

**Item 1: Cover Page**  
**Part 2A of Form ADV: Firm Brochure**  
**March 2023**



PO Box 347  
Basking Ridge, New Jersey 07920

[www.lwswealthadvisors.com](http://www.lwswealthadvisors.com)

Lance Lipset  
Chief Compliance Officer  
908.630.9237

This brochure provides information about the qualifications and business practices of LWS Wealth Advisors, Inc. If clients have any questions about the contents of this brochure, please contact us at (908) 630-9237 or [llipset@lws-wealth.com](mailto:llipset@lws-wealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about our firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #162265.

Please note that the use of the term "registered investment adviser" and description of our firm and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise clients for more information on the qualifications of our firm and our employees.

## **Item 2: Material Changes**

LWS Wealth Advisors, Inc. is required to make clients aware of information that has changed since the last annual update to the Firm Brochure ("Brochure") and that may be important to them. Clients can then determine whether to review the brochure in its entirety or to contact us with questions about the changes.

Since the last annual amendment filing, we have no material changes to report.

### Item 3: Table of Contents

<b>Item 1: Cover Page .....</b>	<b>1</b>
<b>Item 2: Material Changes .....</b>	<b>2</b>
<b>Item 3: Table of Contents .....</b>	<b>3</b>
<b>Item 4: Advisory Business .....</b>	<b>4</b>
<b>Item 5: Fees &amp; Compensation .....</b>	<b>6</b>
<b>Item 6: Performance-Based Fees &amp; Side-By-Side Management .....</b>	<b>7</b>
<b>Item 7: Types of Clients &amp; Account Requirements .....</b>	<b>7</b>
<b>Item 8: Methods of Analysis, Investment Strategies &amp; Risk of Loss .....</b>	<b>7</b>
<b>Item 9: Disciplinary Information .....</b>	<b>9</b>
<b>Item 10: Other Financial Industry Activities &amp; Affiliations .....</b>	<b>9</b>
<b>Item 11: Code of Ethics, Participation or Interest in .....</b>	<b>9</b>
<b>Item 12: Brokerage Practices .....</b>	<b>10</b>
<b>Item 13: Review of Accounts or Financial Plans .....</b>	<b>13</b>
<b>Item 14: Client Referrals &amp; Other Compensation .....</b>	<b>14</b>
<b>Item 15: Custody .....</b>	<b>14</b>
<b>Item 16: Investment Discretion .....</b>	<b>15</b>
<b>Item 17: Voting Client Securities .....</b>	<b>15</b>
<b>Item 18: Financial Information .....</b>	<b>15</b>

## Item 4: Advisory Business

Our firm is dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a corporation formed under the laws of the State of New Jersey in 2012 and has been in business as an investment adviser since that time. Our firm is principally owned by Lance Lipset.

The purpose of this Brochure is to disclose the conflicts of interest associated with the investment transactions, compensation and any other matters related to investment decisions made by our firm or its representatives. As a fiduciary, it is our duty to always act in the client's best interest. This is accomplished in part by knowing our client. Our firm has established a service-oriented advisory practice with open lines of communication for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. Working with clients to understand their investment objectives while educating them about our process, facilitates the kind of working relationship we value.

### **Types of Advisory Services Offered**

---

#### **Asset Management:**

Our Asset Management Services are only available on a Wrap Fee basis as described in our Form ADV 2A Appendix 1 Wrap Brochure.

#### **Financial Planning & Consulting:**

Our firm provides a variety of standalone financial planning and consulting services to clients for the management of financial resources based upon an analysis of current situation, goals, and objectives. Financial planning services will typically involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, or Business and Personal Financial Planning.

Written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. Implementation of the recommendations will be at the discretion of the client. Our firm provides clients with a summary of their financial situation, and observations for financial planning engagements. Financial consultations are not typically accompanied by a written summary of observations and recommendations, as the process is less formal than the planning service. Assuming that all the information and documents requested from the client are provided promptly, plans or consultations are typically completed within 6 months of the client signing a contract with our firm.

#### **Retirement Plan Consulting:**

Our firm provides retirement plan consulting services to employer plan sponsors on an ongoing basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing,

monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising may include:

- Establishing an Investment Policy Statement – Our firm will assist in the development of a statement that summarizes the investment goals and objectives along with the broad strategies to be employed to meet the objectives.
- Investment Options – Our firm will work with the Plan Sponsor to evaluate existing investment options and make recommendations for appropriate changes.
- Asset Allocation and Portfolio Construction – Our firm will develop strategic asset allocation models to aid Participants in developing strategies to meet their investment objectives, time horizon, financial situation and tolerance for risk.
- Investment Monitoring – Our firm will monitor the performance of the investments and notify the client in the event of over/underperformance and in times of market volatility.
- Participant Education – Our firm will provide opportunities to educate plan participants about their retirement plan offerings, different investment options, and general guidance on allocation strategies.

In providing services for retirement plan consulting, our firm does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”). All retirement plan consulting services shall be in compliance with the applicable state laws regulating retirement consulting services. This applies to client accounts that are retirement or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the client accounts are part of a Plan, and our firm accepts appointment to provide services to such accounts, our firm acknowledges its fiduciary standard within the meaning of Section 3(21) or 3(38) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

### **Tailoring of Advisory Services**

---

Our firm offers individualized investment advice to our Asset Management clients. General investment advice will be offered to our Retirement Plan Consulting, and Financial Planning & Consulting, clients.

Each Asset Management client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

### **Participation in Wrap Fee Programs**

---

Our firm only manages assets on a wrap fee basis offers, as further described in Part 2A, Appendix 1 (the “Wrap Fee Program Brochure”). All accounts are managed on an individualized basis according to the client’s investment objectives, financial goals, risk tolerance, etc.

## **Regulatory Assets Under Management**

---

As of December 31, 2022, our firm had approximately \$461,381,472 in assets under management, roughly \$445,188,137 of which was managed on a discretionary basis and \$16,193,344 on a non-discretionary basis.

## **Item 5: Fees & Compensation**

### **Compensation for Our Advisory Services**

---

#### **Asset Management:**

Please see our Form ADV Part 2A, Appendix 1 (the “Wrap Fee Program Brochure”) for further details on the fees applicable to our Asset Management services.

#### **Financial Planning & Consulting:**

Our firm charges on an hourly, flat, or ongoing basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. The maximum hourly fee to be charged will not exceed \$350. Flat or ongoing fees will not exceed \$15,000. Our firm may require a retainer of 50% of the ultimate financial planning or consulting fee at the time of signing. The remainder of the fee will be directly billed to the client and due within 30 days of a financial plan being delivered or consultation rendered. The fee-paying arrangements will be determined on a case-by-case basis and will be detailed in the signed consulting agreement. Our firm will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 months.

#### **Retirement Plan Consulting:**

Our Retirement Plan Consulting services are billed based on a percentage of Plan assets under management or a flat annual fee. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. The maximum fees based on a percentage of managed Plan assets will not exceed 1.00% and flat fees will not exceed \$2,000. The fee-paying arrangements will be determined on a case-by-case basis and will be detailed in the signed consulting agreement.

### **Other Types of Fees & Expenses**

---

All of our client accounts are managed on a wrap fee basis, and wrap clients will not incur transaction costs for trades by their chosen custodian. More information about this can be found in our separate Wrap Fee Program Brochure.

### **Termination & Refunds**

---

Either party may terminate the advisory agreement signed with our firm for Asset Management services in writing at any time. Upon notice of termination our firm will process a pro-rata refund of the unearned portion of the advisory fees charged in advance.

Financial Planning & Consulting clients may terminate their agreement at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated at the hourly fee currently in effect. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

Either party to a Retirement Plan Consulting Agreement may terminate at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within 5 business days of signing an agreement. After 5 business days from initial signing, either party must provide the other party 30 days written notice to terminate billing. Billing will terminate 30 days after receipt of termination notice. Clients will be charged on a pro-rata basis, which takes into account work completed by our firm on behalf of the client. Clients will incur charges for bona fide advisory services rendered up to the point of termination (determined as 30 days from receipt of said written notice) and such fees will be due and payable.

### **Commissionable Securities Sales**

---

Our firm and representatives do not sell securities for a commission in advisory accounts.

## **Item 6: Performance-Based Fees & Side-By-Side Management**

Our firm does not charge performance-based fees.

## **Item 7: Types of Clients & Account Requirements**

Our firm has the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, Limited Liability Companies and/or Other Business Types

Our firm does not have any formal requirements for opening and maintaining accounts or otherwise engaging us.

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

### **Methods of Analysis**

---

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

- Cyclical;
- Fundamental;

- Technical.

## **Investment Strategies We Use**

---

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

- Long Term Purchases (Securities Held At Least a Year);
- Short Term Purchases (Securities Sold Within a Year);
- Trading (Securities Sold Within 30 Days);

## **Preferred Securities**

---

We prefer to invest our advisory client's in the following securities in managing client accounts, provided that such securities are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

- ETF's
- Mutual Funds
- Individual Securities
- Municipal Bonds
- Corporate Bonds
- Fee Based Variable Annuities
- Private Funds
- Interval Funds

## **Risk of Loss**

---

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and the account(s) could enjoy a gain, it is also possible that the stock market may decrease and the account(s) could suffer a loss. It is important that clients understand the risks associated with investing in the stock market, and that their assets are appropriately diversified in investments. Clients are encouraged to ask our firm any questions regarding their risk tolerance.

**Private Funds:** A private fund is an investment vehicle that pools capital from a number of investors and invests in securities and other instruments. In almost all cases, a private fund is a private investment vehicle that is typically not registered under federal or state securities laws. So that private funds do not have to register under these laws, issuers make the funds available only to certain sophisticated or accredited investors and cannot be offered or sold to the general public. Private funds are generally smaller than mutual funds because they are often limited to a small number of investors and have a more limited number of eligible investors. Many but not all private funds use leverage as part of their investment strategies. Private funds management fees typically include a base management fee along with a performance component. In many cases, the fund's managers may become "partners" with their clients by making personal investments of their own assets in the fund. Most private funds offer their securities by providing an offering memorandum or private placement memorandum, known as "PPM" for short.

The PPM covers important information for investors and investors should review this document carefully and should consider conducting additional due diligence before investing in the private



fund. The primary risks of private funds include the following: (a) Private funds do not sell publicly and are therefore illiquid. An investor may not be able to exit a private fund or sell its interests in the fund before the fund closes.; and (b) Private funds are subject to various other risks, including risks associated with the types of securities that the private fund invests in or the type of business issuing the private placement.

**Interval Funds:** Interval funds can expose investors to liquidity risk, and that risk is greater in funds that invest in securities of companies with smaller market capitalizations, derivatives or securities with substantial market and/or credit risk. Even though interval funds make periodic offers to repurchase a portion of outstanding shares, investors should consider interval fund shares to be an illiquid investment. There is no guarantee that investors will be able to sell interval fund shares at any given time or in the quantity that they desire. The price that shareholders will receive on a repurchase will be based on the per share NAV determined as of a specified date. This date will occur sometime after the close of business on the date that shareholders must submit their acceptances of the repurchase offer so investor may not know the exact price they will receive for their redemption when effecting the transaction. Additionally, this price may be subject to a redemption fee that further erodes the value of the position upon redemption.

#### **Description of Material, Significant or Unusual Risks**

---

Our firm generally invests client cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, our firm tries to achieve the highest return on client cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to our Asset Management services, as applicable.

### **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

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

Our firm has no other financial industry activities and affiliations to disclose.

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

As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is the underlying principle for our firm's Code of Ethics, which includes procedures for personal securities transaction and insider trading. Our firm requires all representatives to conduct business with the

highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Our firm recognizes that the personal investment transactions of our representatives demands the application of a Code of Ethics with high standards and requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, our firm also believes that if investment goals are similar for clients and for our representatives, it is logical, and even desirable, that there be common ownership of some securities.

In order to prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, our firm has pre-clearance requirements and a quarterly securities transaction reporting system for all of our representatives.

Neither our firm nor a related person recommends, buys or sells for client accounts, securities in which our firm or a related person has a material financial interest without prior disclosure to the client.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Likewise, related persons of our firm buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day unless included in a block trade.

## **Item 12: Brokerage Practices**

### **Recommendation of Financial Institutions**

---

LWS will generally recommend that investment management clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("*Fidelity*"). LWS may only implement its investment management recommendations after the client has arranged for and furnished LWS with all information and authorization regarding accounts held at their respective financial institutions.

---

<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

Factors which LWS considers in recommending *Fidelity* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Fidelity* may enable LWS to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by LWS clients comply with LWS duty to obtain “best execution.” Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where LWS determines that the commissions are reasonable in relation to the value of the brokerage and research services received. 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 *Financial Institution’s* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. LWS seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other *Financial Institutions* with whom LWS and the *Financial Institutions* have entered into agreements for prime brokerage clearing services. LWS periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

---

### **Brokerage for Client Referrals**

LWS does not consider, in recommending broker-dealers, whether the Firm or a related person receives client referrals from a broker-dealer or third party.

---

### **Directed Brokerage**

A client may direct LWS in writing to use a particular *Financial Institution* to execute some or all transactions for the client. As not all investment advisers require their clients to direct brokerage, the Firm does not routinely recommend, request or require a client do so. In direct brokerage situations, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and LWS will not seek better execution services or prices from other *Financial Institutions* or be able to “batch” client transactions for execution through other *Financial Institutions* with orders for other accounts managed by LWS. As a result, the 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. Subject to its duty of best execution, LWS may decline a client’s request to direct brokerage if, in LWS’ sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

---

### **Trade Aggregation**

Transactions for each client generally will be effected independently, unless LWS decides to purchase or sell the same securities for several clients at approximately the same time. LWS may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among LWS’ clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. In this situation, transactions will generally be averaged as to price and allocated among LWS’ clients *pro rata* to the purchase and sale orders placed for each client on any given day.

To the extent that LWS determines to aggregate client orders for the purchase or sale of securities, including securities in which LWS' *Supervised Persons* may invest, LWS generally does so in accordance with applicable rules and regulations. LWS does not receive any additional compensation or remuneration as a result of the aggregation. In the event that LWS determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include:

- When only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates;
- Allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts;
- If an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed);
- With respect to sale allocations, allocations may be given to accounts low in cash;
- In cases when a *pro rata* allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, LWS may exclude the account(s) from the allocation and the transactions may be executed on a *pro rata* basis among the remaining accounts; or
- In cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist LWS in its investment decision-making process. Such research generally will be used to service all of LWS' clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because LWS does not have to produce or pay for the products or services.

### **Software and Support Provided by Financial Institutions**

---

LWS may receive from *Fidelity*, without cost to LWS computer software and related systems support, which allow LWS to better monitor client accounts maintained at *Fidelity*. LWS may receive the software and related support without cost because LWS renders investment management services to clients that maintain assets at *Fidelity*. While these do result in a benefit for the Firm, it does not consider these to be soft dollar benefits (e.g., a benefit tied to client securities transactions). The software and related systems support, which the Firm does not consider to be "soft dollar benefits" may benefit LWS, but not its clients directly. In fulfilling its duties to its clients, LWS endeavors at all

times to put the interests of its clients first. Clients should be aware, however, that LWS' receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence LWS' choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

LWS may also receive the following benefits from *Fidelity* through the Fidelity Institutional Wealth Services Group:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its Institutional Wealth Services Group participants;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

### **Item 13: Review of Accounts or Financial Plans**

Our management personnel or financial advisors review accounts on at least an annual basis for our Asset Management clients. The nature of these reviews is to learn whether client accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Our firm does not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis.

Our firm may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

Stand-alone Financial Planning clients (i.e. those without assets under our management) do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. Our firm does not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately engage our firm for a post-financial plan meeting or update to their initial written financial plan.

Retirement Plan Consulting clients receive regular reviews of their retirement plans for the duration of the service. Our firm also provides ongoing services where clients are met with upon their request to discuss updates to their plans, changes in their circumstances, etc.

## Item 14: Client Referrals & Other Compensation

### Fidelity

---

Except for the arrangements outlined in Item 12 of Form ADV Part 2A, our firm has no additional arrangements to disclose.

### Referral Fees

---

Our firm does not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940.

## Item 15: Custody

Our firm does not have custody of client funds or securities, except for the limited instance of Third Party Money Movement described below. All of our clients receive account statements directly from their qualified custodians at least quarterly upon opening of an account. If our firm decides to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

### Third Party Money Movement:

On February 21, 2017, the SEC issued a no-action letter ("Letter") with respect to Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguarding procedures in conjunction with our custodian, Fidelity:

- Fidelity's forms, used to establish a standing letter of authorization, include the name and account number on the receiving account and must be signed by the client.
- Fidelity's SLOA forms currently require client's signature.
- Fidelity performs verification on all SLOA forms and sends a transfer of notice to the client promptly following the transaction.
- Clients always have the ability to terminate (or amend) an SLOA in writing.
- Our firm has no authority, or ability, to amend the third party designated on a standing instruction.
- Our firm maintains records showing the third party is not a related party of our firm or located at our firm.
- Fidelity notifies the client in writing when a new standing instruction is set up. Clients also receive an annual mailing reconfirming the existence of the standing instruction.

## **Item 16: Investment Discretion**

Clients have the option of providing our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, our firm is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold. Should clients grant our firm non-discretionary authority, our firm would be required to obtain the client's permission prior to effecting securities transactions. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm's written acknowledgement.

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

Our firm does not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, our firm will forward them to the appropriate client and ask the party who sent them to mail them directly to the client in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

## **Item 18: Financial Information**

### **Inclusion of a Balance Sheet**

Our firm does not require nor is prepayment solicited for more than \$1,200 in fees per client, 6 months or more in advance. Therefore, our firm has not included a balance sheet for our most recent fiscal year.

### **Disclosure of Financial Condition**

Our firm does not have a financial condition that could impair our ability to meet contractual commitments.

### **Bankruptcy Petition**

Our firm has never been the subject of a bankruptcy proceeding.