

# Destiny Wealth Partners, LLC

## **ADV Part 2A, Firm Brochure Dated: March 14, 2024**

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This brochure provides information about the qualifications and business practices of Destiny Wealth Partners, LLC. If you have any questions about the contents of this brochure, please contact us at (352) 343-2700 or [truggie@ruggiewealth.com](mailto:truggie@ruggiewealth.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 Destiny Wealth Partners, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to Destiny Wealth Partners, 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

Since the last Other Than Annual amendment on October 18, 2023, this Disclosure Brochure has not been materially revised. Certain non-material revisions have been made to enhance disclosure regarding our advisory business.

**ANY QUESTIONS: Destiny Wealth Partners, LLC’s Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions that an existing or prospective client may have regarding this Brochure.**

## Item 3      Table of Contents

|         |  |    |
|---------|--|----|
| Item 1  | Cover Page.....  | 1  |
| Item 2  | Material Changes.....  | 2  |
| Item 3  | Table of Contents.....   | 2  |
| Item 4  | Advisory Business.....   | 3  |
| Item 5  | Fees and Compensation.....   | 14 |
| Item 6  | Performance-Based Fees and Side-by-Side Management.....                                    | 21 |
| Item 7  | Types of Clients.....  | 21 |
| Item 8  | Methods of Analysis, Investment Strategies and Risk of Loss.....                           | 22 |
| Item 9  | Disciplinary Information.....  | 25 |
| Item 10 | Other Financial Industry Activities and Affiliations.....                                  | 25 |
| Item 11 | Code of Ethics, Participation or Interest in Client Transactions and Personal Trading..... | 27 |
| Item 12 | Brokerage Practices.....   | 28 |
| Item 13 | Review of Accounts.....  | 29 |
| Item 14 | Client Referrals and Other Compensation.....   | 30 |
| Item 15 | Custody.....   | 30 |
| Item 16 | Investment Discretion.....   | 31 |
| Item 17 | Voting Client Securities.....  | 31 |
| Item 18 | Financial Information.....   | 31 |

## Item 4 Advisory Business

Destiny Wealth Partners , LLC (the “Registrant”) is a limited liability company formed on November 6, 2012 in the State of Florida. The Registrant became registered as an Investment Adviser Firm in May 2014. As of February 2, 2021, The Registrant has changed its legal name to Destiny Wealth Partners, LLC. As of January 1, 2021, the Registrant is now owned by Panormos Capital, Inc. Panormos Capital, Inc. is owned by Thomas H. Ruggie, as Trustee of the Thomas H. Ruggie Revocable Trust, Dated January 18, 2001, As Amended and Robert L. Clark, Trustee of the Robert L. Clark Revocable Trust, Dated September 29, 2014, As Amended. Registrant also conducts advisory business under the following DBA names: Ruggie Wealth Management, Destiny 401(K), Destiny 401K, Destiny Family Office, Destiny Wealth Management, and Destiny Wealth Partners. Our firm also offers services through our network of investment adviser representatives (“Advisor Representatives” or “IARs”). Certain of our IARs may have their own legal business entities whose trade names and logos are used for marketing purposes and may appear on marketing materials or client statements. Clients should understand that the businesses are legal entities of the respective IAR and not of Destiny Wealth Partners. The IARs are under the supervision of Destiny Wealth Partners and the advisory services of the IAR are provided through our firm. Destiny Wealth Partners currently maintains such an arrangement described above with Nichols Wealth Partners and their respective representatives.

- A. As discussed below, the Registrant offers to its clients (individuals, pension and profit sharing plans, business entities and trusts, etc.) Registrant’s, investment advisory services, which services typically include financial planning and related consulting services.

### TYPES OF ADVISORY SERVICES

#### **Wealth Management and Financial Planning Services**

Registrant’s Wealth Management services consist of managing portfolios for its clients in accordance with their investment objectives. The Registrant transacts business in mutual funds, ETF’s, stocks, bonds, options, private and public partnerships, variable annuities, real estate investment trusts, insurance and other investment products. The client can determine to engage Registrant to provide discretionary or non-discretionary investment advisory services on a wrap or non-wrap fee basis. (See discussion below). To the extent specifically requested by the client, financial planning and consulting services will be included in our services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of Registrant), Registrant may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

If a client determines to engage Registrant on a wrap fee basis, the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody). The services included in a wrap fee agreement will depend upon each client’s particular need. If the client determines to engage Registrant on a non-wrap fee basis, the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody).

To commence the investment advisory process, Registrant will ascertain each client’s investment objective(s) and then allocate the client’s assets consistent with the client’s designated investment objective(s). Once allocated, Registrant provides ongoing supervision of the account(s). Before engaging Registrant to provide investment advisory services, clients are required to enter into an *Investment Advisory Agreement* with Registrant 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.

**Please Note:** Registrant believes that it is important for the client to address financial planning issues on an ongoing basis. Registrant’s advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with Registrant.

### **Destiny Family Office – Wealth Management and Financial Planning Services**

Destiny Family Office (“DFO”) is offered by the Registrant to provide family office services to high-net-worth families, which offering typically includes Registrant’s wealth management services. The Registrant’s wealth management services consist of managing portfolios for its clients in accordance with their stated investment objectives. The Registrant may oversee mutual funds, ETF’s, stocks, bonds, options, private and public partnerships, variable annuities, real estate investment trusts, insurance and other investment products. The DFO client can engage the Registrant to provide discretionary investment advisory services on a wrap fee basis. (See discussion below). If a client determines to engage Registrant on a wrap fee basis, the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody). The services included in a wrap fee agreement will depend upon each client’s particular need. To the extent engaged to do so and specifically requested by a client, financial planning and related consulting services will be provided as part of the engagement. DFO offers its services as a counselor and investment specialist. By working closely with family members, DFO designs a customized investment plan to suit the unique needs of each client. When developing the investment strategy, DFO takes into account all of the objectives, constraints and risk tolerances that are indicated by the clients. DFO’s goal is to provide substantial value to its clients’ lives in specific areas. Registrant’s Family Office services include developing asset allocation and diversification strategies, asset management, investment reporting, and certain administrative duties.

Registrant believes that it is important for the client to address financial planning issues on an ongoing basis. Registrant’s advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with Registrant.

### **Non-Wrap Fee Basis**

The client can determine to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a fee basis. Registrant’s annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under Registrant’s management, generally negotiable to 2.0% (See Fee Differential disclosure below)

### **Destiny Wealth Partners Wrap Fee Program**

The Registrant provides investment management services on a wrap fee basis in accordance with Registrant’s investment management wrap fee program (the “Program”). The services offered under, and the corresponding terms and conditions pertaining to, the Program are discussed in the Wrap Fee Program Brochure, a copy of which is presented to all prospective Program participants. Under the Program, Registrant, as a wrap sponsor, is able to offer participants discretionary investment management services for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and Registrant’s investment management fees. However, clients may incur additional fees as set forth below. The current annual Program fee ranges from negotiable (see fee schedule below) to 1.80% (*See* Fee Differential disclosure below), depending upon the amount and type of the Program assets. The terms and conditions for client participation in the Program are set forth in detail in the Wrap Fee Program Brochure, which is presented to all prospective Program participants in accordance with the disclosure requirements of Part 2A, Appendix 1 of Form ADV. All prospective Program participants should read both Registrant’s Brochure and the Wrap Fee Program Brochure, and ask any corresponding questions that they may have, prior to participation in the Program.

**Please Note:** As indicated in the Wrap Fee Program Brochure, participation in the Program may cost more or less than purchasing such services separately. As also indicated in the Wrap Fee Program

Brochure, the Program fee charged by Registrant for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent Requested by the Client, Registrant may be engaged to provide financial planning and/or consulting services (regarding investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Registrant's planning and consulting fees are negotiable, but will generally be a minimum of \$10,000 on a fixed fee basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Based upon the complexity of the engagement, additional fees may be charged based upon an hourly rate ranging from \$100 to \$1500. Prior to engaging Registrant to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services. Neither the Registrant, nor its investment adviser representatives, assist clients with the implementation of any financial plan, unless they have agreed to do so in writing. In addition, the Registrant does not monitor a client's financial plan, and it is the client's responsibility to revisit the financial plan with the Registrant, if desired. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes, including certain of the Registrant's principals and representatives in their individual capacities as licensed insurance agents. (See disclosure at Item 10.C). 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 Registrant. **Please Note:** If the client engages any such recommended professional and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, etc.), and **not** the Registrant, shall be responsible for the quality and competency of the services provided. **Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

### **EMPLOYER-SPONSORED RETIREMENT PLANS**

The Registrant also provides retirement plan consulting/management services, pursuant to which it assists sponsors of self-directed retirement plans organized under the Employee Retirement Security Act of 1974 ("ERISA"). The terms and conditions of the engagement shall be set forth in an investment advisory agreement between the Registrant and the plan sponsor. Accordingly, investment management and advisory services are also provided to qualified employer-sponsored retirement plans where the Registrant may serve as a fiduciary under ERISA §3(21) or 3(38).

As an ERISA §3(21) fiduciary, the Registrant acts in a non-discretionary capacity making recommendations to the plan sponsor regarding the plan investments, assisting in the development of an investment policy statement based upon the plan's goals and objectives; providing participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts; advising the plan regarding its fiduciary obligations; and assisting with ongoing plan operations, as needed. The Registrant will also assist with the selection and/or monitoring of investment options from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts.

Where the Registrant has been appointed an investment manager under ERISA §3(38), the Registrant possesses discretionary authority to select, monitor and replace the investment options made available to the plan participants according to the goals and investment objectives of the plan. The Registrant will also design and maintain asset allocation model portfolios comprised of designated investment alternatives available to the plan participants. Plan participants have the option to select an asset allocation model portfolio or construct their own customized portfolio of funds. Registrant may also provide the same services as described above, but may also create specific asset allocation models that Registrant manages on a discretionary basis, which plan participants may choose in managing their individual accounts. Registrant may also modify the investment options made available to plan participants on a discretionary basis.

**Trustee Directed Plans.** Registrant may be engaged to provide 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 such engagements, Registrant will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 (“ERISA”). Registrant 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.

## MISCELLANEOUS

### **Limitations of Financial Planning and Non-Investment Consulting/Implementation Services**

As indicated above, to the extent requested by the client, Registrant may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning tax planning, insurance, etc. Registrant will generally provide such consulting services inclusive of its advisory fee set forth at Item 5 below (exceptions may occur based upon assets under management, special projects, etc. for which Registrant may charge a separate stand-alone fee). Neither Registrant, nor any of its representatives, serve as an attorney or accountant and no portion of Registrant’s services should be construed as same. **Please Note:** Registrant believes that it is important for the client to address financial planning issues on an ongoing basis. Registrant’s advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with Registrant.

**Please Note:** Registrant does not serve as an attorney or accountant and no portion of our services should be construed as legal or accounting services. Accordingly, Registrant does not prepare estate planning document or other legal documents, or tax returns, To the extent requested by a client, Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, etc.), including representatives of Registrant in their separate individual capacities as licensed 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 Registrant and/or its representatives.

**Please Also Note:** If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note- Conflict of Interest:** The recommendation by Registrant’s representative that a client purchase an insurance commission product through Registrant’s representative in their separate and individual capacity as an insurance agent, presents a **conflict of interest**, as the receipt of commissions may provide 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 insurance commission products through such a representative. Clients are reminded that they may purchase insurance products recommended by Registrant through

other, non-affiliated insurance agents. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and not Registrant, shall be responsible for the quality and competency of the services provided. If, and when, the Registrant is involved in a specific matter (i.e. estate planning, accounting-related engagement, etc.), it is the engaged licensed professionals (i.e. attorney, accountant, etc.), and not the Registrant, that is responsible for the quality and competency of the services provided.

**ANY QUESTIONS: Registrant’s Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented.**

#### **Use of Mutual Funds and Exchange Traded Funds**

While Registrant may recommend allocating investment assets to mutual funds and exchange traded funds that are not available directly to the public, Registrant may also recommend that clients allocate investment assets to publicly-available mutual funds or exchange traded funds that the client could obtain without engaging Registrant as an investment advisor. However, if a client or prospective client determines to allocate investment assets to publicly available mutual funds or exchange traded funds without engaging Registrant as an investment advisor, the client or prospective client would not receive the benefit of Registrant’s initial and ongoing investment advisory services. Please Note: In addition to Registrant's investment advisory fee described below, and transaction and/or custodial fees discussed below, 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). **Please Note-Use of DFA Mutual Funds:** Other mutual funds, such as those issued by Dimensional Fund Advisors (“DFA”), are generally only available through selected registered investment advisers. Registrant may allocate client investment assets to DFA mutual funds. Therefore, upon the termination of Registrant’s services to a client, restrictions regarding transferability and/or additional purchases of, or reallocation among DFA funds will generally apply.

#### **Borrowing Against Assets/Risks.**

A client who has a need to borrow money could determine to do so by using Pledged Assets Loans. In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges its investment assets held at the account custodian as collateral. These collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client’s investment assets. The lender (i.e. custodian, bank, etc.) will have recourse against the client’s investment assets in the event of loan default or if the assets fall below a certain level. For this reason, Registrant does not recommend such borrowing unless it is for specific short-term purposes (i.e. a bridge loan to purchase a new residence). Registrant does not recommend such borrowing for investment purposes (i.e. to invest borrowed funds in the market). Regardless, if the client was to determine to utilize margin or a pledged assets loan, the following economic benefits would inure to Registrant:

- by taking the loan rather than liquidating assets in the client’s account, Registrant continues to earn a fee on such Account assets; and
- if the client invests any portion of the loan proceeds in an account to be managed by Registrant, Registrant will receive an advisory fee on the invested amount; and,

Please Note: The Client must accept the above risks and potential corresponding consequences associated with the use of pledged assets loans.

### **Variable Annuity Sub-Account Management**

The Registrant offers management of a no-load fee-based RIA Variable Annuity (owned by the client) which allows Registrant to manage client assets in the investment sub-accounts. Registrant, through its IARs, manages variable annuity sub-accounts in accordance with strategies similar to its other models. Registrant's representatives may provide guidance to the client with respect to the selection of an appropriate variable annuity. The insurance company that issues the variable annuity, or its outside custodian, will maintain custody of the client's funds and securities at all times. Subsequent to purchase of the variable annuity product, the client has the option to have Registrant's representative provide investment management services on a discretionary or non-discretionary basis. The type of discretionary authority authorized by the client will be reflected in the Registrant Client Agreement. The IAR's authority is limited to exchanges among the variable annuity investment sub-accounts. At no time will the IAR have authority to withdraw funds and/or securities from the client's variable annuity account. The Client Agreement will specifically state which variable annuity policies are being managed. Registrant's IAR will not receive commission compensation with respect to Client's purchase of the variable annuity product. Registrant, however, will charge a separate management fee with respect to the variable annuity assets.

### **Destiny Private Trust: Participation in National Advisors Trust Company ("NATC") Trust Services Program**

Registrant participates in the NATC Private Trust program made available by NATC and its affiliate National Advisors Trust of South Dakota ("NATSD") through Destiny Private Trust. Registrant's clients who engage in this program receive trust administration services from NATC and NATSD. NATC and NATSD are, respectively, federally- and state chartered trust companies that provide corporate trustee and asset custody services to clients. NATC and NATSD are third party providers and not affiliated with the Registrant. Registrant serves as the investment manager of the trust assets through the NATC program where trust assets have been referred to NATCO for trust administration services. Thus, Registrant remains responsible for asset management decisions regarding trust assets. In connection with program participation, certain representatives of Registrant act as Trust Representative Officers ("TROs") of Destiny Private Trust. TROs serve as liaisons between NATC and Registrant. While TROs do not serve in a trustee capacity, they may support the program by introducing qualified clients to NATC and marketing the Destiny Private Trust program. TROs may also assist NATC by providing various administrative support services to facilitate the delivery of NATC trust services. NATC charges a trustee fee directly to participating clients and Registrant does not share in this fee.

### **Use of Independent Managers**

Registrant may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers ("Independent Manager(s)") in accordance with the client's designated investment objective(s). In such situations, the Independent Manager[s] shall have day-to-day responsibility for the active discretionary management of the allocated assets. Registrant shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which Registrant shall consider in recommending Independent Manager[s] include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

Please Note: The investment management fee charged by the Independent Manager[s] is separate from, and in addition to, Registrant's advisory fee as set forth in the fee schedule at Item 5 below and which will be disclosed to the client before entering into the Independent Manager engagement and/or subject to the terms and conditions of a separate agreement between the client and the Independent Manager(s).



**Shareholder Servicing Provider to Closed-End Fund.** The Registrant provides shareholder services to Destiny Alternative Fund I, LLC, which is a closed end fund managed and sponsored by First Trust Capital Management, L.P. (SEC No. 801122924), an unaffiliated investment adviser registered under the Investment Adviser Act of 1940. In connection with this service, the Registrant provides various shareholder supporting services, including educational support and fund information, to fund investors who are also Registrant's investment management clients and also serves to address various fund investor inquiries and issues. Shareholder services may also include assistance with subscription agreement support and handling related tender offers. Registrant will also assist with distribution of performance reports to fund shareholders. Registrant is compensated 0.25% annually based upon assets under management within the fund. Registrant also includes this fund, to the extent that it is maintained as a holding in managed client accounts, as asset under management for purposes of advisory fee billing.

**Sub-Adviser to Private Investment Fund.** The Registrant has been engaged as a sub-adviser to the Destiny Alternative Fund II, LLC, (open to qualified purchasers) a private investment fund (the "private fund") sponsored by First Trust Capital Management, L.P. (SEC No. 801122924), an unaffiliated investment adviser registered under the Investment Adviser Act of 1940. The Registrant, on a non-discretionary basis, may recommend that eligible clients consider allocating a portion of their investment assets to this private fund. The terms and conditions for participation in the private fund, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the private fund's offering documents. Persons and entities (the "Subscribers") wishing to subscribe to the private funds are required to complete and sign the Subscription Agreement, Form W-9 and Anti-Money Laundering Supplement. Clients who maintain fund positions in their managed account will not be billed a separate management fee on those fund positions.

The Fund's investment program aims to achieve capital appreciation by (i) investing in various hedge funds, private equity funds, growth equity funds, venture capital funds, credit funds, real estate funds, co-investment vehicles, managed accounts or other types of investment vehicles (collectively, the "Underlying Funds"), each of which is managed by a third party investment advisor (including the Sub-Adviser, if authorized by the Manager) or by the Manager or an affiliate of the Manager, each of which is an investment adviser, (ii) acquiring an economic interest in one or more entities that engage in the business of providing investment advisory services or asset management services (whether via separately managed accounts, hedge funds, private equity funds, commodity pools, mutual funds, closed-end funds or other similar public or private collective investment vehicles or otherwise), each entity being an asset manager, whether in the form of an equity interest in such asset manager, through a revenue share arrangement with such asset manager or otherwise, and (iii) making such other investments as the Fund Manager deems appropriate for the Private Fund. The Fund may invest directly in the Underlying Funds, or indirectly through other private investment funds operated by the Manager or its affiliates that invest in such Underlying Funds (each such other private investment fund is considered an intermediary fund).

#### **Unaffiliated Private Investment Funds**

Registrant may also provide investment advice regarding unaffiliated private investment funds. Registrant, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in unaffiliated private investment funds. Registrant's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of Registrant calculating its investment advisory fee. Registrant's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

**Please Note Risk Factors:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund’s offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.

**Please Also Note Valuation:** In the event that Registrant references private investment funds owned by the client on any supplemental account reports prepared by Registrant, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. However, if subsequent to purchase, the fund has not provided an updated valuation, the valuation shall reflect the initial purchase price. If subsequent to purchase, the fund provides an updated valuation, then the statement will reflect that updated value. The updated value will continue to be reflected on the report until the fund provides a further updated value. **Please Also Note:** As result of the valuation process, if the valuation reflects initial purchase price or an updated value subsequent to purchase price, the current value(s) of an investor’s fund holding(s) could be significantly more or less than the value reflected on the report. Unless otherwise indicated, the client’s advisory fee shall be based upon the value reflected on the report.

#### **Custodian Charges-Additional Fees**

As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Registrant generally recommends that Fidelity Brokerage Services and National Financial Services (collectively “*Fidelity*”), and Charles Schwab & Co., Inc. and its affiliates (“*Schwab*”) serve as the broker- dealer/custodian for investment management assets. Broker-dealers such as *Fidelity* and *Schwab* charge transaction fees for effecting certain securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians, including *Schwab and Fidelity*, do not currently charge fees on individual equity and ETF transactions, others do). There can be no assurance that *Schwab or Fidelity* will not change their transaction fee pricing in the future. When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom Registrant and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a “trade-away” fee charged by *Schwab and/or Fidelity*). These fees/charges are in addition to Registrant’s investment advisory fee at Item 5 below. Registrant does not receive any portion of these fees/charges. In addition to Registrant’s investment advisory fee referenced in Item 5 below, the client will also incur transaction fees to purchase securities for the client’s account (i.e., mutual funds and fixed income securities, etc.). **ANY QUESTIONS: Registrant’s Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions that a client or prospective client may have regarding the above.**

However, *Schwab* (as do its primary competitors that provide similar pricing arrangements) require that cash proceeds to be automatically swept into a *Schwab* proprietary or affiliated money market mutual funds or cash sweeps accounts, which proprietary/affiliated Schwab funds/accounts do not provide the highest return available.

**Exception:** If Registrant executes transactions in conjunction with a wrap program, transaction fees shall generally be included in the wrap advisory fee paid to the wrap program sponsor.

**Please Note Non-Discretionary Service Limitations:** Clients that determine to engage Registrant on a non-discretionary investment advisory basis must be willing to accept that Registrant cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that Registrant would like to make a transaction for a client's account, (including in the event of an individual holding or general market correction) and client is unavailable, Registrant will be unable to effect the account transaction (as it would for its discretionary clients) without first obtaining the client's consent.

### **eMoney and Orion**

In conjunction with the services provided by eMoney and Orion, Registrant may also provide its clients access to account aggregation services, which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets that we manage (the "Excluded Assets"). The eMoney and Orion platforms allow a client to view their complete asset allocation, including those assets that Registrant does not manage Excluded Assets. Registrant does not provide investment management, monitoring, or implementation services for the Excluded Assets. Therefore, Registrant shall not be responsible for the investment performance of the Excluded Assets. **The client and/or his/her/its other advisors that maintain trading authority, and not the Registrant, shall be exclusively responsible for the investment performance of the Excluded Assets.** Registrant does not provide investment management, monitoring or implementation services for the Excluded Assets. If Registrant is asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and Registrant shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. The client may engage Registrant to provide investment management services for the Excluded Assets pursuant to the terms and conditions of the *Investment Advisory Agreement* between Registrant and the client. Finally, eMoney provides access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by Registrant. Registrant shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the eMoney platform without Registrant's assistance or oversight.

### **Portfolio Activity**

Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant 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, market conditions fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant 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 Registrant will be profitable or equal any specific performance level(s). Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

**Please Note-Cash Positions:** Registrant continues to treat cash as an asset class. As such, unless determined to the contrary by Registrant, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Registrant's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Registrant may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Registrant's advisory fee could exceed the interest paid by the client's money market fund. **Please Further Note:** When the account is holding cash positions, those cash positions will be subject to the same fee schedule as set forth below. The Registrant's Chief Compliance Officer, Thomas H. Ruggie,

remains available to address any questions that a client or prospective client may have regarding the above fee billing practice.

**Please Note-Retirement Rollovers- No Obligation/ 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) leave the money in the former employer's plan, if permitted, (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 Registrant provides a recommendation as to whether a client should engage in rollover or not, we are acting as an ERISA fiduciary by making such recommendation. If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by Registrant (whether it is from an employer's plan or an existing IRA), such a recommendation creates a conflict of interest. Registrant will earn new (or increase its current) compensation as a result of the rollover. No client is under any obligation to rollover retirement plan assets to an account managed by Registrant, whether it is from an employer's plan or an existing IRA. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Thomas H. Ruggie, 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.**

**Please Note Fee Differentials:** As discussed below at Item 5, we shall generally price our retirement plan advisory services up to 2.00% of assets under management based upon various objective and subjective factors. As a result, our clients could pay diverse fees based upon the market value of their assets, the representative assigned to the account, the complexity of the engagement, anticipated additional assets to be managed and the level and scope of the overall investment advisory services to be rendered, related or employee accounts, future additional assets and negotiations with the client. As a result of these factors, similarly situated clients could pay diverse fees, and the services to be provided by Registrant to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly. Before engaging Registrant to provide investment advisory services, clients are required to enter into a discretionary or non-discretionary Investment Advisory Agreement, setting forth the terms and conditions of the engagement (including termination), which describes the fees and services to be provided. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions regarding Fee Differentials.**

**Structured Notes.** Registrant may purchase Structured Notes for client accounts. A Structured Note is a financial instrument that combines two elements, a debt security and exposure to an underlying asset or assets. It is essentially a note, carrying counter party risk of the issuer. However, the return on the note is linked to the return of an underlying asset or assets (such as the S&P 500 Index or commodities). It is this latter feature that makes structured products unique, as the payout can be used to provide some degree of principal protection, leveraged returns (but usually with some cap on the maximum return), and be tailored to a specific market or economic view. Structured Notes will generally be subject to liquidity constraints, such that the sale thereof before maturity will be limited, and any sale before the maturity date could result in a substantial loss. There can be no assurance that the Structured Notes investment will be profitable, equal any historical performance level(s), or prove successful. Please Note: If the issuer of the Structured Note defaults, the entire value of the investment could be lost. See additional Risk Disclosure at Item 8 below. In the event that a client has any questions regarding the purchase of Structured Notes for their account, or would like to place restrictions on the purchase of Structured Notes for their accounts, Registrant can address their concerns. *See* additional disclosure at Item 8 below. **In the event that he client seeks to prohibit or limit the purchase of structured notes for the client's account, the client can do so, in writing, addressed to Registrant's Chief Compliance Officer. In the event that a client has any questions**

**regarding structured notes, Registrant's Chief Compliance Officer, Thomas H. Ruggie, remains available to address them. See Risks Associated with Structured Notes at Item 8 below.**

**Cash Sweep Accounts.** Account custodians generally require that cash proceeds from account transactions or cash deposits be swept into and/or initially maintained in the custodian's sweep account. The yield on the sweep account is generally lower than those available in money market accounts. To help mitigate this issue, Registrant shall generally purchase a higher yielding money market fund available on the custodian's platform with cash proceeds or deposits, unless Registrant reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to, the amount of dispersion between the sweep account and a money market fund, the size of the cash balance, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account.

Please Note: The above does not apply to the cash component maintained within the Registrant's actively managed investment strategy (the cash balances for which shall generally remain in the custodian designated cash sweep account), an indication from the client of a need for access to such cash, assets allocated to an unaffiliated investment manager, and cash balances maintained for fee billing purposes. Please Also Note: The client shall remain exclusively responsible for yield dispersion/cash balance decisions and corresponding transactions for cash balances maintained in any of the Registrant's unmanaged accounts.

**Cybersecurity Risk.** The information technology systems and networks that Registrant and its third-party service providers use to provide services to Registrant's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Registrant's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Registrant are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Registrant has established its processes to reduce the risk of cybersecurity incidents, there is no guarantee that these efforts will always be successful, especially considering that Registrant does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

**Pontera.** The Registrant uses Pontera, a third party platform to facilitate the management of held away assets such as defined contribution plan participant accounts, with discretion. Those clients who choose to engage the Registrant to service their held away accounts will be provided a link to connect their outside accounts to the platform. Once the client's account(s) is connected to the platform, Registrant will review the client's current account allocations. Registrant will rebalance the connected outside accounts consistent with the client's investment goals and risk tolerance. Client account(s) will be reviewed at least quarterly. Clients are not charged an additional fee in relation to Pontera program usage.

#### **Client Obligations**

In performing its services, Registrant 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 Registrant

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

#### **Disclosure Statement**

A copy of the Registrant's written Brochure as set forth on Part 2A of Form ADV, along with Form CRS, shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement* or *Financial Planning and Consulting Agreement*.

**Please Note: 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 Registrant) will be profitable or equal any specific performance level(s).

- C. **Tailored Relationships:** The Registrant shall provide investment management services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant 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 Registrant's services.
- D. There is no significant difference between how Registrant manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a client determines to engage Registrant on a wrap fee basis, the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody) (See Item 4.B). The services included in a wrap fee agreement will depend upon each client's particular need. If the client determines to engage Registrant on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, separate account manager fees, brokerage, custody, etc.).

**Wrap Program - Conflict of Interest:** Under Registrant's wrap program, the client generally receives investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the client more or less than purchasing such services separately. The terms and conditions of a wrap program engagement are more fully discussed in Registrant's Wrap Fee Program Brochure. **Conflict of Interest:** Because wrap program transaction fees and/or commissions are being paid by Registrant to the account custodian/broker-dealer, Registrant could have an economic incentive to maximize its compensation by seeking to minimize the number of trades in the client's account. See separate **Wrap Fee Program Brochure**. **Registrant's Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions that a client or prospective client may have regarding a wrap fee arrangement and the corresponding conflict of interest.**

- E. As of December 31, 2023, the Registrant had \$996,817,258 in assets under management on a discretionary basis and \$39,654,333 in assets under management on a non-discretionary basis.

## **Item 5 Fees and Compensation**

A.

### **DESTINY WEALTH PARTNERS WRAP FEE PROGRAM**

- 1) If a client determines to engage Registrant to provide investment management services on a wrap fee basis in accordance with Registrant's Program, the services offered under, and the corresponding terms and conditions pertaining to, the Program are discussed in the Wrap Fee Program Brochure, a

copy of which is presented to all prospective Program participants. Under the Program, Registrant is able to offer participants discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. The wealth management fee is based on all investment assets (including cash and cash equivalents) regardless of where held, including investment assets held within insurance products, non-qualified and qualified plans, trusts and other entities or vehicles. Please see Wrap Fee Brochure for the Wrap Fee Program Fee Schedule. Please note that, in certain instances, a wrap fee negotiable up to 1.80% may be negotiated with the client. This may depend upon the amount and type of program assets. Please Note: Your account custodian, (*Fidelity or Schwab*), stopped charging transaction fees for the majority of individual equities (i.e., common stocks and ETFs). As the result of the custodian decisions, total transaction fees paid by Registrant under the Registrant's wrap program decreased. Other custodial and transaction charges remain applicable to your account and are covered as part of the wrap fee. Registrant did not alter its advisory fee schedule as result of this change.

The Firm's policy is to not charge for intra-quarter additions or withdrawals-unless indicated to the contrary on the Firm's Investment Advisory Agreement executed by the client.

Please Note: Conflict of Interest. Registrant shall generally compensate its representatives based upon the revenues derived from accounts that they service. The representative generally maintains the authority to determine/negotiate the percentage advisory fee. Thus, a conflict of interest is presented because the higher the advisory fee, the greater the representative's (and Registrant's) compensation.

#### **Wrap Fee Schedule for Non-DFO Investment Advisory Services.**

If a client determines to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a negotiable fee basis, the Registrant's annual investment advisory fee shall be based upon a percentage (%) of the market value of the assets placed under the Registrant's management, generally ranging between 0.50% and 1.80%

#### **Wealth Management and Financial Planning**

| <b>RWM Main Fee schedule</b> | <b>Annual % Fee</b> |
|------------------------------|---------------------|
| First \$250,000              | 1.80%               |
| \$250,000 - \$1,000,000      | 1.45%               |
| \$1,000,000 - \$3,000,000    | 1.25%               |
| \$3,000,000 - \$5,000,000    | 1.00%               |
| \$5,000,000 - \$10,000,000   | 0.75%               |
| <b>Over \$10 Million</b>     | <b>Negotiated</b>   |

## Destiny Family Office Investment Advisory Services Fee Schedule

### Standard DFO Discretionary Wrap Fee

| Assets Under Management | Annual % Fee |
|-------------------------|--------------|
| Initial \$1,000,000     | 1.00%        |
| Next \$2,000,000        | 0.85%        |
| Next \$2,000,000        | 0.75%        |
| Next \$5,000,000        | 0.50%        |
| Over \$10,000,000       | Negotiable   |

In certain instances, the Registrant may also negotiate an annual flat fee payment, which is also offered on a wrap fee basis where the Registrant charges quarterly specified program, fee inclusive of trade execution, custody, reporting, and investment management fees. The flat fee amount is negotiated between Registrant and the client.

The Registrant also maintains certain legacy wrap fee schedules for a small number of longstanding clients. These fee schedules are generally not offered to the Registrant's new clients. These fee schedules were offered historically to certain long-term legacy clients of the firm. To the extent that these clients have maintained their investment advisory relationship with the Registrant, they have been grandfathered to remain on these respective fee schedules. In certain cases, legacy clients may have negotiated a lower fee schedule than the ranges set forth in these legacy client fee schedules. Legacy wrap program may also apply to smaller DFO client relationships.

| RWM – 145 Schedule        | Annual % Fee |
|---------------------------|--------------|
| First \$2,000,000         | 1.45%        |
| \$2,000,000 - \$5,000,000 | 1.25%        |
| Over \$5,000,000          | 1.00%        |

| RWM – 125 Schedule         | Annual % Fee |
|----------------------------|--------------|
| First \$1,000,000          | 1.25%        |
| \$1,000,000 - \$3,000,000  | 0.85%        |
| \$3,000,000 - \$5,000,000  | 0.75%        |
| \$5,000,000 - \$10,000,000 | 0.50%        |
| Over \$10,000,000          | Negotiable   |

If the Registrant elects to utilize separate account managers in a client's portfolio, the client's combined fee for Registrant's management services and the fees charges by any third party manager shall not exceed 2.5% of the client's assets under management.

**Fee Dispersion:** The Registrant's investment advisory fee is negotiable at Registrant's discretion, depending upon objective and subjective factors including but not limited to: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professional(s) rendering the service(s); prior relationships with the Registrant and/or its representatives, and negotiations with the client. Certain legacy clients may have accepted different pre-existing service offerings from Registrant and may therefore receive services under different fee schedules than as set forth above. As a result of these factors, similarly situated clients could pay different fees, the services to be provided by the Registrant to any particular client could



be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above. **The Registrant's Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions that a client or prospective client may have regarding the above fee determination.**

### **NON-WRAP FEE BASIS**

The client can determine to engage Registrant to provide discretionary and/or non-discretionary investment advisory services to individual clients, or retirement plans on a fee basis. Registrant's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under Registrant's management or under advisement, generally negotiable to a maximum fee of 2.00%. Registrant's annual investment advisory fee shall be based upon various objective and subjective factors, including, but not limited to, the amount of the assets placed under Registrant's direct management, the complexity of the engagement, and the level and scope of the overall investment advisory services to be rendered. Other significant determinants are retirement plan size and scope of services to be provided. (See also Fee Differential discussion above.) Before engaging Registrant to provide investment advisory services, clients are required to enter into a discretionary or non-discretionary Investment Advisory Agreement, setting forth the terms and conditions of the engagement (including termination), which describes the fees and services to be provided.

### **NICHOLS WEALTH PARTNERS INVESTMENT ADVISORY [NON WRAP] FEE SCHEDULES**

Separate non-wrap fee schedules (ranging to a maximum annual advisory fee of 1.80 of assets under management) are made available to certain clients in the Registrant's legacy Nichols Wealth Partners Investment Advisory program. This fee schedule is no longer made available to new clients. The Registrant maintains this legacy fee schedule for a small number of clients who continue to participate in the Nichols Wealth Partners Investment Advisory program. This fee schedule is not offered to the Registrant's new clients. To the extent that these clients have determined to continue their investment advisory relationship with the Registrant, they have been grandfathered to remain on this fee schedule.

**Nichols Wealth Partners Fee Schedule Fee Dispersion.** Registrant, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). Please 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.

### **EMPLOYER-SPONSORED RETIREMENT PLANS**

The fee for services rendered to qualified employer-sponsored retirement plans are dependent on a variety of factors, including, but not limited to, the size of the plan, location of the plan and whether travel is required, number of requested meetings or participant education seminars, and the scope of work required to onboard and implement the plan's investment options. All compensation and specific fee details will be predetermined and disclosed in the investment advisory agreement with the plan sponsor at account inception. The Registrant's fee may be priced up to 2.0%

When the Registrant serves as a plan's investment manager and works jointly with independent registered investment advisers who serve as the plan's ERISA §3(21) fiduciary, the Registrant's fees will be separately negotiated with each plan sponsor, but will generally be based upon the assets under management as of the end of the last day of the previous quarter.

The Registrant typically does not control the timing of fee calculations by a plan's independent third party administrator or record-keeper which may calculate the fees based upon account balances on a date other than the end of a calendar quarter. The third party administrators to the plans are independent from and not affiliated with the Registrant and are selected by each plan client to provide administrative and/or record keeping services. The third party administrator pays fees to the Registrant on behalf of the retirement plan. Fee may be deducted at the plan participant or the plan sponsor level. Plan participants are furnished with a retirement plan fee disclosure statement which outlines plan fees and costs. Thus, depending upon the fee deduction methodology employed by the third party administrator, fees allocated to the registrant for its services might be deducted in advance or in arrears, and on a monthly or quarterly basis.

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

The Registrant may be engaged to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Registrant's fee is generally a minimum of \$10,000 on a fixed fee basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Based upon the complexity of the engagement, additional fees may be charged based upon an hourly rate ranging from \$100 to \$1,500.

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter. DFO Program Fees are payable quarterly in advance and are directly debited from the account. Advisory fees are inclusive of execution costs. In as much as Adviser will pay these execution costs associated with account transactions, a potential disincentive to trade may be presented. Clients should review and understand Destiny Wealth Partners Wrap Fee Program Brochure fully (see Appendix I), prior to engaging the Adviser's services.

As noted above, retirement plan fees are received by the third party administrator, either from the plan client or from the plan itself, depending upon the agreement between the plan and the third party administrator. The third party administrator then remits the applicable portion representing the advisory fee to the Registrant.

For purposes of calculating Account Fees, all accounts are billed on a calendar quarter basis. The initial Account Fee will include a prorated fee amount for the partial quarter, in addition to the standard quarterly fee for the upcoming quarter. Future account fee payments are due and assessed at the beginning of each quarter based on the value of the assets under management as of the close of business on the last business day of the preceding quarter as valued by the third-party custodian of the account. Additional deposits and withdrawals will be added or subtracted from portfolio assets, as the case may be, which may lead to an adjustment of the advisory fee. All Account Fees are deducted from the account pursuant to Registrant's Investment Advisory Agreement

### **Family Office Services**

DFO's annual Family Office fee as set forth in Section 5.A shall be calculated as a percentage of the total assets placed under DFO's management/advisement and shall be based upon various objective and subjective factors. These factors include, but are not limited to, the amount of the assets placed under DFO's management, the level and scope of the overall investment advisory services to be rendered and the complexity of the engagement. Also, in limited circumstances DFO clients may request advisory services related to accounts not managed by DFO. In these instances, DFO shall determine its fee based upon assets under advisement. The Family Office Fee Schedule may vary based upon client circumstances and will be more particularly described in the Family Office Client Agreement.

### **Variable Annuity Services Fee**

Variable Annuity management clients pay an annual fixed percentage fee that is calculated based upon variable annuity subaccount assets under management and agreed upon in the written Client Agreement. Fees are prorated and billed quarterly, in advance, based upon the market value of the sub-account assets on the last day of the previous quarter. Billing adjustments may occur as advisory fees are prorated when account management is initiated during a billing quarter. Clients may elect to have advisory fees deducted directly from their variable annuity sub-account. The beneficial owner of the variable annuity is responsible for additional product fees associated with the underlying subaccount investments as a charge against Net Asset Value ("NAV"), which fees and costs are more particularly described in the in the variable annuity product prospectus. All variable charges will be deducted from the investment sub-account, as applicable, and retained by the variable annuity product provider. Any additional fees assessed by the variable annuity product sponsor are set forth in the product prospectus. Investors are advised to consider the investment objectives, risks, and charges and expenses of any variable annuity and its underlying investment options carefully before investing.

### **Destiny Alternative Funds sub-advisory fee**

The private investment fund will pay the Registrant, in its role as sub-adviser, a quarterly advisory fee (the "sub-advisor fee") with respect to each fund participant interest. The sub-advisor fee will be payable to the sub-adviser in arrears, generally within forty-five (45) calendar days after the end of each calendar quarter, and will be calculated, with respect to each fund participant interest, based on such formula and at such rate as specified in the applicable member's subscription documents. The sub-advisor fee will be appropriately prorated for partial periods and adjusted for any intra-quarter subscriptions, withdrawals and distributions.

The private investment fund is subject to a "layering" of fees and expenses. The private investment fund is directly subject to its own asset- based fees (i.e., the management fee and/or administrative fee), and other expenses as discussed herein and are indirectly subject, through its investments with designated managers, to either asset-based and performance-based fees or allocations charged by the designated managers, as well as the ongoing expenses of those designated managers.

**Please note Fee Dispersion:** DFO shall price its Family Office Services based upon various objective and subjective factors. As a result, DFO's clients could pay diverse fees based upon the market value of their assets, the complexity of the engagement, and the level and scope of the overall planning and/or consulting services to be rendered. The services to be provided by DFO to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

- C. As discussed below, unless the client directs otherwise, the Registrant shall generally recommend that *Fidelity*, and *Schwab*, serve as the broker-dealer/custodian for investment management assets. Broker-dealers such as *Fidelity and/or Schwab*, which are unaffiliated with Registrant, charge brokerage transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds and fixed income securities transactions). In addition to Registrant's investment management fee, 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).

With respect to retirement plan management, the plan sponsor, in conjunction with the third party administrator, will typically determine which custodian shall maintain the plan assets. Each plan is furnished with a retirement plan fee disclosure document which more particularly describes the various plan level, or participant level, fees that will be charged.

**Please Note:** The brokerage commissions and/or transaction fees charged by each broker-dealer/custodian may be higher or lower than those charged by other broker-dealers/custodians.

In addition to the Account Fee, the client may also incur certain asset based and flat fee charges in connection with investments made through program platforms and custodians. Our recommendation of outside strategies and managers may add additional asset based management fees to the account, separate and apart from Registrant's Advisory fee.

Other fees which may be imposed by third parties include, but are not limited to, the following: custodial annual account fees, other transaction charges and account service fees, IRA and qualified retirement plan fees, mutual fund or money market 12b-1, mutual fund, ETF or money market management and administrative expenses, omnibus processing fees, sub transfer agent fees, networking fees, certain deferred sales charges on previously purchased mutual funds transferred into the account, administrative servicing fees for trust accounts, creation and development fees or similar fees imposed by unit investment trust sponsors, hedge fund investment management fees, participation fees from auction rate preferred securities, and other charges required by law. Further information regarding charges and fees assessed by a mutual fund, ETF or variable annuity are available in the appropriate prospectus.

Account investment decisions are driven by security selection and anticipated market conditions and not the amount of transaction fees payable by the client to the account custodian. The Registrant does not receive any portion of the asset based transaction fees payable by the client to the account custodian. The client can request at any time to switch from asset based pricing to transactions based pricing, however, there can be no assurance that the volume of transactions will be consistent from year-to-year given changes in market events and security selection. Thus, given the variances in trading volume, any decision by the client to switch to transaction based pricing could prove to be economically disadvantageous.

**Please Note:** Clients who engage the Registrant on a wrap fee basis will not incur brokerage commissions and/or transaction or asset based custodial fees in addition to the Program fee.

- D. Registrant's annual investment advisory fee for DFO clients shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The Registrant does not require an annual minimum fee or asset level for investment services. Registrant, in accordance with all applicable regulations and at its sole discretion, may charge a lesser investment advisory fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

If the client determines to engage Registrant to provide investment advisory services, Registrant's annual investment advisory fee shall vary (generally, up to 1.25%) based upon various factors, including the total amount of assets placed under management/advisement.

**Please Note: Fee Differentials (Retirement Plan Services):** Because we shall generally price our advisory services based upon various objective and subjective factors, our clients could pay diverse fees based upon a combination of factors, including but not limited to the market value of their assets, the complexity of the engagement, the level and scope of the overall investment advisory services to be rendered, and negotiations, similarly situated clients could pay diverse fees, and the services to be provided by Registrant to any particular client could be available from other advisers at lower fees (*Also See* Item 7 below) All clients and prospective clients should be guided accordingly. **ANY QUESTIONS:** Registrant's Chief Compliance Officer, Thomas H. Ruggie remains available to address any questions regarding Fee Differentials.

The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

#### E. **Additional Compensation**

Conflicts of interest may cause a supervised person an incentive to recommend insurance products based on the compensation received, rather than on a client's needs. These potential conflicts are outlined below.

**Conflict of interest:** Associated persons of the Adviser may also be licensed insurance agents. In their capacity as associated persons of the Adviser, representatives may recommend insurance or other products, and receive compensation for those products separate from investment advisory fees.

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

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

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

#### **Account Minimums**

The Registrant does not require a minimum account size or annual minimum fee level. Registrant, in its sole discretion, may reduce or waive its investment advisory fee or account minimums based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, familial relationship, dollar amount of assets to be managed, related accounts, account composition, negotiations with the client, etc.).

The Registrant's clients generally include wealth management clients, retirement plans, and DFO program participants. The Registrant does not generally require an annual minimum fee or asset level for investment services. Registrant, in its sole discretion, may reduce or waive its investment advisory fee or account minimums based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, familial relationship, dollar amount of assets to be managed, related accounts, account composition, negotiations with the client, etc.). The Registrant, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e.

anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). **Please 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. **ANY QUESTIONS:** Registrant's Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions that a client or prospective client may have regarding advisory fees.

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

- A. The Registrant may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
  - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
  - Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Registrant may utilize 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:** 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 Registrant) will be profitable or equal any specific performance level(s). Investing in securities involves risk of loss that clients should be prepared to bear.

We manage client portfolios based on the research of its investment committee. This includes various methods of research, investment style and management philosophy:

The Retirement Distribution Strategy is a method of allocating and investing to ensure income and growth of investments over the life of our clients. The RDS utilizes the different Model Portfolio Pools in varying percentages in accordance with the client's income needs and risk tolerance levels as discovered in our client meetings.

Fund and ETF selection is based on various performance criteria and on the continual research of all investment opportunities. A point system is utilized for grading the funds for more specific review and possible addition or deletion from our tracking. Performance returns, Financial Ratios, Quartile Rankings, and Ratings are some of the considerations when grading funds and ETFs.

Registrant does not currently recommend any individual equity portfolios, but has a Sell strategy for clients who transfer equities in under management where equities are graded and sold according to their grade. Any quality positions will be kept and added to our stock tracking list. If a position falls below standard, the position will be sold at that time.

- B. The Registrant's method of analysis and investment strategy does not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis, the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant'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 Registrant'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, may incur higher transactional costs when compared to a longer term investment strategy.

### **Investment Strategies**

The Investment Policy Committee is also responsible for oversight of our investment selection process, and for reviewing and approving certain products to be offered in any managed account, including, but not limited to hedge funds, alternative investments, REITs, and Structured Investments. The members of the Investment Policy Committee will be the registered advisory personnel of Registrant. Registrant may also implement the use of margin and options strategies which have a high level of inherent risk.

### **Margin Transactions**

A margin transaction strategy, in which an investor uses borrowed assets to purchase financial instruments, involves a high level of inherent risk. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. Please note: To the extent that a client authorizes the use of margin, and margin is thereafter employed by Registrant in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin may correspondingly increase the management fee payable to Registrant.

### **Option Strategies**

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by Registrant shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. Although the intent of the options-related transactions that may be implemented by Registrant is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies.

### **Risks Associated With Structured Notes**

A Structured Note is a financial instrument that combines two elements, a debt security and exposure

to an underlying asset or assets. It is essentially a note, carrying counter party risk of the issuer. However, the return on the note is linked to the return of an underlying asset or assets (such as the S&P 500 Index or commodities).

Structured notes do not pay interest, dividend payments, provide voting rights or guarantee any return of principal at maturity unless specifically provided through products that are designed with this purpose in mind. Most Structured Note payments are based on the performance of an underlying index or commodity (i.e., S&P 500, etc.) and if the underlying index were to decline 100% then the payment may result in a loss of a portion or all of a client's principal. Notes are not insured through any governmental agency or program and the return of principal and fulfillment of the terms negotiated by CP on behalf of clients is dependent on the financial condition of the third party issuing the note and the issuer's ability to pay its obligations as they become due.

Structured Notes will generally be subject to liquidity constraints, such that the sale thereof before maturity can be limited. Structured Notes will not be listed on any securities exchange. There may be no secondary market for such Structured Notes. The price, if any, at which an issuer will be willing to purchase Structured Notes from clients in a secondary market transaction, if at all, will likely be lower than the original issue price and any sale before the maturity date could result in a substantial loss. Structured Notes are not designed to be short-term trading instruments, so clients should be willing to hold any notes to maturity.

The issuer can generally choose to redeem Structured Notes before maturity. In addition, the maximum potential payment on Structured Notes will typically be limited to the redemption amount applicable for a payment date, regardless of the appreciation in the underlying index associated with the note. Since the level of the underlying index at various times during the term of the Structured Notes held by clients could be higher than on the valuation dates and at maturity, clients may receive a lower payment if redeemed early or at maturity than if a client would have invested directly in the underlying index.

Structured Notes are not insured through any governmental agency or program and the return of principal and fulfillment of the terms negotiated by CP on behalf of clients is dependent on the financial condition of the third party issuing the note and the issuer's ability to pay its obligations as they become due.

Please Note: Past performance is no guarantee of future results. Different types of investments involve varying degrees of risk. Therefore, there can be no assurance that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended and/or undertaken by will be profitable, equal any historical performance level(s), or prove successful. Please Also Note: If the issuer of the Structured Note defaults, the entire value of the investment could be lost

- C. Currently, the Registrant primarily allocates client investment assets among various exchange traded funds and mutual funds, individual equities (stocks) and debt instruments (bonds) on a discretionary basis in accordance with the client's designated investment objective(s).

The Registrant may also allocate investment management assets of its client accounts, on a discretionary basis, among one or more of its asset allocation programs (i.e. Aggressive, Moderately Aggressive, Moderate, and Conservative) as designated on the Investment Advisory Agreement. Registrant's asset allocation strategies have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as Registrant's asset allocation programs, with a non-exclusive safe harbor from the



definition of an investment company. In accordance with Rule 3a-4, the following disclosure is applicable to Registrant's management of client assets:

1. Initial Interview – at the opening of the account, the Registrant, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. Individual Treatment - the account is managed on the basis of the client's financial situation and investment objectives;
3. Quarterly Notice – at least quarterly the Registrant shall notify the client to advise the Registrant whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
4. Annual Contact – at least annually, the Registrant shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
5. Consultation Available – the Registrant shall be reasonably available to consult with the client relative to the status of the account;
6. Quarterly Report – the client shall be provided with a quarterly report for the account for the preceding period;
7. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct the Registrant not to purchase certain securities;
8. No Pooling – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account;
9. Separate Account - a separate account is maintained for the client with the Custodian;
10. Ownership – each client retains indicia of ownership of the account (e.g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

The Registrant believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided under the *Investment Advisory Agreement*; and (2) the fees charged by other investment advisers offering similar services/programs. However, Registrant's annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to Registrant's annual investment management fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses). **Please Note:** Registrant's investment programs may involve above-average portfolio turnover which could negatively affect upon the net after-tax gain experienced by an individual client in a taxable account

## **Item 9            Disciplinary Information**

Neither the Registrant nor any of its supervised persons have been the subject of a disciplinary action.

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

- A. Neither the Registrant, 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 Registrant, 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. **Licensed Insurance Agents.** Certain of the Registrant's representatives, in their individual capacities, are licensed insurance agents and may recommend the purchase of certain insurance-related products on a commission basis. Neither the Registrant nor its representatives shall recommend the purchase of an insurance commission product to any retirement plan client. No client is under any obligation to purchase any insurance product from the Registrant's representatives.

Conflict of Interest The recommendation by Registrant's representatives that a client purchase a securities or insurance commission product presents a 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 Registrant's representatives. Clients are reminded that they may purchase securities or insurance products recommended by Registrant through other, non-affiliated insurance agents or broker-dealers. **The Registrant's Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

#### **National Advisors Trust Company**

Thomas Ruggie has a less than one percent (1.00%) ownership interest in a savings and loan company, National Advisors Holdings, Inc. ("NAH") that has formed a federally chartered trust company, National Advisors Trust Company ("NATC"). NAH and NATC are regulated by the Office of Thrift Supervision. The trust company intends to provide a low-cost alternative to traditional trust service providers, and Registrant intends to refer clients to NATC for trust services. The recommendation by Mr. Ruggie that a client engage the trust services of NATC presents a conflict of interest, as the receipt of residual compensation, by Mr. Ruggie, as an indirect owner of NATC, may provide an incentive to recommend NATC's trust services for clients in need of trust services. No client is obligated to engage NATC's trust services and clients are reminded that they may engage the trust services of other, non-affiliated trust companies.

#### **Board Affiliations**

Thomas Ruggie currently serves as President of the Tom and Kim Ruggie Family Foundation, Inc. This is a non-profit charitable foundation established to raise funds and direct contributions to worthwhile charities. Several clients serve on the board of this foundations committee. No fees or monies are generated to us from this affiliation.

**Licensed Attorney.** Nicholas Guerra is licensed to practice law and is the managing partner at Guerra Tax and Wealth Planning, P.A., located Boca Raton, Florida. Mr. Guerra will provide general counsel the Registrant, however, he will, in his role as general counsel, not provide any guidance directly to Registrant's clients. It is expected that Mr. Guerra will recommend Registrant's services to certain of his law firm clients. The law office is not involved in providing investment advice on behalf of Registrant, nor does the law office hold itself out as providing advisory services on behalf of Registrant. No client of Registrant is under any obligation to use the services of Guerra Tax and Wealth Planning, P.A.

- D. The Registrant does not recommend or select other investment advisors for its clients for which it receives a fee.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives 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 Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.

As disclosed above, the Registrant has a material financial interest in certain private funds. The terms and conditions for participation in the private funds, including management fees, conflicts of interest, and risk factors, are set forth in the private funds' offering documents.

- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant 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 Registrant 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 Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons." The Registrant's securities transaction policy requires that Access Person of the Registrant 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 Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant 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 11C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

## Item 12 Brokerage Practices

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

Factors that the Registrant considers in recommending *Fidelity*, *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. To the extent that commissions and/or transaction fees are paid by Registrant's clients, such commissions and transaction fees shall be evaluated in connection with the Registrant'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 Registrant 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 broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant 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, Registrant's investment management fee. The Registrant'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 Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from *Schwab* or *Fidelity* (or another broker- dealer/custodian, investment platform, unaffiliated investment manager, vendor, unaffiliated product/fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be 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 Registrant in furtherance of its investment advisory business operations.

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

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at *Fidelity* or *Schwab* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *Fidelity* or *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

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

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant 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 Registrant 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 Registrant. 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 Registrant 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 that may be available through Registrant. 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 Registrant's Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant 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 Registrant'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 Registrant 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 Registrant provides investment supervisory services, account reviews are conducted on a periodic basis by the Registrant's representatives, at least annually. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant may conduct 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. Those clients to whom Registrant provides investment supervisory services may also receive a quarterly report from the Registrant summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, the Registrant may receive an economic benefit from Fidelity or Schwab. The Registrant, without cost (and/or at a discount), may receive support services and/or products from *Fidelity or Schwab*.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at Fidelity or Schwab as a result of this arrangement. There is no corresponding commitment made by the Registrant to *Fidelity or Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

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

**B. Referral Fees**

If a client is introduced to Registrant by either an unaffiliated or an affiliated promoter, Registrant may pay that promoter a referral fee in accordance with the requirements of 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 Registrant's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Registrant by an unaffiliated promoter, the promoter, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of Registrant's written Brochure with a copy of the written disclosure statement from the promoter to the client disclosing the terms of the solicitation arrangement between Registrant and the promoter, including the compensation to be received by the promoter from the Registrant.

#### **Item 15 Custody**

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. 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. The Registrant may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian.

**Please Also Note:** The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

**Please Also Note Custody Situations:** Registrant engages in other practices and/or services on behalf of its clients that require disclosure at ADV Part 1, Item 9, but which practices and/or services are not subject to an annual surprise CPA examination in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter.

## **Item 16 Investment Discretion**

The Registrant provides investment advisory services, directly and through sub-advisory relationships, on a discretionary basis. Prior to the Registrant assuming discretionary authority over an account, the client shall be required to execute an Agreement, naming the Advisor as the client's attorney and agent in fact, granting the Advisor 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 Registrant on a discretionary basis may, at any time, impose restrictions, in writing, on the Registrant'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 proscribe the Registrant's use of margin, etc.).

## **Item 17 Voting Client Securities**

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially 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 Registrant to discuss any questions they may have with a particular solicitation.

## **Item 18 Financial Information**

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware 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 Registrant has not been the subject of a bankruptcy petition.

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