

**DP Grow, LLC**  
CRD# 308412

**ADV Part 2A, Brochure**  
**Dated: March 27, 2023**

**Contact: J. Saunders Wiggins, Chief Compliance Officer**  
**1640 Huguenot Road**  
**Midlothian, Virginia 23113**

**This Brochure provides information about the qualifications and business practices of DP Grow, LLC. If you have any questions about the contents of this Brochure, please contact us at 804-323-1886 or [jswiggins@dp-grow.com](mailto:jswiggins@dp-grow.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about DP Grow, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). DP Grow's CRD number is #308412.**

**References herein to DP Grow, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

DP Grow, LLC, (DPG), last updated its Form ADV on 11/01/2022. Since that time, DPG has made no material changes to its Brochure.

**Any Questions:** DPG’s Chief Compliance Office, J. Saunders Wiggins, CFP®, AIF®, remains available to address any questions regarding this Part 2A Brochure. He can be reached at (804) 323-1886.

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#### **Item 4            Advisory Business**

- A. DP Grow, LLC (the “Firm”) is a limited liability company formed in February 2020 in the Commonwealth of Virginia. The Firm is registered as an investment adviser with the United States Securities and Exchange Commission. The Firm is principally owned by ACG Wealth Management and D&D Retirement, LLC. ACG Wealth Management is wholly owned by J. Saunders Wiggins. D&D Retirement, LLC is jointly owned by David Fratkin and David Gallagher.
- B. As discussed below, the Firm offers to its clients (individuals, high net worth individuals, business entities, trusts, estates, pension and profit-sharing plans, etc.) discretionary and non-discretionary investment advisory services on a fee basis.

#### **INVESTMENT ADVISORY SERVICES**

The client can engage the Firm to provide discretionary or non-discretionary investment advisory services on a fee basis. The Firm’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Firm’s management. Before engaging the Firm to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement with the Firm setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. The Investment Advisory Agreement will remain in effect until terminated by either party through written notification.

#### **FINANCIAL PLANNING AND NON-INVESTMENT CONSULTING SERVICES**

To the extent requested, the Firm will provide financial planning and consulting services regarding non-investment related matters, such as tax and estate planning, insurance, college planning, etc. **Please Note:** The Firm does not serve as an attorney or accountant, and no portion of our services should be construed as legal or accounting advice. Accordingly, the Firm does not prepare estate-planning documents or tax returns. To the extent requested by a client, we may recommend the services of other professionals for implementation purposes (i.e. attorneys, accountants, insurance agents, etc.), including representatives of the Firm in their separate capacities as licensed insurance agents. **Please Note - Conflict of Interest:** The recommendation by the Firm’s representative that a client purchase an insurance commission product through the Firm’s representative in his/her separate and individual capacity as a licensed insurance agent, presents a conflict of interest, as the receipt of commissions provides an incentive to recommend insurance products based on commissions to be received, rather than on a particular client’s need. No client is under any obligation to purchase any insurance commission products through such a representative. Clients are reminded that they may purchase insurance products recommended by the Firm through other, non-affiliated insurance agents. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Firm and/or its representatives. **Please Also Note:** If the client engages any professional (i.e. attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from

the engaged professional. At all times, the engaged licensed professional(s) (i.e. attorney, accountant, insurance agent, etc.), and not the Firm, shall be responsible for the quality and competency of the services provided.

## **ERISA PLAN AND 401(K) INDIVIDUAL ENGAGEMENTS**

### *Trustee Directed Plans*

The Firm may be engaged to provide discretionary or non-discretionary investment advisory services to ERISA retirement plans, whereby the Firm shall manage Plan assets consistent with the investment objective designated by the Plan trustees. In discretionary engagements, the Firm will serve as an investment fiduciary and an investment manager, as those terms are defined under The Employee Retirement Income Security Act of 1974 (“ERISA”). The Firm will generally provide services on an “assets under management” fee basis per the terms and conditions of an *Investment Advisory Agreement* between the Plan and the Firm.

### *Participant Directed Retirement Plans*

The Firm may also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a *Retirement Plan Consulting Agreement* between the Firm and the Plan. For such engagements, the Firm shall assist the Plan sponsor with the selection of an investment platform from which Plan participants shall make their respective investment choices (which may include investment strategies devised and managed by the Firm), and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision-making process.

### *Client Retirement Plan Assets*

If requested to do so, the Firm shall provide investment advisory services relative to the client’s 401(k) plan assets. In such event, the Firm shall allocate (or recommend that the client allocate) the retirement account assets among the investment options available on the 401(k) platform. The Firm’s ability shall be limited to the allocation of the assets among the investment alternatives available through the plan. The Firm will not receive any communications from the plan sponsor or custodian, and it shall remain the client’s exclusive obligation to notify the Firm of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account.

## **SUB-ADVISER ENGAGEMENTS**

In performing the services described herein, the Firm may engage one or more sub-advisers, including the Firm’s affiliated investment adviser (see Item 10 below), for the purpose of assisting the Firm with the management of its client accounts. The sub-adviser(s) shall have investment authority (discretionary or non-discretionary, depending on the authority granted to the Firm) for the day-to-day management of the assets that are allocated to it by the Firm. The sub-adviser shall continue in such capacity until such arrangement is terminated or modified by the Firm. The Firm will render ongoing and continuous advisory services to the client relative to the monitoring and review of account performance, client investment objectives, and asset allocation. The Firm shall pay a portion of the investment advisory fee received for these allocated assets to the sub-adviser for its sub-advisory services. The Firm’s Chief Compliance Officer, J. Saunders Wiggins, remains available to address any questions concerning the Firm’s sub-advisory arrangements.

**Conflict of Interest:** Utilizing the sub-advisory services of an affiliated investment advisory firm presents a **conflict of interest**, as the decision could be made on the basis of the sub-advisory fee to be received by the affiliated investment adviser, rather than on the particular needs of a client.

## MISCELLANEOUS

**Retirement Plan Rollovers – No Obligation / Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) if permitted, leave the money in the former employer’s plan, (ii) roll over the assets to the new employer’s plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account (“IRA”), or (iv) cash out the account value (which could, depending upon the client’s age, result in adverse tax consequences). If the Firm recommends that a client roll over their retirement plan assets into an account to be managed by the Firm, such a recommendation creates a conflict of interest if the Firm will earn a fee on the rolled over assets. **No client is under any obligation to roll over retirement plan assets to an account managed by the Firm. The Firm’s Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Firm) will be profitable or equal any specific performance level(s).

**Non-Discretionary Services Limitations.** Clients that determine to engage the Firm on a non-discretionary investment advisory basis must be willing to accept that the Firm cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that the Firm would like to make a transaction for a client’s account, and client is unavailable, the Firm will be unable to effect the account transaction (as it would for its discretionary clients) without first obtaining the client’s consent.

**Portfolio Activity.** The Firm has a fiduciary duty to provide services consistent with the client’s best interest. As part of its investment advisory services, the Firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, mutual fund manager tenure, style drift, and/or a change in the client’s investment objective. Based upon these factors, there can be extended periods of time when the Firm determines that changes to a client’s portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by the Firm will be profitable or equal any specific performance level(s). The client remains subject to the Firm’s fee described in Item 5 below during periods of portfolio inactivity.

**Client Obligations.** In performing its services, the Firm shall not be required to verify any information received from the client or from the client’s other professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their

responsibility to promptly notify the Firm if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising the Firm's previous recommendations and/or services.

**Disclosure Statement.** A copy of the Firm's written Brochure as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the Firm's Agreement. If a client has not received a copy of the Firm's Brochure at least 48 hours prior to signing an agreement with the Firm, the client may cancel its agreement within five business days with no penalty.

- C. The Firm shall provide investment advisory services specific to the needs of each investment advisory client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Firm shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Firm's services.
- D. The Firm does not participate in a wrap fee program.
- E. As of December 31, 2022, the Firm had a total of \$48,314,707 in assets under management. Discretionary Assets of \$43,461,409 and Non-Discretionary Assets of \$4,4853,297.

## **Item 5 Fees and Compensation**

A.

### **INVESTMENT ADVISORY SERVICES**

The Firm provides discretionary and non-discretionary investment advisory services on a negotiable fee basis. Annual fees are calculated as a percentage (%) of the market valuation of assets under management, including cash balances, generally in accordance with the following fee schedule:

<u>Assets</u>	<u>Annual Cost</u>
\$0 - \$1,000,000	1.0 -1.05%
\$1,000,000 - \$1,500,000	0.90%
\$1,500,000 - \$2,000,000	0.85%
\$2,000,000 - \$2,500,000	0.80%
\$2,500,000 - \$3,000,000	0.75%
\$3,000,000 - \$5,000,000	0.70%
\$5,000,000 - \$7,000,000	0.60%
\$7,000,000 - \$10,000,000	0.55%
\$10,000,000 - \$15,000,000	0.50%
\$15,000,000 - \$25,000,000	0.40%
\$25,000,000 and Higher	0.30%

## FINANCIAL PLANNING

Financial planning services are generally included with the Firm's investment advisory services, if the client maintains \$1,000,000 in assets under the Firm's management. For clients who have less than \$1,000,000 under the Firm's management, the Firm generally charges for financial planning and consulting services a one-time fee of \$800 to \$1200, depending on their anticipated complexity and specific circumstances. This fee is negotiable. Upon completion of the plan, if investment management services are recommended, the client may choose to engage the Firm by executing an investment advisory agreement.

Notwithstanding the above, in the event that the client with \$1,000,000 or more under the Firm's management requires extraordinary planning and/or consultation services (to be determined in the sole discretion of the Firm), the Firm may determine to charge for such additional services pursuant to a stand-alone Financial Planning Agreement. Furthermore, the Firm, at its sole discretion, has the ability to waive or reduce the \$1,000,000 minimum asset level for financial planning and consulting services to be provided inclusive of the Firm's investment advisory fee.

## RETIREMENT PLAN INVESTMENT ADVISORY SERVICES

We offer retirement plan investment advisory services at negotiated rates based upon a percentage of the plan assets and/or on fixed rates. Annual fees are calculated as a percentage (%) of the market valuation of plan assets, including cash balances, generally in accordance with the following fee schedule:

<u>Plan Assets</u>	<u>Annual Fee</u>
\$0 - \$1,000,000	1.00%
\$1,000,000 - \$1,500,000	0.83%
\$1,500,000 - \$2,000,000	0.78%
\$2,000,000 - \$2,500,000	0.74%
\$2,500,000 - \$3,000,000	0.69%
\$3,000,000 - \$5,000,000	0.64%
\$5,000,000 - \$7,000,000	0.55%
\$7,000,000 - \$10,000,000	0.51%
\$10,000,000 - \$15,000,000	0.46%
\$15,000,000 - \$25,000,000	0.37%
\$25,000,000 and Higher	0.28%

**Please Note:** With respect to the fees described in this section, the Firm, in its sole discretion, may charge a lesser fee and/or a charge a flat fee based upon certain criteria (i.e. the amount of the assets placed under the Firm's direct management, the complexity of the engagement, the level and scope of the overall investment advisory services to be rendered, and other factors.). **Please Also Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

- B. Clients shall generally have the Firm's advisory fees deducted from their custodial account, unless otherwise agreed. Both the Firm's Investment Advisory Agreement and the custodial/clearing agreement authorize the custodian to debit the account for the amount of the Firm's investment advisory fee and to directly remit that fee to the Firm in

compliance with regulatory procedures. In the limited event that the Firm bills the client directly, payment is due upon receipt of the Firm's invoice. The Firm shall deduct fees and/or bill clients quarterly in arrears, based upon the market value on the assets on the last business day of the previous quarter.

- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Firm shall generally recommend Charles Schwab & Co., Inc. ("Schwab") serves as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab charge brokerage commissions and/or transaction fees for effecting certain securities in accordance with their respective brokerage commission and transaction fee schedules. In addition to the Firm's investment management fee and applicable brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. The Firm's annual retirement plan investment advisory fee shall be prorated and paid quarterly, in arrears, either based upon the market value of the assets on the last business day of the previous quarter or based upon the average daily balance of the plan's assets during the preceding quarter, including cash balances, as reflected in your investment agreement. Upon termination, the Firm shall debit the account for the pro-rated portion of any unpaid advisory fee based upon the number of days that services were provided during the billing quarter. If applicable, the Firm will refund any advanced portion of its advisory fee, pro-rated through the date of termination.
- E. Neither the Firm, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither the Firm nor any supervised person of the Firm accepts performance-based fees.

## **Item 7            Types of Clients**

The Firm's clients shall generally include individuals, high net worth individuals, business entities, trusts, estates, and pension and profit-sharing plans. The Firm has no minimum account size requirements for opening or maintaining an account. **Please Note:** Similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** The Firm's Chief Compliance Officer remains available to address any questions that a client may have regarding its advisory fee schedule.

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

- A. The Firm generally utilizes the following methods of security analysis:
  - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
  - Technical – (analysis of price trends and volatility)

The Firm typically utilizes the following investment strategies when implementing investment advice given to clients:



- Long Term Purchases – (securities held at least a year)
- Short Term Purchases – (securities sold within a year)

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Firm) will be profitable or equal any specific performance level(s).

- B. The Firm's methods of analysis do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis, the Firm must have access to current/new market information. The Firm has no control over the dissemination rate of market information; therefore, unbeknownst to the Firm, certain analyses are sometimes compiled with outdated market information, severely limiting the value of the Firm's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Firm's primary investment strategies – Long Term Purchases and Short-Term Purchases – are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, will typically incur higher transactional costs when compared to a longer term investment strategy.

- C. When providing investment supervisory services, the Firm primarily allocates client investment assets among various sub-advisers, mutual funds, exchange traded funds, individual debt, and individual equity securities on a discretionary or non-discretionary basis in accordance with the client's designated investment objective(s).

## **Item 9            Disciplinary Information**

Neither the Firm, nor any of the Firm's management persons, has been the subject of any disciplinary actions.

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

- A. Neither the Firm, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Firm, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Affiliated Investment Adviser.** The firm is affiliated with a registered investment adviser, ACG Wealth Management ("ACG-WM"), through common ownership and

control. **Conflict of Interest:** As discussed above, the Firm has entered into a sub-advisory agreement with ACG-WM and therefore may allocate client assets to ACG-WM for investment management. The utilization of ACG-WM as a sub-adviser presents a conflict of interest, as such decision could be made on the basis of sub-advisory fees to be received, rather than on a particular client's need. The Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

**Licensed Insurance Agents and Insurance Agency.** The Firm is a licensed insurance agency, and certain of the Firm's associated persons are licensed insurance agents. These insurance agents may recommend the purchase of certain insurance-related products on a commission basis. **Conflict of Interest:** The recommendation by the Firm's associated persons that a client purchase an insurance commission product presents a material conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from the Firm's associated persons. Clients are reminded that they may purchase insurance products recommended by the Firm through other, non-affiliated insurance agents and agencies.

**Dominion Payroll.** Certain of the Firm's associated persons are also owners of Dominion Payroll, an affiliated payroll firm. It is expected that, in the normal course of business, clients of Dominion Payroll will be referred to the Firm for investment advisory services. Similarly, the Firm may recommend the services of Dominion Payroll to certain of the Firm's clients. **Conflict of Interest:** No compensation is provided by either party in exchange for client referrals. However, clients who utilize the services of either entity will incur fees from either Dominion Payroll or the Firm, or both, for the respective services rendered by each entity. The recommendation to use the services of an affiliated firm presents a conflict of interest, as the recommendation could be made on the basis of compensation to be received by the affiliated entity, rather than basing such recommendation on a particular client's need.

- D. If the Firm refers a client to a third party investment adviser, and the client engages the investment adviser, the Firm shall be compensated for its services by receipt of a referral fee to be paid by investment adviser to the Firm in accordance with the requirements of Rule 206(4)-1 of the Investment Advisers Act of 1940, and any corresponding state securities laws or requirements. Any such referral fee shall be paid solely from the adviser's investment management fee and shall not result in any additional charge to the client. When the client is referred to an unaffiliated investment adviser, then in addition to the Firm's written disclosure statement as set forth on Part 2 of Form ADV, the client shall also receive the written disclosure statement of the recommended investment adviser. **Conflict of Interest:** The recommendation by the Firm that an individual or entity engage an investment adviser that shares a portion of its advisory fee with the Firm presents a conflict of interest, as the Firm's receipt of the referral fee provides an incentive to recommend the adviser based on the referral fee received, rather than on a particular client's need. In addition, the recommendation by the Firm that a client seek investment advisory services directly from ACG-WM presents a further conflict of interest, as the Firm has the incentive to make such a recommendation based on advisory fees to be received by its affiliate, rather than on a particular client's need. No person or entity is under any obligation to engage any investment adviser recommended by the Firm.

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

- A. The Firm maintains an investment policy relative to personal securities transactions. This investment policy is part of the Firm's overall Code of Ethics, which serves to establish a standard of business conduct for all of the Firm's Associated Persons that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Firm also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Firm or any person associated with the Firm.

- B. Neither the Firm nor any related person of the Firm recommends, buys, or sells for client accounts, securities in which the Firm or any related person of the Firm has a material financial interest.
- C. The Firm and/or representatives of the Firm can buy or sell securities that are also recommended to clients. This practice creates a situation where the Firm and/or its representatives are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Firm did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Firm's clients), and other potentially abusive practices.

The Firm has a personal securities trading policy in place to monitor the personal securities transactions and securities holdings of each of the Firm's "Access Persons." The Firm's securities trading policy requires that an Access Person of the Firm must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Firm selects; provided, however, that at any time that the Firm has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Firm and/or representatives of the Firm can buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Firm and/or representatives of the Firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, the Firm has a personal securities trading policy in place to monitor the personal securities transactions and securities holdings of each of the Firm's Access Persons.

## Item 12 Brokerage Practices

- A. In the event that the client requests that the Firm recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that direct the Firm to use a specific broker-dealer/custodian), the Firm generally recommends that investment management accounts be maintained at Schwab. Prior to engaging the Firm to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with the Firm setting forth the terms and conditions under which the Firm will provide investment advisory services, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Firm considers in recommending Schwab (or any other broker-dealer/custodian to clients) include historical relationship with the Firm, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Firm's clients shall comply with the Firm's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Firm determines, in good faith, that the commission/transaction fee is reasonable. 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 services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although the Firm will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Firm's investment management fee. The Firm's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

### 1. Research and Non-Soft Dollar Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, the Firm receives from Schwab without cost (and/or at a discount) support services and/or products, certain of which assist the Firm to better monitor and service client accounts maintained at such institutions. Included within these support services are investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by the Firm in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products received can assist the Firm in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Firm to manage and further develop its business enterprise.

The Firm's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by the Firm to Schwab or any other any entity to invest any

specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**The Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest such arrangement creates.**

2. The Firm does not receive referrals from broker-dealers.
3. The Firm does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and the Firm will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by the Firm. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs the Firm to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements available through the Firm. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**The Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that the Firm provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time. In such instances, when able, the Firm may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Firm shall not receive any additional compensation or remuneration as a result of such aggregation.

## **Item 13      Review of Accounts**

- A. For those clients to whom the Firm provides investment supervisory services, account reviews are conducted on an ongoing basis by the Firm's Vice President. All investment supervisory clients are advised that it remains their responsibility to advise the Firm of

any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review investment objectives and account performance with the Firm on an annual basis.

- B. The Firm conducts account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts.

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

- A. As referenced in Item 12.A.1 above, the Firm receives indirect economic benefits from Schwab, including support services and/or products without cost (and/or at a discount). The Firm's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by the Firm to Schwab or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement

**The Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding conflicts of interest any such arrangements create.**

- B. If a client is introduced to the Firm by an unaffiliated promoter, the Firm may pay that promoter a referral fee in accordance with the requirements of Marketing Rule 206(4)-1 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Firm's investment advisory fee and shall not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated promoter, the promoter, at the time of the solicitation, shall disclose the nature of their relationship, and shall provide each prospective client with a copy of the Firm's written Brochure and a copy of the written disclosure statement disclosing the terms of the arrangement between the Firm and the promoter, including the compensation to be received by the promoter from the Firm.

#### **Item 15      Custody**

The Firm is deemed to have limited custody solely because advisory fees are directly deducted from a client's account by the custodian on behalf of the Firm. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts.

Prior to having fees deducted from a client's custodial account, the Firm shall ensure that it has written authorization to have its advisory fee debited by the client's qualified custodian. **Please Note:** To the extent that the Firm provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by

the Firm with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of the Firm's advisory fee calculation.

**The Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

#### **Item 16 Investment Discretion**

A client can determine to engage the Firm to provide investment advisory services on a discretionary basis. Prior to the Firm assuming discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, naming the Firm as the client's attorney and agent in fact, granting the Firm full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Firm on a discretionary basis may, at any time, impose restrictions, **in writing**, on the Firm's discretionary authority (i.e., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribed the Firm's use of margin, etc.).

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

- A. The Firm does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Firm to discuss any questions they may have with a particular solicitation.

#### **Item 18 Financial Information**

- A. The Firm does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Firm is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Firm has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: The Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**