

**Item 1 - Cover Page**

**Oakmont Wealth Advisory, LLC  
d/b/a  
Piedmont Wealth Advisory  
White Oak Wealth Management  
CRD# 299021**

**12030 Sunrise Valley Drive, Suite 325  
Reston, Virginia 20191  
571-313-5125**

**8840 Stanford Boulevard, Suite 4000  
Columbia, Maryland 21045  
443-741-9101**

**March 31, 2023 Brochure**

This brochure ("Brochure") provides information about the qualifications and business practices of Oakmont Wealth Advisory, LLC, d/b/a Piedmont Wealth Advisory and White Oak Wealth Management (the "Adviser"). If you have any questions about the contents of this Brochure, please contact the Adviser at 571-313-5125 or [dbirnie@piedmontwa.com](mailto:dbirnie@piedmontwa.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state authority.

Additional information about the Adviser also is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

**Item 2 - Material Changes**

This Brochure is a document which the Adviser provides to its clients as required by the SEC's rules.

There have been no material changes to this brochure since the filing of its last annual amendment on February 15, 2022.

The Adviser will provide clients with a new Brochure as necessary based on changes, new information, or at a client's request, at any time, without charge.

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## **Item 4 - Advisory Business**

### General Information

The Adviser, a Virginia limited liability company, was formed in September 2018.

### Advisory Clients

The Adviser provides discretionary and non-discretionary portfolio management as well as financial planning services to individuals, including high net worth individuals, trusts, estates and charitable organizations.

At the outset of each client relationship, the Adviser spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and broadly identifying major goals of the client. Based on its reviews, the Adviser generally develops with each client:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile"); and
- the client's investment objectives and guidelines (the "Investment Plan").

The Financial Profile is a reflection of the client's current financial picture and a look to the future goals of the client. The Investment Plan outlines the types of investments the Adviser will make or recommend on behalf of the client based on the Adviser's own research and analysis in order to meet those goals. The elements of the Financial Profile and the Investment Plan are discussed periodically with each client but are not necessarily written documents.

### *Portfolio Management*

As described above, the Adviser will develop an Investment Plan with each portfolio management client. The Investment Plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by the Adviser based on updates to the client's financial or other circumstances.

To implement the client's Investment Plan, the Adviser will manage the client's investment portfolio on a discretionary or a non-discretionary basis pursuant to an investment advisory agreement with the client. As a discretionary investment adviser, the Adviser will have the authority to supervise and direct the portfolio without prior consultation with the client. Clients who choose a non-discretionary arrangement must be contacted prior to the execution of any trade in the account(s) under management. This may result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. This delay also normally means the affected account(s) will not be able to participate in block trades, a practice designed to enhance the execution quality, timing and/or cost for all accounts included in the block. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

Notwithstanding the foregoing, clients may impose certain written restrictions on the Adviser in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the

composition or performance of their investment portfolios would necessarily be consistent with similar clients of the Adviser.

#### *Financial Planning*

The Adviser generally provides financial planning services to those clients in need of such services in conjunction with portfolio management services. The Adviser's financial planning services normally address areas such as general cash flow planning, retirement planning, and insurance analysis. The goal of these services is to assess the financial circumstances of the client in order to more effectively develop the client's Investment Plan. Financial planning services generally are provided to clients in conjunction with the management of their portfolios.

#### *Retirement Plan Consulting Services*

The Adviser may provide retirement plan consulting services to employee benefit plans and their fiduciaries based upon an analysis of the needs of the plans. In general, these services may include existing plan review, design of an investment policy statement, asset allocation advice, investment selection services, communication and education services, investment performance monitoring, and/or ongoing consulting.

#### Principal Owners

Mr. Douglas H. Birnie and William D. Berger are the principal owners of the Adviser.

#### Type and Value of Assets Currently Managed

As of March 1, 2023, the Adviser had \$218,249,208 in discretionary assets under management.

### **Item 5 - Fees and Compensation**

#### General Fee Information

Fees paid to the Adviser are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third party consultants. Please see *Item 12 – Brokerage Practices* for additional information. Fees paid to the Adviser are also separate and distinct from the fees and expenses charged by mutual funds, exchange traded funds ("ETFs") or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, the Adviser and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

#### *Portfolio Management Fees*

Clients may be offered one of two fee arrangements. Certain client accounts are subject to an annual fee schedule for portfolio management, based on a percentage of assets under management, as follows:

<b>Assets</b>	<b>Fee Rate</b>
\$0 - \$1,000,000	1.25%
\$1,000,001 – \$2,000,000	1.00%
\$2,000,001 – \$5,000,000	0.80%
\$5,000,001 – \$10,000,000	0.70%
\$10,000,001 +	0.60%

Other client accounts are charged an annual flat fee, ranging from \$2,500 to \$40,000 annually, which is based on the scope and complexity of the engagement and may include asset management

services, financial planning services, ongoing allocation guidance and other services as agreed in the investment advisory agreement with each client. Factors which are considered in determining the annual fee charged include, but are not limited to, number of accounts in the portfolio, current and ongoing financial planning needs, complexity of current and future asset mix, anticipated travel and reporting needs (above and beyond the wide range of reporting options generally available to clients) and overall asset level (current and anticipated).

The minimum annual fee for client accounts subject to a fee based on a percentage of assets under management is \$4,000. The minimum annual fee for client accounts subject to an annual flat fee is \$2,500. The Adviser may, in its discretion, make exceptions to the foregoing or negotiate special fee arrangements where the Adviser deems it appropriate under the circumstances.

Portfolio management fees are generally payable quarterly, in advance. If management begins after the start of a quarter, fees will be prorated based on the number of days in the applicable quarter in which the account is managed. Fees are normally debited directly from client account(s), unless other arrangements are made.

Either the Adviser or the client may terminate their investment advisory agreement at any time, subject to any written notice requirements in the investment advisory agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the account was managed, and any fees due to the Adviser from the client will be invoiced or deducted from the client's account prior to termination.

#### *Financial Planning Fees*

When the Adviser provides financial planning services to clients, these fees are included in the portfolio management fees charged to the clients.

#### *Retirement Plan Consulting Fees*

In connection with its retirement plan consulting services, the Adviser charges annual asset-based fees in accordance with the annual fees described above. Negotiated fees are generally based on the value of the plan's assets and the complexity of the plan. Fees are normally debited directly from client account(s), unless other arrangements are made.

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

The Adviser does not have any performance-based fee arrangements. "Side-by-Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because the Adviser has no performance-based fee accounts, it has no side-by-side management.

### **Item 7 - Types of Clients**

The Adviser serves individuals, including high net worth individuals, trusts, estates and charitable organizations.

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

### Methods of Analysis

The Adviser reviews each client's Investment Plan and develops a customized investment strategy for each client. The primary vehicles for investment used by the Adviser are mutual funds, ETFs and common stock. In addition, the Adviser may utilize closed-end funds and fixed income securities.

In selecting investments for an individual account in accordance with the client's Investment Plan, the Adviser may use any of the following types of analysis or a blend of these types of analysis:

**Fundamental Analysis** – involves review of the business and financial information about an issuer. Without limitation, the following factors generally will be considered:

- Financial strength ratios;
- Price-to-earnings ratios;
- Dividend yields; and
- Growth rate-to-price earnings ratios.

**Technical Analysis** – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

**Quantitative Analysis** – involves understanding and/or predicting behavior or events in the financial markets through the use of mathematical measurements and calculations, statistical modeling and research and may include, without limitation:

- Money flow analysis;
- Sentiment analysis; and
- Liquidity analysis.

**Charting Analysis** – involves gathering and processing price and volume information for a particular security and may include, without limitation:

- Mathematical analysis;
- Graphing charts; and
- Estimations of future price movements based on perceived patterns and trends.

**Cyclical Analysis** – involves evaluating recurring price patterns and trends.

Mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, portfolio management team philosophy, investment selection process, past adherence to stated process, past performance, internal fee structure, strength and reputation of fund sponsor, overall ratings for safety and returns, and other factors.

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. The Adviser may evaluate and select individual bonds or bond funds based on a number of factors including, without limitation, rating, yield and duration.

### Investment Strategies

The Adviser's strategic approach is to invest each portfolio in accordance with the Investment Plan that has been developed specifically for each client. This means that the following strategies may be used in varying combinations over time for a given client, depending upon the client's individual circumstances:

*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.

*Short-Term Purchases* – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.

*Short Sales* – a securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.

*Margin Transactions* – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

*Trading* – generally considered holding a security for less than thirty (30) days.

*Options Trading/Writing* – a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the exercise of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

### Risk of Loss

While the Adviser seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

*Management Risks.* While the Adviser manages client investment portfolios based on the Adviser's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that the Adviser allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that the Adviser's specific investment choices could underperform their relevant indexes.

*Economic Conditions.* Changes in economic conditions, including, for example, interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws may adversely affect the business prospects or perceived prospects of companies. While the Adviser performs due diligence on the companies in



whose securities it invests, economic conditions are not within the control of the Adviser and no assurances can be given that the Adviser will anticipate adverse developments.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, the Adviser may invest client portfolios in mutual funds, ETFs and other investment pools (“pooled investment funds”). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds’ success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940, as amended.

*Related to Alternative Investment Vehicles.* From time to time and as appropriate, the Adviser may invest a portion of a client’s portfolio in alternative vehicles. The value of client portfolios will be based in part on the value of alternative investment vehicles in which they are invested, the success of each of which will depend heavily upon the efforts of their respective managers. When the investment objectives and strategies of a manager are out of favor in the market or a manager makes unsuccessful investment decisions, the alternative investment vehicles managed by the manager may lose money. A client account may lose a substantial percentage of its value if the investment objectives and strategies of many or most of the alternative investment vehicles in which it is invested are out of favor at the same time, or many or most of the managers make unsuccessful investment decisions at the same time.

*Equity Market Risks.* The Adviser will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investment funds have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (*e.g.*, bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security’s prospects.

*Fixed Income Risks.* The Adviser may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Short Sales.* The Adviser, on behalf of its clients, may from time to time sell securities short in anticipation of the realization of a gain if the securities sold short should decline in market value. A short sale is effected by selling a security that the client does not own, or selling a security which the client owns but which it does not deliver upon consummation of the sale. In order to make delivery to the buyer of a security sold short, the client must borrow the security. In so doing, it incurs the obligation to replace that security, whatever its price may be, at the time it is required to deliver it to the lender. The client must also pay to the lender of the security any dividends or interest payable on the security during the borrowing period and may have to pay a premium to

borrow the security. Unless the client then owns or has the right to obtain, without payment, securities identical to those sold short, this obligation must be collateralized by a deposit of cash and/or marketable securities with the lender. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the short position and a theoretically unlimited loss to the client.

*Foreign Securities Risks.* The Adviser may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the United States. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

*Lack of Diversification.* Client accounts may not have a diversified portfolio of investments at any given time, and a substantial loss with respect to any particular investment in an undiversified portfolio will have a substantial negative impact on the aggregate value of the portfolio.

## **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of the Adviser or the integrity of the Adviser's management. The Adviser has no disciplinary events to report.

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

Neither the Adviser, Mr. Birnie, nor Mr. Berger has any other financial industry activities or affiliations to report.

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

### Code of Ethics and Personal Trading

The Adviser has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. The Adviser's Code has several goals. First, the Code is designed to assist the Adviser in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, as amended, the Adviser owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires Adviser associated persons to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for the Adviser's associated persons (managers, officers and employees). Under the Code's Professional Standards, the Adviser expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Adviser associated persons are not to take inappropriate advantage of their positions in relation to Adviser clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, the Adviser's associated persons may invest in the same securities recommended to clients. This may create a conflict of interest because associated persons of the Adviser may invest in securities ahead of or to the exclusion of the Adviser clients. Under its Code, the Adviser has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, including generally disallowing trading by an associated person in any security within one day before any client account trades or considers trading the same security and the creation of a restricted securities list, reporting and review of personal trading activities and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

#### Participation or Interest in Client Transactions

As outlined above, the Adviser has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, the Adviser's goal is to place client interests first.

Consistent with the foregoing, the Adviser maintains policies regarding participation in initial public offerings ("IPOs") and private placements in order to comply with applicable laws and avoid conflicts with client transactions. If an associated person wishes to participate in an IPO or invest in a private placement, he/she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

If associated persons trade with client accounts (*e.g.*, in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with the Adviser's written policy.

### **Item 12 - Brokerage Practices**

#### Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, the Adviser seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, the Adviser may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of the Adviser's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

The Adviser may recommend that clients establish brokerage accounts with Raymond James & Associates, Inc., a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets. The Adviser may effect trades for client accounts at Raymond James, or may in some instances, consistent with , the Adviser's duty of best execution and specific investment advisory agreement with each client, elect to execute trades elsewhere. Although the Adviser may recommend that clients establish accounts at Raymond James, it is ultimately the client's decision to

custody assets with Raymond James. The Adviser is independently owned and operated and is not affiliated with Raymond James.

The Adviser participates in the Raymond James service program. While there is no direct link between the investment advice the Adviser provides and participation in the Raymond James program, the Adviser receives certain economic benefits from the Raymond James program. These benefits may include software and other technology that provides access to client account data (such as trade confirmations and account statements), facilitates trade execution (and allocation of aggregated orders for multiple client accounts), provides research, pricing information and other market data, facilitates the payment of the Adviser's fees from its clients' accounts, and assists with back-office functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of the Adviser's accounts, including accounts not held at Raymond James. Raymond James may also make available to the Adviser other services intended to help the Adviser manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Raymond James may make available, arrange and/or pay for these types of services to be rendered to the Adviser by independent third parties. Raymond James may discount or waive fees it would otherwise charge for some of these services, pay all or a part of the fees of a third-party providing these services to the Adviser, and/or Raymond James may pay for travel expenses relating to participation in such training. Finally, participation in the Raymond James program provides the Adviser with access to mutual funds which normally require significantly higher minimum initial investments or are normally available only to institutional investors.

The benefits received through participation in the Raymond James program do not necessarily depend upon the proportion of transactions directed to Raymond James. The benefits are received by the Adviser, in part because of commission revenue generated for Raymond James by the Adviser's clients. This means that the investment activity in client accounts is beneficial to the Adviser, because Raymond does not assess a fee to the Adviser for these services. This creates an incentive for the Adviser to continue to recommend Raymond to its clients. While it may be possible to obtain similar custodial, execution and other services elsewhere at a lower cost, the Adviser believes that Raymond provides an excellent combination of these services. These services are not soft dollar arrangements, but are part of the institutional platform offered by Raymond James.

#### Directed Brokerage

The Adviser does not allow directed brokerage accounts.

#### Aggregated Trade Policy

The Adviser may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rata basis between all accounts included in any such block. Block trading allows the Adviser to execute equity trades in a timelier, equitable manner, and may reduce overall costs to clients.

The Adviser will only aggregate transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients, and is consistent with the terms of the Adviser's investment advisory agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client; each

client that participates in an aggregated order will participate at the average share price for all the Adviser's transactions in a given security on a given business day, with transaction costs generally shared pro-rata based on each client's participation in the transaction. On occasion, owing to the size of a particular account's pro rata share of an order or other factors, the commission or transaction fee charged could be above or below a breakpoint in a pre-determined commission or fee schedule set by the executing broker, and therefore transaction charges may vary slightly among accounts. Accounts may be excluded from a block due to tax considerations, client direction or other factors making the account's participation ineligible or impractical.

The Adviser will prepare, before entering an aggregated order, a written statement ("Allocation Statement") specifying the participating client accounts and how it intends to allocate the order among those clients. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement. If the order is partially filled, it will generally be allocated pro-rata, based on the Allocation Statement, or randomly in certain circumstances. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment over time, and the reason for different allocation is explained in writing and is approved by an appropriate individual/officer of the Adviser. The Adviser's books and records will separately reflect, for each client account included in a block trade, the securities held by and bought and sold for that account. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement, and the Adviser will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation.

### **Item 13 - Review of Accounts**

Managed portfolios are reviewed at semi-annually, but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by the Adviser. These factors may include, but are not limited to, the following: change in general client circumstances (*e.g.*, marriage, divorce, retirement); or economic, political or market conditions. One of the Adviser's investment adviser representatives or principals is responsible for reviewing all accounts.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. The Adviser will provide additional written reports as needed or requested by the client. Clients should carefully compare the statements that they receive from the Adviser against the statements that they receive from their account custodian(s).

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

As noted above, the Adviser may receive some benefits from Raymond James based on the amount of client assets held at Raymond James. Please see *Item 12 - Brokerage Practices* for more information. However, neither Raymond nor any other party is paid to refer clients to the Adviser.

## **Item 15 - Custody**

Raymond James is the custodian of nearly all client accounts at the Adviser. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify the Adviser of any questions or concerns. Clients are also asked to promptly notify the Adviser if the custodian fails to provide statements on each account held.

From time to time and in accordance with the Adviser's investment advisory agreement with clients, the Adviser will provide additional reports. As mentioned above, the account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

The Adviser may be deemed to have "soft" custody of its client accounts because the Adviser's portfolio management fees are normally debited directly from client account(s), unless other arrangements are made.

## **Item 16 - Investment Discretion**

As described in **Item 4 - Advisory Business**, the Adviser will accept clients on either a discretionary or non-discretionary basis. For *discretionary accounts*, a Limited Power of Attorney ("LPOA") is executed by the client, giving the Adviser the authority to carry out various activities in the account, generally including the following: (i) trade execution; (ii) the ability to request checks on behalf of the client; and (iii) the withdrawal of advisory fees directly from the account. The Adviser then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with the Adviser and the requirements of the client's custodian.

For *non-discretionary accounts*, the client may also execute an LPOA, which allows the Adviser to carry out trade recommendations and approved actions in the portfolio. However, in accordance with the investment advisory agreement between the Adviser and the client, the Adviser does not implement trading recommendations or other actions in the account unless and until the client has approved the recommendation or action. As with discretionary accounts, clients may limit the terms of the LPOA, subject to the Adviser's investment advisory agreement with the client and the requirements of the client's custodian.

## **Item 17 - Voting Client Securities**

As a policy and in accordance with the Adviser's investment advisory agreement, the Adviser does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact the Adviser with questions relating to proxy procedures and proposals; however, the Adviser generally does not research particular proxy proposals.

## **Item 18 - Financial Information**

The Adviser does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure with respect to this item.