

# **PROVIDER FINANCIAL, INC.**

## **FIRM BROCHURE**

**JANUARY 23, 2023**

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This brochure provides information about the qualifications and business practices of Provider Financial, Inc. If you have any questions about the contents of this brochure, please contact Robert Malmquist at (317) 706-0890. 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.

Provider Financial, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The written communications of an Adviser provide you with information about which you can use to determine to hire or retain an Adviser.

Additional information about Provider Financial, Inc. is available on the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for the Advisor is 168964.

## **2. MATERIAL CHANGES**

There is one material change to report since the most recent annual update on February 9, 2022. There have been changes to the fee table. Please see Item 5 for the current fees. There are no other material changes to report.

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#### **4. ADVISORY BUSINESS**

##### **A. OWNERSHIP/ADVISOR HISTORY**

Provider Financial, Inc. (“We”) was formed in October 2007 as an Indiana corporation. It was subsequently registered as an Indiana investment adviser in 2013 and became SEC registered in 2018. We are owned by Robert L. Malmquist. Mr. Malmquist is the president and additional information about Mr. Malmquist can be found in his supplemental brochure.

##### **B. ADVISORY SERVICES OFFERED**

Before we enter into an Adviser-Client relationship, we may offer a complimentary general consultation to discuss services available, give a prospective client time to review services desired, and determine whether a relationship might benefit the client. Investment advisory services begin only after we and the client formalize the relationship with a properly executed agreement. We offer the following services to our clients:

###### **i. FINANCIAL PLANNING SERVICES**

We create a written financial plan that typically focuses on one or more specific areas such as financial and cash management, risk management, financial issues relating to divorce or death of a family member, tax issues, retirement planning, educational funding, goal setting, or other needs identified by the client or by our review of the client’s financial circumstances. Through discussion with the client and/or questionnaires, we will collect pertinent data, identify goals, objectives, financial concerns and potential solutions. We will present the client with a written analysis. Following the conclusion of the consulting services, we may make recommendations regarding implementation of the financial strategies discussed.

###### **ii. PORTFOLIO MANAGEMENT SERVICES**

We manage individualized portfolios for our clients on a discretionary basis through our wrap fee program. We work with each client to formulate an individualized portfolio based upon his/her objectives, time frame, risk parameters and other investment considerations. We use marketable securities that can include mutual funds, exchange traded funds, stock and money markets instruments. Our investment philosophy is to use principles of value, safety and quality to seek investment options globally. Clients will be given a copy of our Appendix 1, which contains a description of the service, the fee and any conflicts of interest associated.

##### **C. TAILORED SERVICES**

We tailor all of our services to the client’s stated goals, needs and objectives. For our portfolio management service clients, we allow them to impose restrictions on investment in certain securities or types of securities. All restrictions must be presented to us in writing.

##### **D. WRAP PROGRAM**

We are a portfolio manager to, the Provider Financial Inc. Wrap Program. Please see Appendix 1 for details.

## **E. CLIENTS ASSETS MANAGED**

As of January 9, 2023, we manage approximately \$211,119,000 in discretionary assets and \$0 in nondiscretionary assets.

## **5. FEES AND COMPENSATION**

### **A. FINANCIAL PLANNING**

Our financial planning services are provided on an hourly fee basis. The hourly fee for a financial plan is \$350. The hourly fee rate is negotiable. Both the hourly rate and an estimate of the total project fee (estimated hours multiplied by the agreed to hourly rate) are shown on the executed Financial Planning Agreement. One half of the estimated Financial Planning fee is due before any work on the plan (or research project) begins, with the other half due upon presentation of both the final plan (or research project) and an invoice showing hours expended on the plan or project.

### **B. PORTFOLIO MANAGEMENT SERVICES**

As disclosed above, our portfolio management services are only offered through our wrap-fee program. The following description can also be found in Appendix 1 to this firm brochure. Fees for portfolio management services will be based on a percentage of the assets under management. The fee will be calculated, accrued and due quarterly in advance. The annual fee schedule is:

| <b>Custodian Reported<br/>Value of Account</b> | <b>Management<br/>Fee</b> |
|------------------------------------------------|---------------------------|
| \$100,000 to \$250,000                         | 2.05%                     |
| \$250,001 to \$500,000                         | 1.75%                     |
| \$500,001 to \$750,000                         | 1.60%                     |
| \$750,001 to \$1,250,000                       | 1.40%                     |
| \$1,250,001 to \$1,750,000                     | 1.30%                     |
| \$1,750,001 to \$3,000,000                     | 1.15%                     |
| \$3,000,001 to \$5,000,000                     | 1.00%                     |
| Over \$5,000,000                               | Negotiable                |

The fee is negotiable based upon the size of the client's account(s). The pro-rated first quarter's management fee will be calculated on the Account's initial value as reported by its custodian. Thereafter, the periodic fee will be based upon the previous quarter-end Account as reported by the client's custodian.

In a wrap account, clients pay a single annual advisory fee for advisory services and execution of transactions. Clients do not pay brokerage commissions, markups or transaction charges for execution of transactions in addition to the advisory fee. However, please see the following disclosures regarding the conflicts of interest associated with a wrap-fee program.

#### Conflict of Interest Disclosure

Although clients do not pay a transaction charge for transactions in a SWM II account, clients must be aware that we pay LPL transaction charges for those transactions. The transaction charges paid by us vary based on the type of transaction (e.g., mutual fund, equity or ETF) and for mutual funds based on whether or not the mutual fund pays 12b-1 fees and/or recordkeeping fees to

LPL. Transaction charges paid by us for equities and ETFs are \$9. For mutual funds, the transaction charges range from \$0 to \$26.50 depending on whether they pay a recordkeeping and/or revenue sharing fee to LPL (Full Participating Fund versus Non-Participating Fund). Because we pay the transaction charges in SWM II accounts, there is a conflict of interest in cases where the mutual fund is offered at both \$0 and \$26.50. Clients must understand that the cost to us of transaction charges can be a factor that our considers when deciding which securities to select and how frequently to place transactions in a SWM II account. We attempt to mitigate this conflict of interest by placing the clients' interest ahead of our own through our fiduciary duty and by implementing policies and procedures designed to address the conflict.

#### Other Types of Fees and Charges

Program accounts will incur additional fees and charges from parties other than us as noted below. These fees and charges are in addition to the advisory fee paid to us. We do not share in any portion of these third-party fees.

LPL, as the custodian and broker-dealer providing brokerage and execution services on program accounts, will impose certain fees and charges. LPL notifies clients of these charges at account opening and makes available a list of these fees and charges on its website at [www.lpl.com](http://www.lpl.com). LPL will deduct these fees and charges directly from the client's program account.

There are other fees and charges that are imposed by other third parties that apply to investments in program accounts. Some of these fees and charges are described below.

- If a client's assets are invested in mutual funds or other pooled investment products, clients must be aware that there will be two layers of advisory fees and expenses for those assets. Client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. Client will also pay us the advisory fee with respect to those assets. Most of the mutual funds available in the program can be purchased directly. Therefore, clients could generally avoid the second layer of fees by not using our management services and by making their own investment decisions.
- Certain mutual funds impose fees and charges such as contingent deferred sales charges, early redemption fees and charges for frequent trading. These charges can apply if client transfers into or purchases such a fund with the applicable charges in a program account.
- Although only no-load and load-waived mutual funds can be purchased in a program account, client must understand that some mutual funds pay asset-based sales charges or service fees (e.g., 12b-1 fees) to the custodian with respect to account holdings.
- If client holds a variable annuity as part of an account, there are mortality, expense and administrative charges, fees for additional riders on the contract and charges for excessive transfers within a calendar year imposed by the variable annuity sponsor.

Further information regarding fees assessed by a mutual fund, or variable annuity is available in the appropriate prospectus, which is available upon request from us or from the product sponsor directly.

#### Other Important Considerations

- The advisory fee is an ongoing wrap fee for investment advisory services, the execution of transactions and other administrative and custodial services. The advisory fee will cost the

client more than purchasing the program services separately, for example, paying an advisory fee plus commissions for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the type and size of the account, historical and or expected size or number of trades for the account, and number and range of supplementary advisory and client-related services provided to the client.

- The advisory fee will cost the client more than if assets were held in a traditional brokerage account. In a brokerage account, a client is charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If the client plans to follow a buy and hold strategy for the account or does not wish to purchase ongoing investment advice or management services, the client should consider opening a brokerage account rather than a program account.
- When we recommend the program to the client, we receive compensation as a result of the client's participation in the program. This compensation includes the advisory fee and will also include other compensation, such as bonuses, awards or other things of value offered by LPL to us or our associated persons. The amount of this compensation will be more or less than what we would receive if the client participated in other LPL programs, programs of other investment advisors or paid separately for investment advice, brokerage and other client services. Therefore, we will have a financial incentive to recommend a program account over other programs and services.
- The investment products available to be purchased in the program can be purchased by clients outside of a program account, through broker-dealers or other investment firms not affiliated with us.

#### Termination of Portfolio Management Services

A client may terminate the Investment Management Agreement for any reason at any time and, within the first five (5) business days after signing the contract, without any cost or penalty. Thereafter, the contract may be terminated at any time by giving ten (10) days written notice. To cancel the Agreement, the client must notify firm in writing at to Provider Financial, Inc., 3091 East 98<sup>th</sup> St., Suite 200, Indianapolis, IN 46280 and return any materials received to that date. Because we charge in advance, any client that terminates their contract within a quarter will receive a prorated refund of fees that is based on the amount of time elapsed during the termination quarter. For example, if a client cancels on 45 days in to a 90-day quarter, the client will receive a refund of 50% of the fees. (45 days divided by 90 days equal 50 percent.) Please note the prorated refund may be adjusted for additional deposits and withdrawals to the advisory account within the termination quarter.

#### **C. OTHER SECURITIES COMPENSATION**

Our owner, Robert L. Malmquist, is also licensed as a registered representative of LPL Financial Corporation ("LPL"), a full-service broker/dealer and member FINRA/SIPC. As a registered representative, Mr. Malmquist can affect securities transactions and he receives separate compensation for effecting any securities transactions. Mr. Malmquist spends the majority of his time involved these activities.

This presents a conflict of interest when the client elects to implement Mr. Malmquist's recommendations and selects him to execute those transactions. In this case, Mr. Malmquist

receives both fees as advisor representative and commissions as registered representative or insurance agents. As a registered representative, he receives compensation from the sale of mutual funds, 12(b)-1 distribution fees, variable annuity sales commissions or trail commissions. The 12(b)-1 distribution fees, sales charges and other fee arrangements will be disclosed upon the client's request and are typically described in the applicable fund and/or annuity prospectus. Any fees or other compensation received by Mr. Malmquist in his separate capacity as registered representative will be received to the extent permitted by applicable law.

Because of these compensation arrangements, a conflict of interest exists in connection with Mr. Malmquist recommending particular investments for a client's account. Clients have sole discretion whether to implement any or all of Mr. Malmquist's recommendations. In addition, clients are free to select any broker/dealer they wish to implement recommendations.

#### **D. TERMINATION OF SERVICES**

A client may terminate their agreement with us for any reason within the first five (5) business days after signing the agreement and receive 100% refund of any prepaid fees without any cost or penalty. Thereafter, the contract may be terminated at any time by giving ten (10) days written notice to us at Provider Financial, Inc., 3091 East 98<sup>th</sup> St., Suite 200, Indianapolis, IN 46280. Upon written notice of termination, the client will receive a prorated refund of any prepaid fees based upon a percentage of work completed and the client agrees to pay us for any expended time which exceeds the prepaid amount. For example, if a client cancels on 45 days in to a 90-day quarter, the client will receive a refund of 50% of the fees. (45 days divided by 90 days equal 50 percent.) Please note the prorated refund may be adjusted for additional deposits and withdrawals to the advisory account within the termination quarter.

#### **6. PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT**

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

#### **7. TYPES OF CLIENTS**

Our services are offered to individuals and high net worth individuals. We do not require a minimum account size prior to becoming a client.

#### **8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

##### **A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

When we manage a client's portfolio, we use the following types of analysis:

Fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's *actual* business and its future prospects. The analysis is performed on historical and present data. On a broader scope, one can perform fundamental analysis on industries or the economy as a whole. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements. The risk associated with fundamental analysis is that despite that appearance that a security is undervalued, it may not rise in value as predicted.



Technical Analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. The risk associated with technical analysis is that there is no broad consensus among technical traders on the best method of identifying future price movements.

Tactical Asset Allocation is an active management portfolio strategy that rebalances the percentage of assets held in various categories in order to take advantage of market pricing anomalies or strong market sectors. This strategy is designed to allow portfolio managers to create extra value by taking advantage of certain situations in the marketplace. It is as a moderately active strategy because portfolio managers return to the portfolio's original strategic asset mix when desired short-term profits are achieved.

Our analysis of securities and advice relating thereto may be based upon information obtained from financial newspapers and magazines, research materials prepared by others, corporate ratings services, and annual reports, prospectuses and filings made with the Securities and Exchange Commission. We also utilize computer models for performance analysis, asset allocation and risk management.

## **B. RECOMMENDED SECURITIES AND INVESTMENT RISKS**

We may use several types of securities in our clients' accounts. These securities may include, but are not limited to, the following: Exchange Traded Funds; Mutual Funds; Stocks; and Money Market Funds and Cash.

All investments bear different types and degrees of risk and **investing in securities involves risk of loss that clients should be prepared to bear.** While we use investment strategies that are designed to provide appropriate investment diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. A client needs to ask questions about risks he/she does not understand we would be pleased to discuss them.

We strive to render our best judgment on behalf of our clients. Still, we cannot assure or guarantee clients that investments will be profitable or assure that no losses will occur in an investment portfolio. Past performance is an important consideration with respect to any investment or investment adviser but is not a reliable predictor of future performance. We continuously strive to provide outstanding long-term investment performance, but many economic and market variables beyond our control can affect the performance of an investment portfolio.

An investment could lose money over short or even long periods. A client should expect his/her account value and returns to fluctuate within a wide range, like the fluctuations of the overall stock and bond markets. A client's account performance could be hurt by:

- **Stock market risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.

- **Interest rate risk:** The chance that bond prices overall will decline because of rising interest rates.
- **Manager risk:** The chance that the proportions allocated to the various securities will cause the client's account to underperform relevant to benchmarks or other accounts with a similar investment objective.
- **International investing risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value because of adverse political, social or economic developments overseas or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, foreign investments are subject to settlement practices, as well as regulatory and financial reporting standards, that differ from those of the U.S.
- **Liquidity risk:** One common risk associated with private placements and REITs is a relative lack of liquidity due to the highly customized nature of the investment. Moreover, the full extent of returns is often not realized until maturity. Because of this, these products tend to be more of a buy-and-hold investment decision rather than a means of getting in and out of a position with speed and efficiency.
- **Credit risk:** This is the risk that an issuer of a bond could suffer an adverse change in financial condition that results in a payment default, security downgrade, or inability to meet a financial obligation.
- **Inflation Risk:** This is the risk that inflation will undermine the performance of your investment and/or the future purchasing power of your assets.

## 9. DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events within the past 10-years that would be material to your evaluation of the Adviser or the integrity of its management. We have no information applicable to this Item because we have not been the subject of any administrative, civil, criminal or regulatory proceedings.

## 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### A. BROKER DEALER AFFILIATION

Our owner, Mr. Malmquist, is a registered representative of LPL Financial, LLC. Please see Item 5.C for additional details.

### B. FUTURES/COMMODITIES FIRM AFFILIATION

We are not affiliated with a futures or commodities broker.

### **C. OTHER INDUSTRY AFFILIATIONS**

Mr. Malmquist is a licensed independent insurance agent (Life and Health Licensed). As such, he is able to affect insurance transactions and receives separate compensation for effecting any insurance transactions. With the ability to work as a client's insurance agent and investment adviser representative, this is a conflict of interest because each service pays a separate fee or commission. However, Mr. Malmquist attempts to mitigate any conflicts of interest to the best of his ability by placing the client's interests ahead of his own and through the implementation of policies and procedures that address the conflict. Also, clients are never obligated to purchase recommended insurance products through Mr. Malmquist.

### **D. SELECTION AND MONITORING OF THIRD-PARTY INVESTMENT ADVISERS**

We do not selection and monitor third party investment advisers.

## **11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **A. DESCRIPTION**

Our Code of Ethics establishes ideals for ethical conduct upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Our Code of Ethics covers all supervised persons, and it describes its high standard of business conduct, and fiduciary duty to our clients. The Code of Ethics Includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All of our supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

### **B. MATERIAL INTEREST IN SECURITIES**

We do not have a material financial interest in any securities.

### **C. INVESTING IN OR RECOMMENDING THE SAME SECURITIES**

On occasion, our owner and investment adviser representatives may buy or sell for their own accounts securities that are the same as, similar to, or different than those that they recommend to their clients for purchase or sale. Differences will arise due to variations in personal goals, investment horizons, risk tolerance, and the timing of purchases and sales. We attempt to mitigate the conflict of interest to the best of our ability through the enactment of our code of ethics, trading policies, and its fiduciary responsibilities. Nonetheless, we generally attempt to place client transactions ahead of proprietary trades. Our associates are aware of their fiduciary duty to our clients and the prohibitions against the use of any insider information. Records of all associates' proprietary trading activities will be kept, available to regulators to review on the premises.

## **12. BROKERAGE PRACTICES**

### **A. RECOMMENDATION CRITERIA**

For client accounts that we manage, we will seek broker-dealers and custodians who offer competitive commission costs together with reliable services. A client's choice of another broker-dealer is acceptable if proven feasible. We recognize our fiduciary responsibility in negotiating brokerage commissions, assuring best execution practices and assuring adequate investment availability/inventory on behalf of our clients. However, we do not retain discretionary authority to select the broker-dealer used for transaction, or to set commission rates. We do not receive compensation with respect to execution of these trades. In some instances, a client may incur a ticket charge for the sale or purchase of securities. We will ensure all broker-dealers and custodians are properly registered in the state of where the client resides prior to making the recommendation.

#### **i. RESEARCH AND SOFT DOLLARS**

"Soft dollars" are defined as a form of payment investment firms can use to pay for goods and services such as news subscriptions or research. When an investment firm gives its business to a particular brokerage firm, the brokerage firm in return can agree to use some of its revenue to pay for these types of services. In order to stem the potential conflicts of interest that may arise from "soft dollar" arrangements, we pursue a policy of not entering into any such arrangements, either orally or in writing.

However, we receive support services and/or products from LPL Financial, many of which assist us to better monitor and services program accounts maintained at LPL Financial; however, some of the services and products benefit us and not the client accounts. These support services and/or products can be received without cost, at a discount, and/or at a negotiated rate, and can include but not limited to the following:

- investment-related research
- pricing information and market data
- software and other technology that provides access to client account data
- compliance and/or practice management-related publications
- consulting services
- attendance at conferences, meetings and other education and/or social events
- marketing support
- computer hardware and/or software
- other products and services used by us in furtherance of our investment advisory business operations

LPL Financial can provide these services and products directly or can arrange for third-party vendors to provide the services or products to us. In the case of third-party vendors, LPL Financial can pay for some or all of the third-party's fees.

These support services are provided to us based on the overall relationship between our firm and LPL Financial. It is not the result of soft dollar arrangements or any other express arrangements with LPL Financial that involves the execution of client transactions as a condition to the receipt of these services. We will continue to receive these services regardless of the volume of client transactions executed with LPL Financial. Clients do not pay more for services as a result of the arrangement. However, because we receive these benefits from LPL Financial, there is a potential conflict of interest. The receipt of these products and services presents a financial incentive for us to recommend that our clients use LPL Financials' custodial platform rather than another custodian's platform.

## **ii. BROKERAGE FOR CLIENT REFERRALS**

We do not receive client referrals or any other Incentive from any custodian or any third party.

## **iii. DIRECTED BROKERAGE**

We do not allow client to direct us to a specific broker-dealer to execute securities transactions for their accounts. However, we do not retain discretionary authority to select the broker-dealer used for transaction, or to set commission rates.

## **B. TRADE AGGREGATION**

We will aggregate orders with respect to the same security purchased for different clients. When orders are aggregated, each participating account receives the average share price for the transaction and bears a proportionate share of all transaction costs, based upon each account's participation in the transaction, subject to our discretion depending on factual or market conditions. Clients participating in block trading can include proprietary or related accounts. Such accounts are treated as client accounts and are neither given preferential nor inferior treatment versus other client accounts. Allocations of orders among client accounts must be made in a fair and equitable manner.

# **13. REVIEW OF ACCOUNTS**

## **A. PERIODIC REVIEWS**

Our owner, Robert Malmquist, reviews the positions on a continuous basis. Mr. Malmquist will also meet (either in person or by telephone) with a client on a quarterly, semi-annual or annual basis as requested by the client.

## **B. OTHER REVIEWS**

Additional reviews are conducted periodically depending on market conditions, economic or political events, or by changes in a client's financial situation (such as retirement, termination of employment, physical move or inheritance).

## **C. REPORTS**

The client will receive at least a quarterly statement(s) and yearly performance report(s) from the account's custodian. We urge you to carefully review such statements.

## **14. CLIENT REFERRALS AND OTHER COMPENSATION**

### **A. OTHER COMPENSATION**

We do not receive extra compensation or any other economic benefit for providing investment advice or other advisory services to clients.

### **B. CLIENT REFERRALS**

We do not pay for client referrals or use solicitors.

## **15. CUSTODY**

All client funds, securities and accounts are held at third-party custodians. We do not take possession of a client's securities.

## **16. INVESTMENT DISCRETION**

We offer discretionary portfolio management services. All discretionary Portfolio Management clients sign an investment management agreement that contains a limited power of attorney granting us discretionary power over the account. In discretionary accounts, we will be allowed to place trades, buy or sell securities of any type and in amounts it deems to be appropriate for the account, without first obtaining the client's consent to each trade. Directions will be given to the account custodian to complete the transaction.

## **17. VOTING CLIENT SECURITIES**

We will not be responsible for responding to proxies that are solicited with respect to securities held in clients' accounts under our Portfolio Management Services. Proxy solicitation materials will be forwarded to clients directly from the custodian for response and voting. In the event a client has a question about a proxy solicitation, the client should contact his/her investment adviser representative.

## **18. FINANCIAL INFORMATION**

### **A. BALANCE SHEET**

We do not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to provide a balance sheet.

### **B. FINANCIAL CONDITION**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs its ability to service our clients.

### **C. BANKRUPTCY**

We have not been the subject of a bankruptcy proceeding.