



**Item 1 – Cover Page**

wealthMD Corporation  
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[www.wealthMD.net](http://www.wealthMD.net)

March 2023

This Brochure provides information about the qualifications and business practices of wealthMD Corporation (“wealthMD”, “us”, “we”, “our”). If you (“clients”, “your”) have any questions about the contents of this Brochure, please contact us at (502) 413-6893. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

We are a registered investment adviser. Our registration as an Investment Adviser does not imply any level of skill or training. Additional information about wealthMD also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select “investment adviser firm” and type in our firm name). Results will provide you with both Parts 1 and 2 of our Form ADV.

## 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 clients and provide a description of the material changes.

Generally, wealthMD will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

The last annual updating amendment of our Disclosure Brochure dated March 2022, has been updated as of March 2023. Material changes since the last update include:

1. Item 4 to specifically address retirement plan rollovers or transfers that are covered under a new Department of Labor ("DOL") rule and related Prohibited Transaction Exemption 2020-02 ("PTE 2020-02").

Additionally, we have made other changes, some of which may clarify or enhance existing disclosures, but we do not consider these other changes to be material.

The revised Disclosure Brochure will be available since our last delivery or posting of this Disclosure Brochure on the SEC's public disclosure website (IAPD) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or you may contact our President and Chief Compliance Officer, Nicole T. Haines, M.B.A at the number listed on the cover page of this Disclosure Brochure or [nicole@wealthMD.net](mailto:nicole@wealthMD.net) to obtain a copy. When an update is made to this Disclosure Brochure, we will send a copy to you with the summary of material changes, or a summary of material changes that includes an offer to send you a copy [either by electronic means (email) or in hard copy form].

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## **Item 4 – Advisory Business**

wealthMD Corporation is a corporation organized under the laws of the State of Nevada on April 17, 2006, and 100% owned by Philip Parrish Sallee, M.B.A. We are registered with the SEC and notice filed with the appropriate states in which notice filing is required in order to provide the investment advisory products and services described within this document. As of December 31, 2022, we have \$160,200,135 of assets under management managed on a discretionary basis.

This Disclosure Brochure provides you with information regarding our qualifications, business practices, and the nature of advisory services that should be considered before becoming our advisory client. Please contact Nicole T. Haines, M.B.A., Chief Compliance Officer & President, at the telephone number shown on the cover page of this Disclosure Brochure or [nicole@wealthMD.net](mailto:nicole@wealthMD.net) if you have any questions about this Brochure. We will deliver a current brochure before or at the time you enter into a written agreement with us.

Individuals associated with wealthMD who are licensed and qualified to provide advisory services on our behalf are known as Investment Advisor Representatives (“IARs”). We require these individuals to have earned a college degree and passed the Series 65 Uniform Investment Advisor Law Exam. These individuals may additionally have a graduate degree in economics, finance, management or M.B.A. (Master of Business Administration) and/or any of the following professional designations: CFA (Chartered Financial Analyst), CFP (Certified Financial Planner), ChFC (Chartered Financial Consultant), CIC (Chartered Investment Counselor), or PFS (Personal Financial Specialist).

We offer investment management services to individuals, including high net worth individuals, and trusts. Prior to engaging us to provide any of the investment advisory services, you will be required to enter into one or more written agreements with us setting forth the terms and conditions of the engagement and describing the scope of the services to be provided and the portion of the fee that is due from you prior to us commencing services (collectively the “Agreement”). We offer our services based upon a percentage of assets under management. Below is a description of the investment advisory services we offer. For more detail on any product or service please reference your advisory agreement or contact your wealthMD IAR.

### **Investment Management Services**

We provide asset allocation and ongoing investment management services on a discretionary basis based on your needs and investment objectives. We will obtain your financial information and other pertinent data to enable us to determine the appropriate

investment guidelines, risk tolerance and other factors that will assist in ascertaining your needs and investment suitability. We primarily invest in Mutual Funds and exchange-traded funds (ETFs) and allocate such investments into one or more of three models (conservative, moderate aggressive); however, we can also recommend or invest in other types of securities, such as equities, bonds, municipals, options, private placements, etc., as requested by you or deemed appropriate by us.

We generally recommend that you utilize the brokerage and clearing services of Fidelity Investments, TIAA-CREF, and/or American Funds and their affiliates (collectively referred to as “custodians”) for investment management accounts.

We only implement our investment management recommendations after you have arranged for and furnished us with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions shall include, but are not limited to, custodians, any other broker-dealer recommended by us, trust companies, or banks (collectively referred to herein as the “Financial Institution(s)”).

You may make additions to and withdrawals from your account at any time, subject to our right to terminate any account. You may withdraw account assets upon notice to us, subject to the usual and customary securities settlement procedures. However, we design our portfolios as long-term investments and asset withdrawals may impair your ability to achieve your investment objectives.

You are advised to promptly notify us if there are ever any changes in your financial situation or investment objectives. Due to our business model, we do not allow clients to impose restrictions on investing in certain securities or types of securities.

### **IRA Rollover Recommendations**

In complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02"), when 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 an exemption that requires us to act in your best interest and not put our interest ahead of yours. Under this exemption, 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.

### **Financial Reviews**

Upon request, we do financial reviews at no charge to our clients. We perform one on one meetings discussing the client's individual financial goals, risk tolerance and comprehensive financial situation. No written financial plan is delivered, strictly limited to consultation only.

### **Wrap Fee Programs**

We do not participate in wrap fee programs.

## Item 5 – Fees and Compensation

### Investment Management Services

We shall charge an annual fee based upon a percentage of the market value of the assets being managed by us as indicated by the fee schedule below. We will aggregate eligible related accounts to determine any breakpoints. Please note that we do not charge our clients for 529 Plan accounts; however, these assets will not be included when aggregating for breakpoints. Our fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by you. However, we shall not receive any portion of these commissions, fees, and costs. Our annual fee shall be prorated and charged quarterly, in arrears, based upon the market value of the assets on the last day of the previous quarter as valued by your custodian(s). The fee shall vary depending upon the market value of the assets under management:

<u>Assets</u>	<u>Annual Fee</u>	<u>Quarterly Fee</u>
Less than \$250,000	2.00%	.5000%
\$250,001 - \$500,000	1.75%	.4375%
\$500,001 - \$750,000	1.50%	.3750%
\$750,001 - \$1,000,000	1.25%	.3125%
More than \$1,000,000	1.00%	.2500%

We reserve the right, in our sole discretion, to negotiate and charge a lesser management fee or waive the fees based upon certain criteria (i.e., level of service provided, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.). Therefore, clients with similar assets under management and investment objectives may pay significantly higher or lower fees than other clients. You acknowledge that it is your responsibility to verify the accuracy of the calculation of the Management Fee, and that if fees are deducted directly from your account(s), the custodian will not determine whether the Management Fee is accurate or properly calculated. Furthermore, our advisory board members (listed in item 10) will pay a discounted rate of 1%.

In addition to the negotiability explained above, certain employers, for your employer sponsored retirement plan, impose a fee cap on us when delivering our services. We agree to abide by any such employer mandate at no extra cost to the client for those designated assets. However, the extent and level of services wealthMD provides may be impacted. While our investment decision making process will remain the same, ancillary services (e.g., number of, or type of, meetings, etc.) may be impacted. Furthermore, should an employer impose such a fee cap, those assets will not be aggregated with other accounts to determine a breakpoint, as described above. Such

accounts will be segregated for billing purposes. Please discuss with your IAR if your employer has any such mandates.

For the initial quarter, the first quarter's fees shall be calculated on a pro rata basis commencing on the day the Assets are initially designated to us for management under our agreement with you. Fees are automatically deducted from the account pursuant to the advisory agreement and not typically billed separately (certain 529 Plan accounts can be invoiced if a fee is charged). The Agreement between us will continue in effect until terminated. The Agreement can be made at any time, by either party pursuant to the terms of the Agreement. Upon termination of your agreement, we will not charge a Management Fee for the last quarter during which services were rendered.

Additions may be in cash or securities; however, we reserve the right to liquidate any transferred securities, or decline to accept particular securities into your account. We will consult with you about the options and ramifications of transferring securities. However, you are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge), and/or tax ramifications.

Our Agreement and/or the separate agreement with the Financial Institution(s) typically authorize us through the Financial Institution(s) to debit your account for the amount of our fee and to directly remit that management fee to us in accordance with applicable custody rules.

You will incur certain charges imposed by the Financial Institution(s) and other third parties such as fees charged for custodial fees, charges imposed directly by a mutual fund or exchange traded funds in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. All mutual funds recommended are "no-load" or "fee waived" funds. Additionally, you will incur brokerage commissions and transaction fees, charged by these custodians or any other designated broker-dealer. Such charges, fees and commissions are exclusive of and in addition to our fee. Please refer to Item 12 for more information on brokerage arrangements.



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

We do not charge performance-based fees (i.e., advisory fees based on a share of the capital gains or capital appreciation of the funds or securities in a client account). Our compensation structure is disclosed in detail in Item 5 above.

## **Item 7 – Types of Clients**

We provide investment management services to individuals, including high net worth individuals and trusts. We do not impose a minimum portfolio size or a minimum annual fee.

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

Your investment portfolio will be tailored to meet your investment goals and objectives taking into considerations your financial situation, circumstances and risk tolerance. After developing an understanding of your risk tolerance and short and long-term goals, we will work together to create a customized investment portfolio designed specifically for you. Investing in securities involves risk of loss that you should be prepared to bear. You have the opportunity to place reasonable restrictions or constraints on the way your account is managed; however, such restrictions can affect the composition and performance of your portfolio. For these reasons, performance of the portfolio may not be identical with our average client.

We offer advice on equity securities (exchange-listed securities and securities traded over the counter), corporate debt securities, commercial paper, certificates of deposit, municipal securities, mutual fund shares, U.S. government securities, options contracts on securities, ETFs, and any type of investment held in your portfolio at the beginning of the advisory relationship. However, we typically allocate your investment management assets, on a discretionary basis among our model portfolios, utilizing mutual funds and ETFs in accordance with your investment objectives.

We may trade option contracts or trade on margin for your accounts, which could result in a high portfolio turnover ratio. To the extent that you authorize the use of margin, and margin is thereafter employed by us in the management of your investment portfolio, the market value of your account and corresponding fee payable to us by you will be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, you are advised of the potential conflict of interest whereby your decision to employ margin shall correspondingly increase the management fee payable to us. Accordingly, the decision as to whether to employ margin is left totally up to you.

In determining the investment advice to give to you we will analyze the financial statements and health of a business, its management and competitive advantages, and its competitors and markets and focus on growth or value (or a combination of both) to determine a company's intrinsic value and if investing in such security meets your needs and objectives. We will take into consideration when making investment decisions the stages of the business during a given point in time. In selecting mutual funds and ETFs, we analyze the funds historical performance, peer group performance, alpha, risk adjusted return, expense ratios, and manager tenure, among other factors. While we monitor the market and our models continuously, we typically rebalance our model portfolios quarterly and upon what we determine are material movements in the market, and therefore are not active traders. We believe portfolio rebalancing serves an important function in keeping a portfolio targeted to the appropriate level of risk. A threshold

approach to portfolio rebalancing helps mitigate the risk of a portfolio drifting too far outside of the desired asset allocation.

When investing you should be prepared for the following risks:

### **Business Risk**

The measure of risk associated with an individual security. Business risk refers to the possibility that the issuer of a security could possibly go bankrupt.

### **Credit Risk**

The risk that a particular bond issuer will not be able to make expected interest rate payments and/or principal repayment.

### **Taxability Risk**

The risks that a security that was issued with tax-exempt status could potentially lose that status prior to maturity.

### **Inflationary Risk**

The risk that future inflation will cause the buying power of income from an investment to decline.

### **Liquidity Risk**

The possibility that an investment cannot be bought or sold as and when the desired because the market opportunities are limited.

### **Market Risk**

The systematic risk that results in all securities being affected in the same manor.

### **Reinvestment Risk**

The risk that declining interest rates will cause a decline in income from an investment when its principal and interest payments are reinvested at lower rates.

### **Social / Political Risk**

Risk associated with the potential nationalization, possible unfavorable government action or unforeseen social changes that would result in an investment losing value.

### **Currency / Exchange Rate Risk**

The risk from the change in price of one currency against another.

### **ETFs and Mutual Funds Risk:**

ETFs and mutual funds are subject to investment advisory and other expenses, which will be indirectly paid by clients. As a result, the cost of our investment strategies will be higher than the cost of investing directly in ETFs or mutual funds, as there are two levels of fees. ETFs and mutual funds are subject to specific risks, depending on the nature of the fund.

ETFs are professionally managed pooled vehicles that invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. ETF managers trade fund investments in accordance with fund investment objectives. ETF risk can be significantly increased for funds concentrated in a particular sector of the market, or that primarily invest in small cap or speculative companies, use leverage (i.e., borrow money) to a significant degree, or concentrate in a particular type of security (i.e., equities), rather than balancing the fund with different types of securities.

ETFs can be bought and sold throughout the day like stocks, and their price can fluctuate throughout the day. During times of extreme market volatility, ETF pricing may lag versus the actual underlying asset values. This lag usually resolves itself in a short period of time (usually less than one day); however, there is no guarantee this relationship will always occur.

### **Legal and Regulatory Matters Risks:**

Legal developments which may adversely impact investing and investment-related activities can occur at any time. "Legal Developments" means changes and other developments concerning foreign, as well as US federal, state and local laws and regulations, including adoption of new laws and regulations, amendment or repeal of existing laws and regulations, and changes in enforcement or interpretation of existing laws and regulations by governmental regulatory authorities and self-regulatory organizations (such as the SEC, the US Commodity Futures Trading Commission, the Internal Revenue Service, the US Federal Reserve and the Financial Industry Regulatory Authority). Our management of accounts may be adversely affected by the legal and/or regulatory consequences of transactions effected for the accounts. Accounts may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations.

### **System Failures and Reliance on Technology Risks:**

Our investment strategies, operations, research, communications, risk management, and back-office systems rely on technology, including hardware, software, telecommunications, internet-based platforms, and other electronic systems. Additionally, parts of the technology used are provided by third parties and are, therefore, beyond our direct control. We seek to ensure adequate backups of hardware, software,

telecommunications, internet-based platforms, and other electronic systems, when possible, but there is no guarantee that our efforts will be successful. In addition, natural disasters, power interruptions and other events may cause system failures, which will require the use of backup systems (both on- and off-site). Backup systems may not operate as well as the systems that they back-up and may fail to properly operate, especially when used for an extended period. To reduce the impact a system failure may have, we continually evaluate our backup and disaster recovery systems and perform periodic checks on the backup systems' conditions and operations. Despite our monitoring, hardware, telecommunications, or other electronic systems malfunctions may be unavoidable, and result in consequences such as the inability to trade for or monitor client accounts and portfolios. If such circumstances arise, the Investment Committee will consider appropriate measures for clients.

### **Cybersecurity Risk:**

A portfolio is susceptible to operational and information security risks due to the increased use of the internet. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks, or devices through "hacking" or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cybersecurity failures or breaches by third-party service providers may cause disruptions and impact the service providers' and our business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement, or other compensation costs, and/or additional compliance costs. While we have established business continuity plans and risk management systems designed prevent or reduce the impact of such cyberattacks, there are inherent limitations in such plans and systems due in part to the everchanging nature of technology and cyberattack tactics.

### **Pandemic Risks:**

The recent outbreak of the novel coronavirus rapidly became a pandemic and has resulted in disruptions to the economies of many nations, individual companies, and the markets in general, the impact of which cannot necessarily be foreseen at the present time. This created closed borders, quarantines, supply chain disruptions and general anxiety, negatively impacting global markets in an unforeseeable manner. The impact of the novel coronavirus and other such future infectious diseases in certain regions or countries may be greater or less due to the nature or level of their public health response or due to other factors. Health crises caused by the recent coronavirus outbreak or future infectious diseases may exacerbate other pre-existing political, social, and economic risks in certain countries. The impact of such health crises may be quick, severe and of

unknowable duration. These pandemic and other epidemics and pandemics that may arise in the future could result in continued volatility in the financial markets and could have a negative impact on investment performance.

The above list of risk factors is not intended to be a complete list or explanation of the risks involved in an investment strategy. You are encouraged to consult your financial advisor, legal counsel, and tax professional on an initial and continuous basis in connection with selecting and engaging in the services provided by us. In addition, due to the dynamic nature of investments and markets, strategies may be subject to additional and different risk factors not discussed above,

## **Item 9 – Disciplinary Information**

We do not have any legal, financial, or other “disciplinary” item to report. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a client/adviser relationship, or to continue such a relationship with us.



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

Neither we nor any of our management persons are registered, or have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities except as disclosed below.

In addition, we do not, nor do any of our management persons have any relationship or arrangement that is material to our advisory business, or to our clients, with any related person that is a:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker,
- Investment company or other pooled investment vehicle,
- Other investment adviser or financial planner,
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Pension consultant,
- Real estate broker or dealer, or
- Sponsor or syndicator of limited partnerships.

Additionally, we have a relationship with Fidelity Investment, TIAA-CREF, and American Funds to provide the brokerage and clearing services to our clients. They offer retirement planning, portfolio guidance, brokerage services and many other financial products and services to individuals and institutions, as well as financial intermediary firms.

### **wealthMD Advisory Board**

Below is a list of our Advisory Board Members. The wealthMD Board is an advisory board designed to assist wealthMD with strategic business decisions, provide feedback, and generally improve our business model. The Board does not provide investment advice and has no fiduciary duty to wealthMD or our clients.

Donna Reed Bartman

Christopher L. Hatcher, CPA, CFE, CFF

Ralph A. Alvarado, M.D.

Larry L. Cunningham, Jr., D.D.S, M.D., FACS

Amie B. Rainwater, R.N.

J. Scott Roth, M.D., FACS

Thomas K. Slabaugh, Jr., M.D.

Joshua P. Steiner, M.D., FACS, FASMBS

Emily W. Newman, Esq.

Lynn Bynum, J.D.

John Ross Gambrel, APRN, CRNA, MS

Andy Stubblefield, CAPI

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

We have in place Ethics Rules (the “Rules”), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that our personnel (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (ii) at all times place your interests first; (iii) disclose all actual or potential conflicts; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to you; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of the Rules, our personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

Our personnel are required to conduct their personal investment activities in a manner that we believe is not detrimental to you. Our personnel are not permitted to transact in securities except under circumstances specified in the Code of Ethics. The policy requires all Access Persons<sup>1</sup> to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics. The Ethics Rules are available to you and prospective clients upon request. We will furnish a copy within a reasonable period of time at the current address of record.

Our employees can invest for their own accounts or have a financial interest in the same

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<sup>1</sup> Access person means any of your supervised persons who has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund, or who is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic. If providing investment advice is your primary business, all of your directors, officers and partners are presumed to be access persons.

"Supervised person" means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.

securities or other investments that they also recommend, acquire, or sell for the accounts of clients. In addition, your IAR is permitted to engage in transactions that are the same as, or different than, transactions recommended to or made for your account(s). This practice could create a conflict of interest if the IARs placing trades for their own accounts were to place a trade before our clients and receive a better price on a security. To address this potential conflict, employee transactions are tracked and only permitted if in compliance with our Policy on Personal Securities Transactions. Generally, employee accounts will be included in our block trades with client accounts and receive the same average price as our clients. Reports of personal transactions in securities by our IARs are reviewed by the firm's Chief Compliance Officer quarterly or more frequently if required.

In accordance with Section 204A of the Advisers Act, we also maintain and enforce written policies reasonably designed to prevent the unlawful use of material non-public information by us or any of our IARs.

A copy of our privacy policy notice and a written disclosure brochure that meets the requirements of Rule 204-3 of the Investment Advisers Act of 1940, as amended, shall be provided to you prior to or contemporaneously with the execution of our Agreement with you.

## Item 12 – Brokerage Practices

As discussed in item 4, we generally recommend that you utilize the brokerage and clearing services of Fidelity Investments, TIAA-CREF, and American Funds, and their affiliates (collectively referred to as “custodians”) for investment management accounts. However, we do not consider, in selecting or recommending broker-dealers, whether we or any of our related persons receive client referrals from a broker-dealer or third party.

Factors which we consider in recommending these custodians or any other broker-dealer, to you include their respective financial strength, reputation, execution, pricing, research, and service. These custodians enable us to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by these custodians may be higher or lower than those charged by other broker-dealers.

The commissions or ticket charges paid by you shall comply with our duty to obtain “best execution.” However, you may pay a fee that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith, that the fee is reasonable in relation to the value of the brokerage and research services received. 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 among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while we will seek competitive rates, they will not necessarily obtain the lowest possible commission rates for your transactions.

If you request us to arrange for the execution of securities brokerage transactions for your account, we shall direct such transactions through broker-dealers that we reasonably believe will provide best execution. We shall periodically and systematically review our policies and procedures regarding recommending broker-dealers to our client in light of our duty to obtain best execution.

Transactions for each of our clients generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We can (but not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among our 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 generally be averaged as to price and allocated among our clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that we determine to aggregate client orders for the purchase or sale of securities, including securities in which our IAR(s) invest, we shall generally do so in accordance

with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. We shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that we determine that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which can include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, we may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions will be executed through the custodian that holds your assets. Certain of these custodians provide investment research products and/or services which assist us in our investment decision-making process. We also receive from these custodians, without cost to us, computer software and related systems support, which allow us to better monitor client accounts maintained at these custodians. The software and related systems support benefit us, but not all our clients directly. Additionally, we typically receive the following benefits from these custodians: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. In fulfilling our duties to you, we endeavor at all times to put your interest first. You should be aware; however, that our receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits will influence our choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

In evaluating whether to recommend that clients custody their assets at a particular custodian, we take into account the availability of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the

nature, cost or quality of custody and brokerage services provided by a custodian. As stated above, clients should be aware that the receipt of such economic benefits by us in and of itself creates a potential conflict of interest and can indirectly influence our choice of custodian for custody and brokerage services. To address these potential conflicts of interest, we have developed and implemented a Compliance Program, which includes a review of the services and execution quality we receive from each custodian.

We do not execute transactions on a principal or agency cross basis.

### **Item 13 – Review of Accounts**

We monitor the portfolios of those clients to whom we provide investment management services as part of an ongoing process. For those clients to whom we provide financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by our Chief Investment Officer / Founder. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with us and to keep us informed of any changes thereto via email, phone or in-person meeting. We shall contact ongoing investment advisory clients semi-annually, typically via email with a suitability form, to determine the impact resulting from any changes in your financial situation and/or investment objectives/risk tolerance.

Unless otherwise agreed upon, the broker-dealer or custodian for your accounts will provide you with transaction confirmation notices and regular summary account statements. We will provide reports to those clients to whom we provide financial planning and/or consulting services including a summary of our analysis and conclusions per your request or otherwise agreed to in writing by us.

The Financial Institution(s) we recommended will send a statement to you, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to us.



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

We do not receive an economic benefit from a non-client for providing investment advice or other advisory services to our clients (please see Item 12 for potential conflicts related to ancillary benefits we receive from our custodians). We do not currently compensate any person for client referrals.

## **Item 15 – Custody**

We do not have physical custody of client assets as they are maintained at a qualified custodian. However, we may be granted authority, upon written consent from you, to deduct the advisory fees directly from your account. Therefore, we are deemed to have custody with regards to direct fee deduction to provide discretionary asset management services to our clients with accounts held at qualified custodians. In addition, we are also deemed to have custody of clients' funds or securities when clients have standing letters of authorizations ("SLOAs") with their custodian to move money from a client's account to a third-party, and under that SLOA it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow.

We will obtain prior written consent from you to deduct the advisory fees directly from your account through a signed agreement or letter of authorization which specifically outlines the terms of the custody including your intentions for giving us access to your accounts. The qualified custodian will send to you, at least quarterly, your account statement identifying the amount of funds and each security in the account at the end of period and setting forth all transactions in the account during that period including the amount of advisory fees paid directly to us.

When we provide to you reports regarding your portfolio, you are encouraged to review these reports and compare them against reports received from the independent custodian that services your advisory account. You should immediately inform us of any discrepancy noted between the custodian records and the reports you receive from us.

## **Item 16 – Investment Discretion**

In order to manage your investment portfolio effectively, we believe we should have the authority to determine without obtaining specific client consent, the securities to be bought and sold and/or the amount of securities to be bought or sold for your account including the commission rates to be paid to a broker or dealer for the purchase or sale of securities for your account. You have the right to place reasonable restrictions on such authority. Any restrictions must be submitted to us in writing. Execution of the client agreement gives us the permission to exercise this authority.

In managing investment portfolio, we act in a manner in keeping with what we understand and believe to be in your best interest.

## **Item 17 – Voting Client Securities (i.e., Proxy Voting)**

As a matter of firm policy and practice, we do not have, nor will we accept, the authority to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients should contact their custodian or a transfer agent with questions about a particular solicitation.

In addition, as a general policy, we do not elect to participate in class action lawsuits on behalf of a client. Rather, such decisions shall remain with the client or with an entity the client designates. We may assist the client in determining whether they should pursue a particular class action lawsuit by assisting with the development of an applicable cost-benefit analysis, for example. However, the final determination of whether to participate, and the completion and tracking of any such related documentation, shall generally rest with the client.

## **Item 18 – Financial Information**

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you given that we do not have custody of client funds or securities or require or solicit prepayment of fees more than \$1,200 per client and six months or more in advance. In addition, we are not currently, nor at any time in the past ten years been, subject of a bankruptcy petition.