

Item 1 Cover Page



Fountainhead Financial, LLC

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3/30/2023

**FORM ADV PART 2
BROCHURE**

This brochure provides information about the qualifications and business practices of Fountainhead Financial, LLC. If you have any questions about the contents of this brochure, please contact us at (312) 222-9840. 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 Fountainhead Financial, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Fountainhead Financial, LLC is 150813.

Fountainhead Financial, LLC a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

Since our last update, March 30, 2021, Fountainhead Financial, LLC's (the "Registrant") address has changed to 515 N. State Street Chicago, IL 60654. The Registrant below has made disclosure additions and enhancements, including disclosures at Items 4, 5, and 15 regarding financial planning limitations, advisory fees, and custody. **ANY QUESTIONS:** The Registrant's Chief Compliance Officer, Dominick Vetrano, remains available to address any questions regarding this Part 2A, including the disclosure additions and enhancements below

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Item 4 **Advisory Business**

- A. Fountainhead Financial, LLC (the “Registrant”) is a limited liability company formed in 2003 in the State of Illinois. The Registrant has been registered as an investment adviser with the SEC since July 2009. The Registrant is owned and operated by its Managing Member, Dominick J. Vetrano, CFP, CLU, ChFC, CFA, RHU.

B.

INVESTMENT ADVISORY SERVICES

The Registrant provides non-discretionary (*see MISCELLANEOUS below*) investment advisory services on a *fee* basis. Registrant's annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of the Registrant), the Registrant may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client. In addition, as discussed at Item 5 below, the client can also engage the Registrant for fixed fee and/or hourly consulting services.

To commence the investment advisory process, the Registrant will ascertain each client's investment objectives and then allocate assets consistent with the client's designated investment objectives. Once allocated, the Registrant provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives, and may rebalance the client's accounts as necessary. Before engaging the 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.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

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. Prior to engaging the Registrant to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting 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 from the client prior to Registrant commencing services. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes, including its Managing Member, Dominick J. Vetrano, in his separate individual capacity as a licensed insurance agent (*See* disclosure at Items 10.C). 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 the Registrant. **Please Note:** 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. **Please Also 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.

MISCELLANEOUS

- **Please Note: Non-Discretionary Service Limitations.** The registrant provides services on a non-discretionary basis. Clients that determine to engage the Registrant on a non-discretionary investment advisory basis must be willing to accept that the Registrant cannot affect 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, and client is unavailable, the Registrant will be unable to effect the account transaction without first obtaining the client's consent.

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. As indicated above, to the extent requested by the client, Registrant may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Registrant does not serve as a law firm or accounting firm, 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 purposes (i.e. attorneys, accountants, insurance agents, etc.), including its Managing Member, Dominick J. Vetrano, in his separate individual capacity as a licensed insurance agent (*See* disclosure at Items 10.C). 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. **Conflict of Interest:** The recommendation by Registrant's representatives that a client purchase an insurance product from Mr. Vetrano his separate individual capacity as a licensed insurance agent presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment 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 Mr. Vetrano. Clients are reminded that they may purchase securities and insurance products recommended by Registrant through other, non-affiliated broker-dealers.

Retirement Rollovers-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 creates a conflict of interest if Registrant will earn new (or increase its current) compensation as a result of the rollover. **Registrant's Chief Compliance Officer, Dominick Vetrano,**

remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such rollover recommendation.

Use of Mutual Funds/Exchange Traded Funds: Most mutual funds and exchange traded funds are available directly to the public. Thus, a prospective client can obtain many of the mutual funds that may be recommended and/or utilized by Registrant independent of engaging Registrant as an investment advisor. However, if a prospective client determines to do so, he/she will not receive Registrant's initial and ongoing investment advisory services.

Participant Directed Retirement Plans. Registrant may also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a *Retirement Plan Services Agreement* between Registrant and the plan. For such engagements, Registrant shall assist the Plan sponsor with the selection of an investment platform from which Plan participants shall make their respective investment choices (which may include investment strategies devised and managed by Registrant), and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision making process.

Custodian Charges-Additional Fees: As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, the Registrant generally recommends that Schwab serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab charge transaction fees for effecting securities transactions. In addition to the Registrant's investment advisory fee referenced in Item 5 below, the client will also incur transaction fees to purchase securities for the client's account (i.e., mutual funds exchange traded funds, individual equity and fixed income securities, etc.) **ANY QUESTIONS: Registrant's Chief Compliance Officer, Dominick Vetrano, remains available to address any questions that a client or prospective client may have regarding the above.**

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, mutual 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).

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 Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement* or *Financial Planning and Consulting Agreement*.

- 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 anytime, impose reasonable restrictions, in writing, on the Registrant's services.
- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2022, the Registrant had \$264.3 million of assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

A.

INVESTMENT ADVISORY SERVICES

The Registrant can be compensated for its services in four ways, based upon the type of engagement:

- **Securities Advisory/Supervisory Services**: This is the primary manner in which the Registrant is engaged. This annual fee is based upon a percentage of the assets under the Registrant's management (between 0.30% and 1.00%), as follows:

<u>Percentage</u>	<u>Dollar Value of Assets under Management</u>
1.0%	<i>of the first</i> \$ 500,000*
0.8%	<i>of the next</i> \$ 500,000
0.6%	<i>of the next</i> \$ 4,000,000
0.4%	<i>of the next</i> \$ 15,000,000
0.3%	<i>Over</i> \$ 20,000,000

*subject to a minimum annual fee of \$5,000.

The fee will be pro-rated, and paid quarterly, in arrears, based upon the market value of the assets on the last day of the previous quarter. Unless the client gives the Registrant authority to debit the account for its advisory fee, the Registrant's fee shall be due and payable upon receipt of the Registrant's quarterly invoice. The terms and conditions of the engagement shall generally be set forth in an *Investment Advisory Agreement* to be executed by both the Registrant and the client. 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, competition, and negotiations with the client. As a result of these factors, similarly situated clients could pay different fees, and 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. **Please Also Note:** If you maintain less than \$500,000 of assets under Fountainhead Financial, LLC's management, and are subject to the \$1,250 per quarter

minimum fee, you will pay a higher percentage Annual Fee than the 1.00% referenced in the above fee schedule.

- **Non-Supervisory/Financial Planning Consulting Services:** This engagement is consulting only. The fee **does not** include the implementation of any advice. If desired, the client can implement the investment/financial planning consulting advice on his/her own or under the Registrant's *Supervisory Services* engagement discussed directly above (the client is under absolutely no obligation to implement any of the Registrant's advice, neither on his/her own, nor through the Registrant *Supervisory Services*, or the engagement of Mr. Vetrano for insurance services as discussed above at Item 4 and below at Item 10). The terms and conditions of the engagement, including the fully disclosed amount of the fee and payment thereof (generally 50%, in advance, for a formal written financial plan) shall be set forth in either a *Financial Planning Agreement* or an *Investment Consulting Agreement* to be executed by both the Registrant and the client. The amount of the fee shall vary depending upon the nature and scope of the services to be provided, and the professional providing the services.
- **Hourly Financial Consultation:** This engagement is hourly limited consulting only. The **hourly** fee **does not** include the implementation of any advice. If desired, the client can implement the investment/financial planning consulting advice on his/her own or under the Registrant's *Supervisory Services* engagement discussed directly above (the client is under absolutely no obligation to implement any of the Registrant's advice, neither on his/her own, nor through the Registrant *Supervisory Services*, or the engagement of Mr. Vetrano for insurance services as discussed above at Item 4 and below at Item 10). The terms and conditions of the engagement, including the fully disclosed amount of the fee, shall be set forth in either a *Financial Planning Agreement* or an *Investment Consulting Agreement* to be executed by both the Registrant and the client. The amount of the hourly fee shall vary depending upon the individual providing the services, currently, as follows.

Dominick J. Vetrano, CFP, CLU CFC, CFA, RHU-	\$750 per hour.
Kevin E. Wozniak, CFP -	\$500 per hour.
Shelley Frank-	\$100 per hour.

The hourly fee will generally be paid upon completion of the service.

- **Participant Directed Retirement Plan Services.** As indicated above, The Registrant also offers non-discretionary retirement plan consulting services, on a *fee* basis, to participant directed retirement plans. Generally, the Registrant's plan advisory fees shall be based on a percentage of plan assets, payable on a quarterly basis, in arrears, similar to the above *Supervisory Services* schedule, but could also be provided on a mutually agreeable fixed fee or on an hourly rate basis. The factors that may determine the fees will include, but are not limited to, the amount of the assets placed under the Registrant's advisement, the level and scope of the overall investment advisory services to be rendered, and the complexity of the engagement. The services to be provided by the Registrant to any plan client could be available from other advisers at a higher or lower fee. The terms and conditions of the engagement shall generally be set forth in a *Retirement Plan Services Agreement* to be executed by both the Registrant and the client.
- B. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that Charles Schwab & Co., Inc. ("*Schwab*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge 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 and fixed income 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 and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

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

Neither the Registrant, nor any employee of the Registrant, accepts performance-based fees.

Item 7 Types of Clients

The Registrant's clients shall generally include individuals, business entities, and retirement plans. 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, competition, and negotiations with the client. **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. 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. **Please Also Note:** If you maintain less than \$500,000 of assets under Fountainhead Financial, LLC's management, and are subject to the \$1,250 per quarter minimum fee, you will pay a higher percentage Annual Fee than the 1.00% referenced in the above fee schedule. **ANY QUESTIONS:** The Registrant's Chief Compliance Officer, Dominick Vetrano, 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:

- **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)

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)
- **Trading** (securities sold within thirty (30) days)
- **Options** (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

Please Note: 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 the Registrant) will be profitable or equal any specific performance level(s).

- 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, Short Term Purchases, and Trading-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. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, the Registrant has (but rarely will) engage in options transactions. Prior to do doing, the Registrant shall disclose, in writing, the risks corresponding to such strategy(ies).

- C. Currently, the Registrant allocates client investment assets on a non-discretionary basis primarily among unaffiliated mutual funds and exchange traded funds, and individual equity and fixed income securities consistent with the client's designated investment objective(s).

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.

Licensed Insurance Agent. As indicated above at Item 4, the Registrant's Managing Member, Dominick J. Vetrano, in his separate individual capacity, is a licensed insurance agent, and in such capacity may offer insurance products on a commission basis. **Conflict of Interest:** The recommendation by Registrant's representatives that a client purchase an insurance product from Mr. Vetrano in his separate individual capacity as a licensed insurance agent presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment 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 Mr. Vetrano. Clients are reminded that they may purchase securities and insurance products recommended by Registrant through other, non-affiliated broker-dealers.

- C. 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 Access Person of the Registrant

must provide the Chief Compliance Officer or his/her designee with a written report of the 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*. 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 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. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/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 broker-dealer 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 price 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. Non-Soft Research and Support Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant receives from *Schwab*, (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.

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, Dominick Vetrano, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the conflict of interest presented by such arrangements.

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. **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, Dominick Vetrano, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. Registrant may (but is not obligated to) combine or "batch" client orders to obtain "best execution," to negotiate more favorable commission rates or to allocate equitably among 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 Registrant's 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 Principal 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 receives an economic benefit from *Schwab* (and/or others). The Registrant, without cost (and/or at a discount), receives support services and/or products from *Schwab*. 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, Dominick Vetrano, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the conflict of interest presented by such arrangements**
- B. The Registrant does not maintain solicitor arrangements. The Registrant does not compensate third parties for client introductions.

Item 15 Custody

The 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 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.

Custody Situations: As the result of client password possession, the Registrant indicates that it does not have custody of the corresponding assets at Item 9 of Part 1 of its Form ADV, and is not required to undergo an annual surprise CPA examination pertaining to those assets. In addition, certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from the 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. **ANY QUESTIONS: Fountainhead's Chief Compliance Officer, Dominick Vetrano, 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 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.

Clients who engage the Registrant on a discretionary basis may, at anytime, 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 require clients pay fees more than six months 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, Dominick Vetrano, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.