

# **Hendershott Wealth Management, LLC**

**2025 Gateway Place, Suite 405  
San Jose, CA 95110**

**Telephone: 408-769-3005**

**Website: [www.hendershottwealth.com](http://www.hendershottwealth.com)**

March 2nd, 2023

## **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of Hendershott Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at 408-769-3005. 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 Hendershott Wealth Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Hendershott Wealth Management, LLC is 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**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

### **Item 5: Fees and Compensation**

The fee for Financial Coaching Services can range between \$5,000 and \$20,000.

## Item 3 Table of Contents

Item 2 Material Changes .....	2
Item 4 Advisory Business.....	4
Item 5 Fees and Compensation .....	5
Item 6 Performance-Based Fees and Side-By-Side Management.....	7
Item 7 Types of Clients .....	7
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss .....	8
Item 9 Disciplinary Information .....	9
Item 10 Other Financial Industry Activities and Affiliations.....	9
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	9
Item 12 Brokerage Practices .....	10
Item 13 Review of Accounts.....	11
Item 14 Client Referrals and Other Compensation .....	11
Item 15 Custody.....	11
Item 16 Investment Discretion.....	11
Item 17 Voting Client Securities .....	11
Item 18 Financial Information.....	12
Item 19 Requirements for State-Registered Advisers.....	12
Item 20 Additional Information.....	13

## Item 4 Advisory Business

### Description of Services and Fees

Hendershott Wealth Management, LLC is an investment adviser based in San Jose, California and registered with the U.S. Securities and Exchange Commission. We are organized as a limited liability company under the laws of the State of California. We have been providing investment advisory services since 2014. Hilary M. Hendershott is our principal owner, and she has 14 years of experience in the financial services industry. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- Portfolio Management Services
- Selection of Other Advisers
- Financial Planning Services

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to Hendershott Wealth Management, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. The use of these terms is not intended to imply that there is more than one individual associated with this firm.

### Portfolio Management Services and Ignite Investing

We offer non-discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you according to your risk tolerance and investing objectives. We may also invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

Our **Ignite Investing** service offers a way for clients with as little as \$25,000 to invest with us. This service is only available to select clients who meet specific criteria and for whom our Ignite portfolio is best suited.

### Selection of Other Advisers

As part of our portfolio management services, we may recommend that you use the services of a third-party asset management providers (TPAMPs) to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific TPAMP or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPAMP's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the TPAMP(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

All TPAMPs to whom we might refer you to must be either a state licensed investment adviser or a registered investment adviser with the Securities and Exchange Commission.

## Financial Planning Services

We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad, comprehensive, financial planning to consultative or single subject planning. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. Once we review and analyze the information you provide to our firm we will move forward with providing the services for which you engaged our firm, which may include the delivery of a written plan designed to help you achieve your stated financial goals and objectives.

Financial plans and other related services are based on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change. You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

## Financial Coaching Services

We offer a program designed to educate individuals on best practices for accumulating and growing their personal wealth. The Program consists of group coaching events, calls or one on one meetings with a HWM team member to review Client bank accounts, analyze Client spending and saving patterns, and create a personalized positive cash flow, debt-killing, wealth building plan.

## Types of Investments

We primarily offer advice on mutual funds and exchange traded funds (ETFs). Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

In our sole discretion, we may accept written instructions from you requesting that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing, and we must approve and accept such instructions.

## Assets Under Management

As of December 31<sup>st</sup>, 2022, we provide continuous management services for \$142,524,588 in client assets on a non-discretionary basis.

## Item 5 Fees and Compensation

### Portfolio Management Services

Our fee for portfolio management services is based on a percentage of your assets we manage and is set forth in the following fee schedule:

<u>Assets Under Management*</u>	<u>Annual Fee</u>
<u>Up to \$2,000,000</u>	<u>1.00%</u>
<u>\$2,000,000.01 - \$5,000,000</u>	<u>0.80%</u>
<u>\$5,000,000.01 - \$10,000,000</u>	<u>0.50%</u>
<u>Over \$10,000,000</u>	<u>0.35%</u>

\*Minimum initial investment of \$1,500,000 (may be negotiable in certain situations). In addition, clients with as little as \$25,000 may apply for eligibility to our Ignite Investing service. This program offers our Ignite portfolio to select investors. Application fee for this program is \$199 - \$299. If selected, investment management fees above would apply thereafter.

Our annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

Our portfolio management fee will be deducted directly from your account through the qualified custodian holding your funds and securities. You will be sent a fee statement showing the amount of the fee, the value of the assets on which the fee is based, and the fee rate. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

You may terminate the portfolio management agreement upon written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

We encourage you to reconcile our fee statement with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our fee statement and the statement(s) you receive from the qualified custodian, please call our main office number located on the cover page of this brochure.

### **Selection of Other Advisers**

Advisory fees charged by third-party asset management providers (TPAMPs) are separate and apart from our advisory fees. Advisory fees that you pay to the TPAMP are established and payable in accordance with the disclosure brochure provided by each TPAMP to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPAMP's disclosure brochure and take into consideration the TPAMP's fees along with our fees to determine the total amount of fees associated with this program.

You may be required to sign an agreement directly with the recommended TPAMP(s). You may terminate your advisory relationship with the TPAMP according to the terms of your agreement with the TPAMP. You should review each TPAMP's disclosure brochure for specific information on how you may terminate your advisory relationship with the TPAMP and how you may receive a refund, if applicable.

### **Financial Planning Services**

We charge an hourly fee of \$299 for financial planning services, which is negotiable depending on the scope and complexity of your situation and financial objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee.

### **Family Financial Plan**

We also offer financial planning on a fixed fee basis. The fixed fee will be agreed upon before the start of any work. The fixed fee can range between \$1,000.00 and \$12,000.00. The fee is negotiable in the event of early termination, the client will be billed for the hours worked at a rate of \$299 per hour.

We typically require that you pay 50% of the fee in advance and the remaining portion upon the completion of the services rendered; however, we reserve the right to negotiate other fee payment arrangements with you. At our discretion, we may offset a portion of our financial planning fee (typically, the second installment - 50% - of the financial planning fee) to the extent you implement the financial plan through our Portfolio Management Service. We do not require prepayment of a fee more than six months in advance of service rendered and in excess of \$500.

You may terminate the financial planning agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Financial Coaching Services**

Financial Coaching Services will generally be offered on a fixed fee basis. The fixed fee will be stated in application materials and will range between \$5,000 and \$20,000. The fee may be negotiable in certain circumstances. The Financial Coaching Services fee is due prior to the start of the service; however, we will not bill an amount above \$1,200.00 more than 6 months in advance. Financial Coaching may also be available at rate of \$400-\$800 per hour. If the initial deposit is greater than the amount billed, then the client will be refunded the difference. If the initial deposit is less, then the client will be billed the difference.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You may also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the *Brokerage Practices* section of this brochure.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we require a minimum of \$1,500,000 to open and maintain an investment management advisory

account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum. In addition, clients with as little as \$25,000 to invest may apply for eligibility to our Ignite Investing® service.

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

### Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

**Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. This may include buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses. However, there is a risk that frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

### Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the High Cost accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax



advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the *Advisory Business* section in this brochure, we primarily recommend mutual funds. However, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

**Mutual Funds:** Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

## **Item 9 Disciplinary Information**

Hendershott Wealth Management, LLC nor any of our management persons have any disciplinary information to report under this item.

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

### **Recommendation of Other Advisers**

We may recommend that you use a third-party asset management providers (TPAMPs) based on your needs and suitability. You are not obligated, contractually or otherwise, to use the services of any TPAMP we recommend; however, we may decline to offer you portfolio management services if you do not use a TPAMP that we maintain a relationship with. Before we recommend another Adviser (or TPAMP) to you, we will conduct due diligence to ensure that the Adviser is properly registered and/or notice filed as an Investment Adviser.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of

honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm. Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## **Investment Advice Relating to Retirement Accounts**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

In addition, and as required by this rule, we provide information regarding the services that we provide to you, and any material conflicts of interest, in this brochure and in your client agreement.

## **Item 12 Brokerage Practices**

### **The Custodian and Brokers We Use**

We may maintain relationships with several broker-dealers / custodians. If you retain our firm for portfolio management services, you will be required to establish an account with the brokerage/custodial firm for which the TPAMP and/or our firm maintains a relationship. Such relationships may include benefits provided to our firm, including, but not limited to, market information and administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. This practice may prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

### **Research and Other Soft Dollar Benefits**

In selecting or recommending a broker-dealer, we may consider the value of research and additional brokerage products and services a broker-dealer has provided or might provide to our clients and our firm. Receipt of these additional brokerage products and services, if at all, are *not* considered to have been paid for with "soft dollars."

### **Block Trades**

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Although client transactions will be executed independently, clients will pay the same fixed transaction costs regardless of when client trades are executed as these terms have been negotiated with the acting custodian.

## **Item 13 Review of Accounts**

### Portfolio Management & Selection of Other Advisors

The investment adviser representative assigned to your account will monitor your accounts on an ongoing basis and will conduct internal account reviews at least annually and upon your request to ensure that the advisory services provided to you are consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to: contributions and withdrawals; year-end tax planning; market moving events; security specific events; and/or, changes in your risk/return objectives.

We typically do not provide you with additional or regular written reports in conjunction with account reviews. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

### Financial Planning

We will review your financial plan only at your request or as agreed upon in the financial planning agreement that you sign with our firm. Otherwise, we do not review or monitor your financial plan beyond the terms negotiated in the financial planning agreement.

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

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

## **Item 15 Custody**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent qualified custodian.

You will receive account statements from the independent qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

## **Item 16 Investment Discretion**

Before we can buy or sell securities on your behalf, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis. If you grant the third-party asset management providers (TPAMP) discretionary authority over your account, the TPAMP will have discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You should review the TPAMP's disclosure brochure for more information as to how they will service your account.

## **Item 17 Voting Client Securities**

### **Proxy Voting**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## **Item 18 Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Moreover, we have not filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this disclosure brochure.

## **Privacy Notice**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your

request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

**Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

**Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.