

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



**Arnie Advisors, LLC**

**31 29th Street  
San Francisco, California 94110**

**<https://www.arnie.co/>**

This brochure provides information about the qualifications and business practices of Arnie Advisors, LLC. If clients have any questions about the contents of this brochure, please contact us at (415) 212-8285 or [info@arnie.co](mailto:info@arnie.co). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about our firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #307049.

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

Arnie Advisors, LLC is a wholly owned subsidiary of Arnie, Inc.

## Item 2: Material Changes

Arnie, LLC. is required to notify clients of any information that has changed since the last annual update of the Firm Brochure ("Brochure") that may be important to them. Clients can request a full copy of our Brochure or contact us with any questions that they may have about the changes.

Since our firm's last Annual Amendment filing on 03/30/2022, we have no material changes to disclose:

- Our firm has changed its form of organization from Arnie, Inc. to Arnie Advisors, LLC.
- We have updated Items 4 and 5 of this Brochure, to disclose our Retirement Plan Consulting services and fees.
- We have updated Item 7 of this Brochure to list our firm's types of clients.
- We have updated Item 12 of this Brochure to reflect that we now recommend Interactive Brokers, LLC as a custodian.

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## Item 4: Advisory Business

Arnie Advisors, LLC (hereinafter “Arnie Advisors”) is a Limited Liability Company organized pursuant to the laws of the State of California and is a wholly owned subsidiary of Arnie Inc., a corporation formed under the laws of the state of Delaware in 2020. Arnie Advisors, LLC provides investment advisory services to its ERISA plan clients as outlined below. Arnie Advisors, LLC is indirectly controlled by Izabel Arnold and Eliza Arnold, through their ownership of Arnie, Inc. Arnie Advisors, LLC is under common control with Arnie Technologies, LLC (hereinafter “Arnie Tech”) a Limited Liability Company that provides retirement recordkeeping technology to Arnie, Inc.’s clients. Arnie, Inc. and its wholly owned subsidiaries Arnie Advisors, LLC and Arnie Technologies, LLC together are referred to as “Arnie”.

The purpose of this Brochure is to disclose the conflicts of interest associated with the investment transactions, compensation and any other matters related to investment decisions made by our firm or its representatives. As a fiduciary, it is our duty to always act in the client’s best interest. When a plan appoints Arnie as a plan fiduciary, we have a responsibility to act in the best interest of all beneficiaries of the plan.

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

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

Arnie Advisors provides retirement plan consulting services to employer plan sponsors on an ongoing basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company’s participant-directed retirement plan. Arnie Advisors’ advice to plans is in furtherance of certain ERISA provisions that define diversified investment and Qualified Default Investment Alternative (“QDIA”) requirements as well as managed individual portfolios for plan participants. All advice is delivered through Arnie’s proprietary software. A plan appoints Arnie Advisors to serve in an ERISA 3(38) fiduciary capacity and will generally also receive recordkeeping services from its affiliate Arnie Tech through its online platform. Arnie’s economic, investment, and other financial interests are not taken into consideration when making investment decisions.

As the needs of the plan sponsor dictate, areas of advising may include:

- Arnie will work with the Plan Sponsor to establish and make recommendations for a plan, and Arnie’s Participant Account opening process is designed to provide Participants an opportunity to make personalized selections from a variety of investment options and personal inputs. For the avoidance of doubt, a “Participant Account” is not a Client Account” as it is recognized by the custodian.
- Under the Retirement Plan Investment Advisory Agreement, Arnie Advisors provides individual plan Participants with personalized advice. Arnie Advisors does not maintain a retail client agreement with plan participants. The engagement is solely under the client agreement that Arnie Advisors has with the plan and is only delivered through Arnie’s proprietary online platform. Participants are deemed to have consented to Arnie’s advisory services by continuing to contribute to the Plan, and they may opt out at any time. A

Participant's decision to opt out will take effect on a date as determined by the Plan's administrative procedure, and generally is the next payroll check date.

- Plan participant's portfolios are managed on a discretionary basis.
- Arnie provides diversified investments representing a range of risk/return characteristics. 401k plan Participants will be assigned to a model based on the risk level determined from their inputs, but they have the option to choose a different model than the one assigned. Risk is determined by their age, time until retirement, estimated income needs during retirement, and availability of other assets. Portfolios can be adjusted based on the alignment of each portfolio asset to their personal preferences.
- If a 401k plan Participant does not provide additional inputs through the software, they will be automatically invested into a portfolio based solely on information provided by the plan administrator.
- Participant Education – Arnie will provide opportunities to educate plan participants about their retirement plan offerings, different investment options, and general guidance on allocation strategies.

All retirement plan consulting services shall be in compliance with the applicable state laws regulating retirement consulting services. This applies to client accounts that are retirement or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and Arnie Advisors accepts appointment to provide services to such accounts, our firm acknowledges its fiduciary standard within the meaning of Section 3(38) of ERISA as designated by the Retirement Plan Investment Advisory Agreement with respect to the provision of services described therein.

### **Automated Investment Advice to Plan Participants:**

Using our proprietary software, Arnie recommends individualized portfolios to plan participants based on user inputs and preferences. The algorithm to generate advice is provided by Arnie Advisors and delivered to Plan Participants through Arnie's online participant portal.

### **Tailoring of Advisory Services**

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General investment advice will be offered to our Retirement Plan Consulting clients.

Arnie Advisors offers automated investment advice to 401k plan participants. Based on information gathered by the plan administrator or directly from Participants through the online platform, including Participants' predicted income and spending from now and through retirement, their personal risk tolerance, and the risk profile of every asset, Arnie utilizes its proprietary software to recommend a diversified, custom portfolio. If a participant does not indicate their risk tolerance, indicate preferences, or provide other investment instructions, Arnie Advisors will by default invest their funds in a recommended portfolio based on the participant's age and estimated time until retirement.

Pursuant to section 404(c) of the Employee Retirement Income Security Act of 1974, as amended, Arnie Advisors provides a selection of diversified investments representing a range of risk/return characteristics. Participants are able to direct the investment of their 401k by modifying the inputs used to assign a model to them, or by choosing a different model. All portfolios are invested as a managed account, so Participants cannot choose trades directly.

## **Participation in Wrap Fee Programs**

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In a wrap fee investment program, the investor pays one stated fee to cover management fees, transaction costs, fund expenses, and other administrative fees. Arnie Advisors does not participate in any such wrap fee program.

## **Regulatory Assets Under Management**

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Our firm manages \$19,500 on a discretionary basis as of December 31<sup>st</sup>, 2022.

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

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

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

Fees for Arnie Advisors' investment advisory services are charged as a percentage of total Plan assets under management of typically up to 0.50% annually. These fees are generally negotiable, and the final fee schedule is included in the agreement between the Plan and Arnie Advisors. Plans that terminate their agreement with Arnie Advisors will be charged investment advisory fees through the effective date of termination, based on the unpaid, daily accrued fees as of the termination date. Participant Accounts will be allocated their pro-rata share of these fees, calculated daily. If any modifications are made to the fee schedule, Clients will be notified with not less than (30) days written notice and will be given the opportunity to negotiate or terminate the agreement.

Our firm recommends Interactive Brokers, LLC ("Interactive Brokers") as a custodian for client accounts. Interactive Brokers will calculate and accrue the Arnie Advisory fee for each account, pursuant to direct authorization received by Interactive Brokers from the Client and deduct the total amount from Plan assets each month.

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

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Interactive Brokers does not charge transaction fees for U.S. listed equities and exchange traded funds, however there may be other incurred fees such as account management-related fees, pass-through ADR fees, and pass-through regulatory trading fees.

Clients are responsible for the payment of third-party mutual fund, ETF, or ADR fees, which are charged directly from 401(k) plan participant assets.

For Plan's that utilize the recordkeeping services of Arnie Tech, there may be additional fees that are generally charged as a monthly subscription. These fees are generally negotiable, and the final fee schedule will be attached or included in a separate agreement made with Arnie Tech.

If another custodian is utilized, Clients may incur transaction fees for trades executed by their chosen custodian, either based on a percentage of the dollar amount of assets in the account(s) or via individual transaction charges. These transaction fees are separate from our firm's advisory fees and will be disclosed by the chosen custodian.

Clients may also pay holdings charges imposed by the chosen custodian for certain investments, charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), distribution fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. Our firm does not receive a portion of these fees.

### **Termination & Refunds**

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Either party to a Retirement Plan Consulting Agreement may terminate at any time by providing written notice to the other party. Accrual of advisory fees will terminate upon written notice of the termination of the agreement. Interactive Brokers calculates and records the total accrued unpaid fees daily and does not include that amount in the withdrawable amount reported for each account. That amount will be deducted and remitted to Arnie.

### **Commissionable Securities Sales**

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

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

Our firm does not charge performance-based fees.

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

Our firm has the following types of clients:

- Qualified Retirement Plans (including but not limited to: 401(k) Plans, Profit Sharing Plans, Solo 401(k)s)

Our firm does not impose requirements for opening and maintaining accounts or otherwise engaging us.

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

### **Methods of Analysis and Investment Strategies**

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

Arnie bases its investment strategies on a quantitative, algorithm-driven analysis of risk and believes that diversification within a portfolio is essential. Arnie takes a risk allocation approach to achieving

portfolio diversification. The primary goal of each of Arnie's recommended portfolios is to maximize the chances that an investor can meet their future liabilities during their working and retirement years. Arnie utilizes a portfolio optimization algorithm that applies objectives and constraints around risk and return targets, along with one or more investment horizons, to determine an appropriate asset allocation. These algorithms are developed, overseen and monitored by Arnie personnel. When clients open an account on the platform, these algorithms determine the recommended risk allocation based on inputs from the client, but clients may reject this recommendation and choose a different risk profile. Algorithms also generate advice regarding when to execute account rebalancing (this determination is made daily upon an updated optimization), and which specific securities to trade, in an effort to achieve the client's chosen risk target. These algorithms may not perform as intended for a variety of reasons, including but not limited to incorrect assumptions, changes in the market, and/or changes to data inputs. Arnie may modify these algorithms periodically, or a computer system's code or underlying assumptions, and these changes may have unintended consequences. The algorithms described above will generate recommendations only from information that is input into the algorithm. Although Arnie collects a variety of information from clients, individualized information about every aspect of a client's personal financial situation is not elicited through Arnie's website, and therefore, not considered by Arnie's algorithms. Clients should be aware of this limitation when considering Arnie's service. Investing in securities involves risk of loss that clients should be prepared to bear.

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## **Risk of Loss**

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

**General Investment Risk:** Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and client account(s) could enjoy a gain, it is also possible that the stock market may decrease, and client account(s) could suffer a loss. Arnie cannot guarantee that it will achieve a client's investment objectives. Past performance is not a guarantee of future returns. It is important that clients understand the risks associated with investing in the stock market, are appropriately diversified in their investments, and ask any questions they may have.

**Market Risk:** Clients should have a long-term perspective and be able to tolerate potentially sharp declines in market value. The prices of securities held directly in a client account or by funds in which client accounts invest may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by the funds; conditions affecting the general economy; overall market changes; local, regional, or global political, social or economic instability; and currency, interest rate and commodity price fluctuations.

**Equity Risk:** Equity securities tend to be more volatile than other investment choices. The value of an individual security or equity fund can be more volatile than the market as a whole. This volatility affects the value of the client's overall portfolio. Small- and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies. Investing in individual companies involves inherent risk. The major risks



relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, the company's ability to create shareholder value (i.e., increase the value of the company's stock price), exposure to government taxation, and domestic political risk.

**Fixed Income Risk:** The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security may decline because investors demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.

**Treasury Inflation Protected/Inflation Linked Bonds:** The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

**Inflation & Interest Rate Risk:** security prices and portfolio returns will likely vary in response to inflation and interest rates changes. Inflation causes future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed-income investments to decline.

**Mutual Funds:** Arnie may recommend open-end mutual funds and Exchange Traded Funds ("ETFs") to implement a client's portfolio. The funds may, in turn, invest in a broad range of equity and fixed income securities, including foreign securities and securities of issuers located in emerging markets. The funds may also invest in equity securities of any market capitalization including micro-, small- and mid-cap companies, real estate, commodities-related assets, fixed income securities of any maturity or credit quality, including high-yield, high-risk debt securities, ETFs, other mutual funds, money market funds, and they may engage in leveraged or derivative transactions. Arnie does not control the investment strategies, policies or decisions of the mutual funds and, in the event of dissatisfaction with such a fund; our only option would be to liquidate clients' investments in that fund. Additionally, to the extent a client's account holds mutual funds or ETFs, the client will bear their portion of the fund's fees and expenses.

**ETF Risk:** A client portfolio may include investment in ETFs which may, in turn, invest in equities, bonds, and other financial vehicles. ETFs are investment companies whose shares are bought and sold on a securities exchange. Most ETF portfolios hold securities designed to track a particular market segment or index, and investments in ETFs may allow a portfolio to gain exposure to a portion of the U.S. or foreign market. Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral, and the liquidity of the supporting collateral. Further, the use of leverage (i.e., employing the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

**Foreign Securities Risk:** Arnie typically invests in publicly traded U.S. equities, registered funds and ETFs. However, funds held in a client account may invest in foreign securities. Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include, among others, currency risk, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. To the extent that underlying funds invest in issuers located in emerging markets, the risk may be heightened by political changes, changes in taxation, or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.

**U.S. Government Securities:** Funds in which clients invest may invest in U.S. government securities. U.S. government securities include securities issued by the U.S. Treasury and by U.S. government agencies and instrumentalities. U.S. government securities may be supported by the full faith and credit of the United States.

**Concentration Risks:** Clients invest in diversified portfolios of publicly traded U.S. equities, open-end mutual funds, and ETFs, but due to client preferences, some portfolios may be more heavily weighted in a particular type of security, industry, industry sector, geographic location or investment manager. More concentrated portfolios will experience greater risk and volatility. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

**Fractional Shares:** A fractional share is a share of equity that is less than one full share. Fractional share amounts are typically unrecognized and illiquid outside of the custodian and the fractional shares might not be marketable outside the custodian or transferrable to another brokerage account.

**Management Risk:** Arnie's investment approach may fail to produce the intended results. If our perception of the performance of a specific asset class or fund is not realized in the expected time frame, the overall performance of clients' portfolios may suffer.

**Market Data.** Arnie relies on third parties for the provision of market statistics, fund details, performance, and related information and although these parties are generally reliable and reputable, there may be inaccuracies or discrepancies in the information that is beyond Arnie's control.

**Client Information:** Arnie bases its recommendations on information provided by clients and relies on the client to provide accurate information. If the client provides inaccurate information, this will impact the quality and relevance of Arnie's recommendations. Further, clients are required to keep such information as up to date as possible so that Arnie can continue to provide relevant recommendations.

**Proprietary Software:** Arnie provides recommendations to clients based on proprietary software that utilizes various quantitative and qualitative models. Such computer-generated recommendations, like all investment recommendations, may be subject to system error. No guarantee or representation is made that the investment recommendations will be successful. Arnie may simply fail to identify favorable investment opportunities or to evaluate those investment

recommendations accurately that it does make to clients. Further, as market dynamics (for example, due to changed market conditions and participants) shift over time, a previously highly successful model may become outdated or inaccurate, perhaps without the computer software system recognizing the change before further recommendations are made. As such, clients are urged to verify any recommendations generated by Arnie with their own legal, financial, tax and economic advisors and to conduct their own due diligence on recommended securities before following any recommendation. Arnie also integrates third-party software in its own proprietary systems, and although Arnie believes these software providers to be generally reliable and reputable, there may be performance issues beyond Arnie's control.

**Account Rebalancing:** Client accounts may be rebalanced from time to time for reasons including, but not limited to, updates to portfolio models and algorithms, market performance, cash inflows/outflows, client adjustment of investment profile or risk tolerance, tax-loss harvesting, or a change in underlying securities selected by Arnie. Account rebalancing may occur at any time and without notice to clients but will always be executed in an attempt at meeting their chosen risk level. Rebalancing for any reason may trigger taxable events and may cause accounts to hold versions of similar securities to ensure avoidance of wash sales. All rebalancing is automated by Arnie for simplicity of execution and is therefore subject to potential automation errors. In the event of a market downturn, it is possible that the rebalancing will sell securities in now overweight sectors to purchase additional shares of securities that are now underweight, which could exacerbate losses in such an environment. Arnie reserves the right, in its full discretion, to halt account rebalancing in the best interests of clients.

### Item 9: Disciplinary Information

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

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

Owners of Arnie Advisors, LLC are also owners of Arnie Technologies, LLC, which provides recordkeeping technology to our advisory clients. This presents a conflict of interest because our firm has an incentive to recommend Arnie Technologies, LLC as our owners receive compensation from Arnie Technologies, LLC as well. To mitigate this conflict of interest, we will act in the client's best interest.

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

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

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

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

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

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

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

Likewise, related persons of our firm buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. To minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling securities that will be bought or sold in client accounts unless done so after the client execution or concurrently as a part of a block trade.

## Item 12: Brokerage Practices

### Selecting a Brokerage Firm

While our firm does not maintain physical custody of client assets, we are deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts (see *Item 15 Custody*, below). Client assets must be maintained by a qualified custodian. Our firm seeks to recommend a custodian who will hold client assets and execute transactions on terms that are overall

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

most advantageous when compared to other available providers and their services. The factors considered, among others, are these:

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Quality of services

With this in consideration, our firm has an arrangement with Interactive Brokers, LLC (“Interactive Brokers”), a qualified custodian from whom our firm is independently owned and operated. Interactive Brokers offers services to independent investment advisers which includes custody of securities, trade execution, clearance, and settlement of transactions. Interactive Brokers enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Interactive Brokers does not charge client accounts separately for custodial services. Client accounts will be charged transaction fees, commissions or other fees on trades that are executed or settled into the client’s custodial account. Transaction fees may be charged based on a percentage of the dollar amount of assets in the account(s) or via individual transaction charges. These fees are negotiated with Interactive Brokers and are generally discounted from customary retail commission rates. This benefits clients because the overall fee paid is often lower than would be otherwise.

Interactive Brokers may make certain research and brokerage services available at no additional cost to our firm. Research products and services provided by Interactive Brokers may include: research reports on recommendations or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by Interactive Brokers to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934.

The aforementioned research and brokerage services are used by our firm to manage accounts for which our firm has investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As part of our fiduciary duty to our clients, our firm will endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits, if any, by our firm or our related persons creates a potential conflict of interest and may indirectly influence our firm’s choice of Interactive Brokers as a custodial recommendation. Our firm examined this potential conflict of interest when our firm chose to recommend Interactive Brokers and have

determined that the recommendation is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

Our clients may pay a transaction fee or commission to Interactive Brokers that is higher than another qualified broker dealer might charge to affect the same transaction where our firm determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services provided to the client as a whole.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Although our firm will seek competitive rates, to the benefit of all clients, our firm may not necessarily obtain the lowest possible commission rates for specific client account transactions.

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### **Soft Dollars**

Our firm does not receive soft dollars in excess of what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The safe harbor research products and services obtained by our firm will generally be used to service all of our clients but not necessarily all at any one particular time.

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### **Client Brokerage Commissions**

Interactive Brokers does not make client brokerage commissions generated by client transactions available for our firm's use.

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### **Client Transactions in Return for Soft Dollars**

Our firm does not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

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### **Brokerage for Client Referrals**

Our firm does not receive brokerage for client referrals.

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### **Directed Brokerage**

Neither our firm nor any of our firm's representatives have discretionary authority in making the determination of the brokers-dealers and/or custodians with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are affected. Our firm routinely recommends that clients direct us to execute through a specified broker-dealer. Our firm recommends the use of Interactive Brokers. Each client will be required to establish their account(s) with Interactive Brokers if not already done. Please note that not all advisers have this requirement.

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### **Special Considerations for ERISA Clients**

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer to obtain goods or services on behalf of the plan. Such direction

is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, our firm will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

### **Client-Directed Brokerage**

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Our firm does not allow client-directed brokerage outside our recommendations.

### **Aggregation of Purchase or Sale**

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Our firm provides investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when our firm believes that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, our firm attempts to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration, and consistently non-arbitrary methods of allocation.

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

Retirement Plan Consulting clients receive reviews of their retirement plans for the duration of the service. Nightly checks on all client accounts are automatically run, and manual checks occur monthly. At the end of every month Izabel Arnold (President, Chief Compliance Officer) and Eliza Arnold (Principal, Chief Operating Officer) will independently review client accounts, in a randomized order. Retirement Plan Consulting clients do not receive written or verbal updated reports regarding their plans unless they choose to engage our firm for ongoing services.

## **Item 14: Client Referrals & Other Compensation**

### **Referral Fees**

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In accordance with Rule 206 (4)-1 of the Investment Advisers Act of 1940, our firm does not provide cash or non-cash compensation directly or indirectly to unaffiliated persons for testimonials or endorsements (which include client referrals).

## Item 15: Custody

### **Deduction of Advisory Fees:**

Our firm does not maintain physical custody of client assets (which are maintained by a qualified custodian, as discussed above. All our clients receive account statements directly from their qualified custodian(s) at least quarterly upon opening of an account. We urge our clients to carefully review these statements. Additionally, if our firm decides to send its own account statements to clients, such statements will include a legend that recommends the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

## Item 16: Investment Discretion

Arnie has discretionary authority over all client accounts. This discretionary authority is given to Arnie when a client signs a service agreement with Arnie. Arnie does not execute a general power of attorney with any clients, and Arnie does not take custody of any assets except as described in Item 15 of this Brochure. Clients have authorization options that may affect our ability to place certain types of trades in their client accounts.

## Item 17: Voting Client Securities

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

## Item 18: Financial Information

Our firm is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1,200 in fees when services cannot be rendered within 6 months.
- Our firm does not take custody of client funds or securities.
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

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