

**Firm Brochure  
(Part 2A of Form ADV)  
CRD 106918  
(Item 1)**

**DOMINION PORTFOLIO MANAGEMENT, INC.  
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**813-264-0440  
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August 16, 2023

This brochure provides information about Dominion Portfolio Management, Inc. Registration as a Registered Investment Advisor does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at: 813-605-0902, or by email at: [srahmouni@calton.com](mailto:srahmouni@calton.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 Dominion Portfolio Management, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## Item 2 Material Changes

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

As of August 16, 2023, an amendment to the Form ADV Part 2A was filed regarding the following changes:

1. The Company was purchased by Calton & Associates, Inc., a broker-dealer and investment adviser.

### Item 3 Table of Contents

Item 1 Cover Page	Page 1
Item 2 Material Changes	Page 2
Item 3 Table of Contents	Page 3
Item 4 Advisory Business	Page 4
Item 5 Fees and Compensation	Page 5
Item 6 Performance-Based Fees	Page 7
Item 7 Types of Clients	Page 7
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	Page 8
Item 9 Disciplinary Information	Page 10
Item 10 Other Financial Industry Activities and Affiliations	Page 10
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	Page 11
Item 12 Brokerage Practices	Page 12
Item 13 Review of Accounts	Page 13
Item 14 Client Referrals and Other Compensation	Page 13
Item 15 Custody	Page 14
Item 16 Investment Discretion	Page 15
Item 17 Voting Client Securities	Page 15
Item 18 Financial Information	Page 15

## Item 4 Advisory Business

### Firm Description

Dominion Portfolio Management, Inc. was founded in 1995 and is a SEC registered investment adviser with its principal place of business located in Texas. DPM engages in fee based portfolio asset management on behalf of its clients. Dominion Portfolio Management, Inc is a wholly owned subsidiary of Calton & Associates, Inc.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" "DPM" refer to Dominion Portfolio Management, Inc.. and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### Portfolio Management Services

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you participate in our discretionary portfolio management services, we require you to grant us discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction. We will also have discretion over the broker or dealer to be used for securities transactions in your account. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms.

We may also offer non-discretionary portfolio management services. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

As part of our portfolio management services, we may use one or more third party money managers to manage a portion of your account on a discretionary basis. The third party money managers may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by third party money managers, and may hire and fire any third party money managers without your prior approval. We may pay a portion of our advisory fee to the sub-adviser(s) we use; however, you will not pay our firm a higher advisory fee as a result of any third party money managers relationships.

To determine your individual needs, each non-institutional client will be required to complete a confidential investor profile containing a variety of personal and financial information. Requested information includes investment goals, time horizons and risk tolerance. We may require you to complete additional investor profiles should you experience significant change in your financial condition or familial obligations. Through an analysis of this data, we develop a portfolio for you. All portfolios are client specific. A DPM IAR will consult with you on the overall investment strategy to be implemented. You will have the opportunity to place reasonable restrictions on the management of your portfolio, such as limiting individual securities, asset allocation weightings, industries, etc. Any restrictions will be detailed in the advisory contract. We will then implement the chosen investment strategy through the purchase of a number of stocks, bonds, ETF's or mutual funds (no-load or load waived) that are deemed to be appropriate for you. We will then monitor your portfolio and when deemed appropriate we will make changes in specific security selections. We may alter asset allocations as situations warrant based on market conditions or changes in your personal or family obligations.

**Types of Investments**

Assets are invested primarily in individual securities, exchanged traded funds (ETF's) or mutual funds (load-waived or no-load). Investments may also include equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, mutual funds shares and U. S. government securities.

Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflict with the advice we give to other clients regarding the same security or investment.

**IRA Rollover Recommendations**

For purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

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

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

**Assets Under Management**

As of December 31, 2021, we provide continuous management services for \$188,055,684 in client assets on a discretionary basis.

**Item 5 Fees and Compensation****Portfolio Management Services**

Our annual fee for portfolio management services is equal to 2.65% of the market value of your assets under our management. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion. Advisory fees will be billed quarterly in advance of the

services provided. Amounts are based on the portfolio value on the last day of the previous quarter. For accounts that are opened or closed during a calendar quarter, the fee payable will be pro-rated for the period. Our fees are negotiable.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

DPM or the client may terminate an advisory contract with ten (10) days written notice to the other party. In cases where the account is terminated, all pre-paid and unearned advisory fees will be promptly refunded to the client. The refund of a fee is determined as follows: the daily rate is calculated by dividing the quarterly fee by the number of days in the quarter. The refund is equal to the daily rate times the number of days remaining in the quarter including the day of notice from the client.

### **Additional Fees and Expenses**

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

### **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm are registered representatives with our affiliated broker-dealer, Calton & Associates, Inc., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons receive compensation in connection with the purchase and sale of securities or other investment products, including asset-based sales charges, service fees or 12b-1 fees, for the sale or holding, of mutual funds. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice to advisory clients on behalf of our firm who are registered representatives have an incentive to recommend investment products based on the compensation received rather than solely based on your needs. Persons providing investment advice to advisory clients on behalf of our firm can select or recommend mutual fund investments in share classes that pay 12b-1 fees when clients are eligible to purchase share classes of the same funds that do not pay such fees and are less expensive. This presents a conflict of interest. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm who receives compensation described above.

We have a fiduciary duty to act in our client's best interest including the duty to seek best execution. Therefore, our mutual fund selection and recommendation process takes into consideration several factors in order to meet this requirement. See the *Brokerage Practices* section for additional information on our mutual fund share class selection process.

We may recommend that you purchase variable annuities to be included in your investment portfolio(s). Persons providing investment advice on behalf of our firm may earn commissions on the sale of the variable annuities in their capacity as registered representatives of Calton & Associates, Inc.. If these persons earn commission on the sale of variable annuities recommended to you, we will not include the annuity accounts in the total value used for our advisory billing/fee computation for a two-year period of time after the annuity contract is sold. After the two-year period, the value of the annuity sub accounts will be added to the value of your total assets for billing purposes. Annuities will be purchased for your account only after you receive a prospectus disclosing the terms of the annuity. You are under no obligation, contractually or otherwise, to purchase variable annuities through any person affiliated with our firm.

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

At our discretion, we may offset our advisory fees to the extent persons associated with our firm earn separate commissions.

## **Item 6 Performance-Based Fees**

### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities. We do not charge performance-based fees or participate in side-by-side management.

## **Item 7 Types of Clients**

### **Description**

DPM may provide investment advice to individuals, high net worth individuals and businesses. Client relationships vary in scope and length of service.

In general, we require a minimum of \$50,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management.

We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

### Methods of Analysis

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Charting analysis** strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be assuming that past performance will be indicative of future performance. This may not be the case.

**Economic analysis** focuses on how economic conditions may impact securities.

### Investment Strategies

Long-term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading, short sales and margin transactions generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.** The adviser generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned above).

**Equity** investment generally refers to buying shares of stocks by an individual or firms in

return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**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 price value, albeit rather minimal.



**Fixed Income** is an investment that promises fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc. Investing in fixed income carries the risk of capital loss.

**Debt securities** carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations. Investing in debt securities carries the risk of capital loss.

**Stocks & Exchange Traded Funds (ETF)**: Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy).

**Publicly Traded REITs** have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares. Investing in REITS carries the possible risk of capital loss.

**Precious Metal ETFs** (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal): Investing in precious metal ETFs carries the possible risk of capital loss.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short term trading** risks include liquidity, economic stability and inflation and possible loss of capital.

**Past performance is not a guarantee of future returns. Investing in any securities involves a risk of loss that you, as a client, should be prepared to bear.**

DPM may employ different investment strategies that are determined by consultation and the objectives of the client. These strategies primarily use common stock, ETF's and open end and closed end mutual funds. The resulting portfolios are not always diversified. Some strategies may include the use of treasury securities, option, fixed income (debt securities) and real estate investment trusts.

The client may change these objectives at any time.

### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Investing in securities involves risk of loss clients should be prepared to bear. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of clients who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## Item 9 Disciplinary Information

We are owned by Calton & Associates, Inc., (CRD # 20999). Information concerning Calton's disciplinary disclosures can be obtained from FINRA's BrokerCheck link at: [www.finra.org/brokercheck](http://www.finra.org/brokercheck) and [CALTON & ASSOCIATES, INC. - Brokerage/Investment Adviser Firm \(sec.gov\)](http://CALTON & ASSOCIATES, INC. - Brokerage/Investment Adviser Firm (sec.gov))

## Item 10 Other Financial Industry Activities and Affiliations

### Arrangements with Affiliated Broker Dealer

We are a wholly owned subsidiary of Calton & Associates, Inc., ("Calton") a securities broker-dealer and a member of FINRA and SIPC and a registered investment adviser. Persons providing investment advice on behalf of our firm are also registered representatives with Calton. In their separate capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate from our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. While we believe that commissions charged by Calton are competitive, such compensation may be higher than commissions or related fees charged by other firms providing the same or similar services. You are under no obligation to use Calton's services and may obtain comparable services and/or lower commissions or related fees through other firms. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

### Corporate Insurance Agency and Licensed Insurance Agents

In addition to being registered as a broker/dealer and investment adviser, Calton is also licensed as a corporate insurance agency in states in which it conducts insurance business. IARs may also be licensed as independent insurance agents and recommend insurance products from a variety of insurance companies. IARs will earn commission-based compensation from the sales of insurance products to clients. Insurance commissions earned by IARs are separate from the investment advisory fees charged by Calton and/or the IARs. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by insurance agents who are affiliated with Calton.

### **Other Outside Business Activities**

Certain associated persons of our firm are also separately licensed as certified public accountants. Our advisory services are separate and distinct from the compensation paid for accounting services.

Some IARs own or are affiliated with independent Registered Investment Adviser ("RIA") firms outside of DPM or our parent Calton. These firms are not affiliated with DPM or Calton and their activities of are not supervised by DPM or Calton. Typically, IARs that own or are affiliated with an independent RIA may offer and provide different investment advisory services and programs, including fee based financial planning services through the RIA. The investment advisory fees may be more or less than what DPM or Calton charges. Investment advisory fees and financial planning services fees provided by the IAR through their own independent RIA are separate and distinct from any fees paid to DPM or Calton. Clients that engage an IAR through an independent RIA firm will receive a copy of the independent outside RIA firm's disclosure documents.

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

### **Description of DPM's Code of Ethics**

DPM strives to comply with applicable laws, rules and regulations governing its business practices. DPM's Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. DPM's goal is to act in its clients' best interests at all times and to demonstrate its commitment to the fiduciary duties of honesty, good faith, and fair dealing with clients. All persons associated with DPM are expected to adhere strictly to these guidelines. DPM's Code of Ethics also requires that certain persons associated with the firm periodically submit reports of their personal securities transactions and account holdings to the firm for review. Persons associated with DPM are also required to report any violations to the Code of Ethics. DPM maintains and enforces written policies and procedures reasonably designed to prevent the misuse or dissemination of material, nonpublic information about clients and their account holdings by persons associated with DPM.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting DPM at the telephone number on the cover page of this brochure.

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

It is DPM's policy that neither DPM or any persons associated with the firm may have any material financial interest in clients' accounts or transactions beyond the investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

DPM and/or its IARs may buy or sell securities for clients at the same time DPM and/or its IARs buy or sell the same securities for our own accounts. DPM may also combine its orders to purchase securities with client orders to purchase securities known as block trading. Please refer to the "Brokerage Practices" section in this brochure for information on our block trading practices. A conflict of interest exists because DPM and/or its IARs have the ability to execute transactions ahead of the client and potentially receive more favorable execution prices than the client will receive. To eliminate this conflict of interest, it is DPM's policy that neither the firm or its IARs will have priority over client orders in the purchase or sale of securities

## Item 12 Brokerage Practices

We recommend the brokerage and custodial services of Hilltop Securities, Inc. ("HTS") ("Custodian"). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere. Our selection of custodian is based on many factors, including the level of services provided, the custodian's financial stability, and the cost of services provided by the custodian to our clients, which includes the yield on cash sweep choices, commissions, custody fees and other fees or expenses.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

### Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements.

### Brokerage for Client Referrals

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

### Directed Brokerage

We routinely require that you direct our firm to execute transactions through HTS. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Persons providing investment advice on behalf of our firm who are registered representatives of Calton & Associates, Inc. will recommend Calton & Associates, Inc. to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from Calton & Associates, Inc. unless Calton & Associates, Inc. provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through Calton & Associates, Inc.. It may be the case that Calton & Associates, Inc. charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through Calton & Associates, Inc., these individuals (in their separate capacities as registered representatives of Calton & Associates, Inc.) may earn commission-based compensation as result of placing the recommended securities transactions through Calton & Associates, Inc.. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as, we recommend. However, if you do not use Calton & Associates, Inc., we may not be able to accept your account. See the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

### **Aggregated Trades**

We combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "aggregated trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, non-wrap accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. If you participate in our wrap fee program described above, you will not pay any portion of the transaction costs in addition to the program fee. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in aggregated trading with your accounts; however, they will not be given preferential treatment.

We do not aggregate trades for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

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

All investment advisory portfolio management accounts are monitored by the IAR assigned to the account either on an ongoing or periodic basis as agreed upon with the client. The IAR is required to meet with the client no less than annually. The client may request to meet with the IAR at any time. We have designated certain supervisors who are responsible for reviewing clients' accounts. The investment advisory account form is approved by a designated supervisor of DPM. Designated supervisors will also review transactions in clients' account on an ongoing basis.

Clients will receive trade confirmations and monthly or quarterly statements from the clearing firm and/or custodian(s).

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

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are registered representatives with Calton & Associates, Inc., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In addition, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

DPM directly compensates non-employee (outside) consultants, individuals, and/or entities for soliciting clients to DPM. In order to receive a solicitor's fee from DPM, solicitors must comply with the requirements of the jurisdictions in which they operate. If the client was referred to DPM by a Solicitor, the client is provided a copy of DPM's Disclosure Brochure along with the Solicitor's Disclosure Statement at the time of the referral. If the client becomes a DPM client, the Solicitor that referred the client to DPM will generally receive a percentage of the investment advisory fee the client pays to DPM for as long as the client maintains an account with DPM or until such time as the agreement with the Solicitor terminates. The Solicitor may receive a one-time, flat referral fee when the client signs the Investment Advisory Agreement with DPM. The client does not pay additional fees above DPM's investment advisory fees from the Solicitor's referral arrangement. Referral fees paid to a Solicitor are contingent upon the client entering into an Investment Advisory Agreement with DPM.

Therefore, DPM and the Solicitor have a financial incentive to recommend the client use DPM's investment advisory services. This creates a conflict of interest, but the client is not obligated to retain DPM for investment advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. DPM requires Solicitors to disclose to DPM's client if the Solicitor has multiple referral relationships and if comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation may be less.

## **Item 15 Custody**

Your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

### **Standing Letter of Authorization**

Our firm, or persons associated with our firm, may effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third party wire transfers has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.



## **Item 16 Investment Discretion**

For all discretionary portfolio management clients, DPM will be provided with full, discretionary authority to pick which securities and the amount of securities for the purchase and sale in the client's account, without obtaining specific client consent. The purchases and sales will be guided by the stated investment objectives of each client. A client may impose reasonable restrictions (identified in the client contract) on the services provided for the account (for example, indication that no tobacco or defense stocks may be purchased). All such restrictions shall be documented to DPM in writing. They may be amended in writing and will be implemented when accepted by DPM. DPM reserves the right to refuse or terminate any client account (pursuant to the contract's termination clause) if the client imposes unreasonable restrictions as determined by DPM.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## **Item 17 Voting Client Securities**

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

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

## **Item 18 Financial Information**

### **Financial Condition**

DPM does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. DPM has never filed for bankruptcy protection.