation earned by *Lifetime* and J. Joseph Roman, his separate capacity as a licensed insurance agent, is separate from, and in addition to, Registrant's investment advisory fee. **Please Note-Conflict of Interest:** The recommendation by Registrant that a client consider the purchase of an insurance product from *Lifetime* presents a **conflict of interest**, as the potential receipt of an insurance commission compensation by *Lifetime* and J. Joseph Roman may provide an incentive for the Registrant to recommend insurance products based on compensation to be received by its affiliated entity and representative rather than on a particular client's needs. No client is under any obligation to purchase any insurance product from *Lifetime*. Clients can purchase insurance products through other, non-affiliated insurance agencies and agents. No client is under any obligation to utilize services offered through *Lifetime*. Clients are reminded that they acquire similar services through other non-affiliated insurance agencies. **The Registrant's Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Licensed Insurance Agent.** Certain of Registrant's representatives, in their separate and individual capacities, are licensed insurance agents and may recommend the purchase of certain insurance-related products on a commission basis. Clients may therefore engage these individuals to purchase insurance products on a commission basis.

**Conflict of Interest.** The recommendation by Registrant or its representatives that a client purchase an insurance commission product through a related person 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 a particular client's need. No client is under any obligation to purchase any insurance commission products from Registrant's related persons. Clients are reminded that they may purchase insurance products recommended by the Registrant and its representatives through other non-affiliated insurance agents. **The Registrant's Chief Compliance Officer, J. Joseph Roman, 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 before 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 conflict of interest. As indicated above in Item 11 C, 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*. Before 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 the Registrant considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Broker-dealers such as Schwab can charge transaction fees for effecting certain securities transactions. To the extent that a transaction fee will be payable by the client to *Schwab*, 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, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. 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 can receive from *Schwab* (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, vendor, and/or product/fund sponsor) 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 travel expenses and 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 as the result of this arrangement. There is no corresponding commitment made by the Registrant to *Schwab* 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, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest such arrangement may create.**

2. The Registrant does not receive referrals from broker-dealers.
3. 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. 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.

**The Registrant's Chief Compliance Officer, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. Transactions for each client account generally will be effected independently unless Firm decides to purchase or sell the same securities for several clients at approximately the same time. The Firm may (but is not obligated to) combine or "batch" such orders for individual equity transactions (including ETFs) with the intention to obtain better price execution, to negotiate more favorable commission rates, or to allocate more equitably among the Firm's clients differences in prices and commissions or other transaction costs that might have occurred 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. In the event that the Firm becomes aware that a Firm employee seeks to trade in the same security on the same day, the employee transaction will either be included in the "batch" transaction or transacted after all discretionary client transactions have been completed. 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 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 Items 4 and 12.A.1 above, the Registrant receives an economic benefit from *Schwab*. The Registrant, without cost (and/or at a discount), can receive support services and/or products from *Schwab*. There is no corresponding commitment made by the Registrant to *Schwab* 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, J. Joseph Roman, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest any such arrangement may create.**

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

#### **Item 15            Custody**

- A. The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. 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.

**Please Note:** To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian.  
**Please Also Note:** The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

**Please Note: Custody Situations:** The Registrant engages in other practices and/or services on behalf of its clients that require disclosure at ADV Part 1, Item 9 (the "Custody" section), which practices and/or services are subject to an annual surprise CPA examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940. **The Registrant's Chief Compliance Officer, J. Joseph Roman, 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. Before the Registrant assumes discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming the Registrant as 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**, on 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 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 \$500, per client, six months or more 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.

#### **Item 19      Requirements for State-Registered Advisors**

- A. J. Joseph Roman is the Registrant's Managing Member and Chief Compliance Officer. For more information about Mr. Roman, please see the Part 2B of Registrant's Brochure.
- B. The Registrant is not engaged in any other business than as set forth in this brochure.
- C. Neither the Registrant nor its supervised persons accept performance-based fees.
- D. The Registrant does not have any reportable disciplinary information.
- E. Neither the Registrant nor its Principal has any relationship or arrangement with any issuer of securities.

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