



## **Level Paths LLC d/b/a: Clear Money Path**

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### **PART 2A - APPENDIX 1 WRAP FEE PROGRAM BROCHURE**

This brochure provides information about the qualifications and business practices of Clear Money Path. If you have any questions about the contents of this brochure, contact us at 573-426-5770. 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 Clear Money Path is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Clear Money Path is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

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

Since our last annual updating amendment, dated January 30, 2017 we have made the following changes to our Form ADV Appendix1:

1. We offer portfolio management services in a wrap fee program on a limited basis only.
2. Our Fee Schedule Changed:

### Fee Schedules

Equity and Balanced Accounts	
Portfolio Size	Annualized Fee
\$0 to \$500,000	1.50%
\$500,001 to \$1,000,000	1.25%
Accounts over \$1,000,000	1.00%

Fixed Income Portfolios	
Portfolio Size	Annualized Fee
\$0 to \$500,000	1.20%
\$500,001 to \$1,000,000	0.90%
Accounts over \$1,000,000	0.70%
Accounts over \$10,000,000	0.50%

3. Our investment strategy includes Values-Based Analysis which involves analyzing individual companies and their business practices including processes, products, and corporate citizen priorities. With this analysis we strive to produce an assessment regarding a company's propensity for adding value to their various constituencies beyond just shareholders. The assessment serves two purposes. First, it is combined with financial analyses to prioritize investment candidates for selection by Clear Money Path, and second, it is done in concert with any priorities or restrictions from our clients' values-based profile(s). The methodology for this moral audit is provided upon request to all applicable clients.

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## Item 4 Services, Fees, and Compensation

Level Paths, LLC, d/b/a Clear Money Path is a registered investment adviser based in Rolla, Missouri. Our firm is organized as a limited liability company under the laws of the State of Missouri. We have been providing investment advisory services to a wide variety of clients since 2009. Mark T. Riefer is our principal owner.

As used in this brochure, the words "we", "our" and "us" refer to Clear Money Path and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

We offer the following wrap fee program ("Program") whereby we manage Client accounts for a single fee that includes portfolio management services, custodial and the transaction/commission costs. Under this Program, we offer discretionary investment advice designed to assist Clients, including individuals, trusts, estates, and charitable organizations, pension and profit sharing plans in obtaining professional asset management for a convenient single "wrap fee." The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the program

### Client Investment Process

We provide investment supervisory services through the Program, defined as giving continuous advice to you and/or making investments for your account(s) based on your individual needs. Through personal discussions in which your goals and objectives are established, we will collect financial data from you and assist you in determining the suitability of the Program based on financial information disclosed by you to our firm. We provide discretionary asset management services through the Program. The investment advice varies depending upon your individual life situation, desires, objectives, and other preferences.

The account is managed to diversify your investments and may include various types of securities such as equities, Exchange Traded Funds (ETFs), Indexes and investment grade fixed income securities. Other types of investments may also be recommended where we deem such investments appropriate based on your stated goals and objectives. Investments and allocations are determined and based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, and other various suitability factors that are determined. Accounts are managed on an individualized basis. Further restrictions and guidelines imposed by you, which must be in writing, may affect the composition and performance of your investment portfolio. For these reasons, performance of the portfolio may not be identical with other clients of Clear Money Path. On an ongoing basis, we review your stated financial circumstances and investment objectives and make any adjustments to your investment portfolio as may be necessary to achieve the desired results.

We will make investment decisions for your portfolio according to your stated objectives, financial circumstances, and risk tolerance. In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g. attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. You must promptly notify our firm of any change in your financial circumstances or investment objectives that might affect the manner in which your account(s) should be managed.

Portfolio Management Services are offered on a fully discretionary basis with regard to the allocation and investment management of your assets among various asset categories, for example, equity securities, corporate debt securities, mutual funds, and exchange traded funds. To participate in the program, we require you to grant our firm discretionary authority to manage your account. Subject to

this grant of discretion, we have the authority and responsibility to formulate investment strategies on your behalf. This authorization includes deciding which securities to buy and sell, when to buy and sell, and in what amounts, in accordance with your investment program, without obtaining your prior consent or approval for each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, and/or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. You may change/amend these limitations as required. Such amendments shall be submitted in writing. We will not wire or transfer funds to third parties without your prior written approval.

This service also includes assistance in the selection, retention, and disposition of investment positions. We offer a unique product line where asset allocation models, ranging from conservative short term to aggressive long term, are developed and managed based on research and analysis conducted by our firm. Once your portfolio is constructed, we provide continuous supervision of the portfolio as changes in the market conditions and your individual circumstances may require.

### **Services to Retirement Plans and Plan Participants**

We offer various levels of advisory and consulting services to employee benefit plans ("Plan") and to the participants of such plans ("Participants"). The services are designed to assist plan sponsors in meeting their management and fiduciary obligations to Participants under the Employee Retirement Income Securities Act ("ERISA"). Pursuant to adopted regulations of the U.S. Department of Labor, we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status.

The pension-consulting services we provide to employee benefits plans and their fiduciaries are based upon an analysis of the needs of the Plan. In general, these services may include the selection of the Plan, an existing plan review, formation of the investment policy statement, asset allocation advice, and/or communication and education services where we will assist the Plan sponsor in providing meaningful information regarding the retirement plan to its participants.

Clear Money Path is a state registered investment adviser and represents that it is not subject to any disqualification as set forth in Section 411 of ERISA.

All employee benefit plans are regulated under the Employee Retirement Income Securities Act ("ERISA"). We will provide consulting services to the plan fiduciaries as described above. Typically, the named plan fiduciary must make the ultimate decision as to retaining the services of such investment advisers as we may recommend. The plan fiduciary is free to seek independent advice about the appropriateness of any recommended services for the plan. In performing fiduciary services, we are acting either as a non-discretionary fiduciary of the Plan as defined in Section 3(21) under ERISA, or as a discretionary fiduciary of the plan as defined in Section 3(38) under ERISA, as set forth in the arrangement with each Plan sponsor. We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants.

### **Changes in Your Financial Circumstances**

In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g. attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. Furthermore, unless you indicate to the contrary, we shall assume that there are no restrictions on our services, other than to manage your account in accordance with your designated investment objectives. It is responsibility to promptly notify us if there are ever any changes in your financial situation or investment objectives for the purpose of reviewing, evaluating, and/or revising our previous recommendations or services.

## The Program Fee

We charge a single asset-based fee for advisory services, which includes the cost of portfolio management services, custodial services and the execution of securities transactions. The annual fee for the Clear Money Path Wrap Fee Program is billed quarterly in advance based on the market value of the assets on the last day of the preceding quarter. The billing for each quarterly period will be adjusted for additional contributions or withdrawals in excess of \$10,000 in the aggregate during any billing period. Fees will be assessed pro rata in the event the portfolio management agreement is executed at any time other than the first day of a calendar quarter.

Clients are required to establish accounts at Raymond James Financial Services, Inc. (RJFS), an unaffiliated securities broker dealer and member FINRA/SIPC. In addition to the advisory and custodial services provided to you, the Program's annual fee also includes the execution fees of securities transactions.

You will pay a single fee to us for participation in the Program. We will then pay RJFS for its fees based on the amount of assets contained in your account. You are required to authorize our firm to debit the fee from your account. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance. On an annualized basis, our fee for the Program, subject to negotiation, is based on the following tiered fee schedule:

### Fee Schedules

Equity and Balanced Accounts	
Portfolio Size	Annualized Fee
\$0 to \$500,000	1.50%
\$500,001 to \$1,000,000	1.25%
Accounts over \$1,000,000	1.00%

Fixed Income Portfolios	
Portfolio Size	Annualized Fee
\$0 to \$500,000	1.20%
\$500,001 to \$1,000,000	0.90%
Accounts over \$1,000,000	0.70%
Accounts over \$10,000,000	0.50%

In determining whether to establish a Program account, you should be aware that the overall cost to you of the Program may be higher or lower than you might incur by purchasing separately the types of securities available in the Program. In order to compare the cost of the Program with unbundled services, you should consider the turnover rate in our investment strategies, trading activity in the account and standard advisory fees and brokerage commissions that would be charged at RJFS, or at other broker-dealers and investment advisers.

Depending upon the percentage wrap-fee charged by our firm (as described more fully above), the amount of portfolio activity in your account, and the value of custodial and other services provided, the wrap-fee may or may not exceed the aggregate cost of such services if they were to be provided separately and/or if we were to negotiate transaction fees and seek best price and execution of

transactions for your individual account. Inasmuch as the execution costs for transactions effected in your account will be paid by our firm, a conflict of interest arises in that we may have a disincentive to trade securities in your account.

**Retirement Plans and Plan Participants** - Your fee-paying arrangements will be determined on a case-by-case basis and will be detailed in the advisory agreement. Our firm may either be compensated on a basis of assets under management, a fixed fee or a combination of fee arrangements based on the complexity of the plan and our agreement with you. In any case, our firm will not have access to your funds for payment of fees without your written consent. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan or Participants, unless the plan sponsor directs us to deduct our fee from the plan or directs the plan record-keeper to issue payment for our fee out of the plan. If we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) we will promptly disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

### **Termination of Advisory Relationship**

Either party may terminate the investment advisory agreement (Agreement) by providing a 30 day's written notice to the other party. Refunds are generally not applicable as we are compensated monthly in advance and one month's written notice is required to terminate the Agreement. However, in the event there are any prepaid unearned fees, we will return a pro rata share to the Client.

Upon termination of accounts held at Raymond James Financial Services ("RJFS"), RJFS delivers securities and funds held in the account as instructed by you, unless you request that the account be liquidated. After the Agreement has been terminated, transactions are processed at the prevailing brokerage rates. You become responsible for monitoring your own assets and our firm has no further obligation to act or provide advice with respect to your assets.

### **Wrap Fee Program Disclosures**

- The benefits under a wrap fee program depend, in part, upon the size of the Account, the management fee charged, and the number of transactions likely to be generated in the Account. For example, a wrap fee program may not be suitable for Accounts with little trading activity. In order to evaluate whether a wrap fee program is suitable for you, you should compare the Program Fee and any other costs of the Program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided under the Program.
- In considering the investment programs described in this brochure, you should be aware that participating in a wrap fee program may cost more or less than the cost of purchasing advisory, brokerage, and custodial services separately from other advisers or broker-dealers.
- Our firm and Associated Persons receive compensation as a result of your participation in the Program. This compensation may be more than the amount our firm or the Associated Persons would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and our Associated Persons have a financial incentive to recommend the Program.
- Similar advisory services may be available from other registered investment advisers for lower fees.

### **Additional Fees And Expenses**

All fees paid to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, exchange traded funds, closed-end investment companies or other managed investments to their shareholders. These fees and expenses are described in each

fund's prospectus. Fees charged by mutual funds and others will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

In addition to the additional fees discussed above at *Mutual Fund Charges*, there may be other costs assessed, which are not included in the Program Fee, such as national securities exchange fees; charges for transactions with respect to assets not executed through the custodian, costs associated with exchanging currencies; wire transfer fees; or other fees required by law.

The Program Fee includes the costs of brokerage commissions for transactions executed through the Qualified Custodian (RJFS), and charges relating to the settlement, clearance, or custody of securities in the account. The Program Fee does not include mark-ups and mark-downs, dealer spreads or other costs associated with the purchase or sale of securities, interest, taxes, or other costs, such as national securities exchange fees, charges for transactions not executed through the Qualified Custodian, costs associated with exchanging currencies, wire transfer fees, or other fees required by law or imposed by third parties. The account will be responsible for these additional fees and expenses.

Our firm and Representatives receive compensation as a result of your participation in the wrap-fee program. This compensation may be more than the amount our firm or the Representative would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and the Representatives have a financial incentive to recommend the Program.

#### **Potential Conflicts Of Interest**

We may receive more compensation from you if you participate in this wrap program than if you received advisory services and brokerage services separately. Therefore, we may have a financial incentive to recommend the Program to you over other types of advisory services.

Due to the single fee charged to a Program account, we may be regarded as having a conflict of interest in that it may realize a greater profit on a Program account with a relatively low rate of portfolio turnover compared to other types of accounts, assuming the same level of fees.

Please refer to the section below on *Research and Other Benefits* derived from our relationship with Raymond James Financial Services, Inc. (RJFS).

#### **Brokerage Practices**

Our firm may recommend that you establish a brokerage accounts with Raymond James Financial Services, Inc. (RJFS), a FINRA member. RJFS provides our firm with access to its institutional trading and operations services, which typically are not available to RJFS retail customers. These services are generally available, without cost, to financial advisory firms who maintain a minimum threshold of investor assets with RJFS.

Raymond James & Associates, Inc.'s (RJA), a corporate affiliate of RJFS and member of the New York Stock Exchange and the Securities Investor Protection Corporation, acts as the clearing agent in the execution of securities transactions placed through RJFS. Our firm has retained and will compensate RJFS and or RJA to provide various administrative services which include determining the fair market value of assets held in the account at least quarterly and producing a brokerage statement and performance reporting for your account detailing account assets, account transactions, receipt and disbursement of funds, interest and dividends received, and account gain or loss by security as well as for the total account.

### **Directed Brokerage**

In limited circumstances and at our discretion, some investors may instruct us to use one or more particular brokers for the transactions in their accounts. Those investors who may want to direct us to use a particular broker should understand that this may prevent us from effectively negotiating brokerage compensation on their behalf and may prevent our firm from obtaining the most favorable net price and execution. Moreover, investors that direct brokerage may incur additional costs for performance reporting. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that they will obtain through their broker are adequately favorable in comparison to those that our firm would otherwise obtain for you.

### **Block Trades**

We combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

### **Research and Other Benefits**

Services provided by Raymond James Financial Services, Inc., to our firm including mutual fund research, third-party research, and Raymond James & Associates, Inc.'s (RJA) proprietary research), brokerage, custody, and access to mutual funds and other investments that are available only to institutional investors or would require a significantly higher minimum initial investment. In addition, Raymond James Financial Services, Inc., makes available software and other technologies that provide access to your account data (such as trade confirmations and account statements), facilitate trade execution, provide research, pricing information, quotation services, and other market data, assist with contact management, facilitate payment of fees to our firm from your account(s), assist with performance reporting, facilitate trade allocation, and assist with back-office support, record-keeping, and account reporting. Raymond James Financial Services, Inc., also provides access to financial planning software, practice management consulting support, best execution assistance, consolidated statements assistance, educational and industry conferences, marketing and educational materials, technological and information technology support, and Raymond James Financial Services, Inc., corporate discounts. Many of these services may be used to service all or a substantial number of our accounts, including accounts not maintained at Raymond James Financial Services, Inc.

Raymond James Financial Services, Inc., may provide financial assistance to our firm by establishing forgivable and repayable loan programs. Loan amounts are normally intended to assist us with start-up costs, including rent, overhead expenses, computers, monies owed to third parties, and similar costs. Under the Raymond James Financial Services, Inc., forgivable loan program, such loans normally become forgivable when a minimum of eighty percent (80%) of a pre-negotiated amount of our clients establish and continuously maintain accounts with Raymond James Financial Services, Inc., (or its affiliates as agreed between Raymond James Financial Services, Inc., and our firm for at least three years. The terms of the Raymond James Financial Services, Inc., forgivable loan program are negotiable. The terms of the Raymond James Financial Services, Inc., repayable loan program are normally competitive with interest rates offered within the securities industry, including margin loan interest rates. Raymond James Financial Services, Inc., repayable loans normally range from one (1) to three (3) years. However, the terms of the Raymond James Financial Services, Inc., repayable loan program are negotiable. Clearing and custodial arrangements with Raymond James Financial

Services, Inc., Raymond James & Associates, or any other Raymond James Financial Services, Inc., affiliates as described herein do not and will not in any way affect, or relate or pertain to, the Raymond James Financial Services, Inc., forgivable or repayable loan programs.

Raymond James Financial Services, Inc., may also provide our firm with other services intended to help the us manage and further develop our business enterprise, including assistance in the following areas: consulting, publications and presentations, information technology, business succession, and marketing. In addition, Raymond James Financial Services, Inc., may make available or arrange and/or pay for these types of services provided by independent third parties, including regulatory compliance.

Raymond James Financial Services, Inc. is recognized as a full-service registered broker-dealer and registered investment adviser. We have no formal relationship with Raymond James Financial Services, Inc., for client referrals and receives no compensation from Raymond James Financial Services, Inc., (other than the services and arrangements described herein) for accounts opened by our clients. On an informal basis, Raymond James Financial Services, Inc. occasionally may make referrals to us as a courtesy or accommodation. Nothing of value, monetary or otherwise, is given, paid, or received in exchange for such referrals.

Associated Persons of our firm may sell insurance products, including, but not limited to, life, health, and long-term care products, and will receive additional compensation, in the form of commissions, on the sale of such products.

As part of its fiduciary duties to our clients, we endeavor at all times to put the interests of our advisory clients first. However, you should be aware that the receipt of economic benefits by our firm or its related persons in and of itself creates a potential conflict of interest.

### **Aggregation of Trades**

We may combine multiple orders for shares of the same securities purchased for client accounts we manage (this practice is commonly referred to as "block trading") if we deem the aggregation to be consistent with achieving best execution for the various accounts. We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Smaller accounts may bear higher charges if they fail to meet the minimum account sizes set by the transacting broker. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

## **Item 5 Account Requirements and Types of Clients**

Participation in the wrap program is available to: individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. Participants

In general, we do not require a minimum dollar amount to open and maintain an advisory account.

## Item 6 Portfolio Manager Selection and Evaluation

We are both the sponsor and portfolio manager of the wrap fee program. Our maximum fee for acting as portfolio manager of the wrap fee program is stated above and we will not charge you additional fees for participating in the program. Refer to the *Services, Fees and Compensation* above for additional disclosures on this topic.

### Performance-Based Fees and Side-By-Side Management

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Services, Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

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

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- Charting Analysis - involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.
- Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- Technical Analysis - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- Cyclical Analysis - a type of technical analysis that involves evaluating recurring price patterns and trends.
- Values-Based Analysis - involves analyzing individual companies and their business practices including processes, products, and corporate citizen priorities. With this analysis we strive to produce an assessment regarding a company's propensity for adding value to their various constituencies beyond just shareholders. The assessment serves two purposes. First, it is combined with financial analyses to prioritize investment candidates for selection by Clear Money Path, and second, it is done in concert with any priorities or restrictions from our clients' values-based profile(s). The methodology for this moral audit is provided upon request to all applicable clients.
- Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.
- Short Sales - a securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.
- Margin Transactions - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

- **Options Trading/Writing:** a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the expiration of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

#### Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will use the FIFO accounting method as the default method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

#### Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

#### Recommendation of Particular Types of Securities

As disclosed under the "Advisory Business" section in this Brochure, we primarily recommend the following types of securities; equity securities, warrants, corporate debt securities, certificates of deposit, municipal securities, investment company securities, U.S. Government securities, and options contracts on securities; however, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Certificates of deposit are generally the safest type of investment since they are insured by the federal government. However, because the returns are generally very low, it's possible for inflation to outpace the return. Likewise, US Government securities are backed by the full faith and credit of the United States government but it's also possible for the rate of inflation to exceed the returns.

Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that's used to pay the dividends; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same dividend.

Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

Options and warrants give an investor the right to buy or sell a stock at some future time at a set price. Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited. The main difference between warrants and call options is that warrants are issued and guaranteed by the issuing company, whereas options are traded on an exchange and are not issued by the company. Also, the lifetime of a warrant is often measured in years, while the lifetime of a typical option is measured in months.

### **Brokerage for Client Referrals**

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

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

We recommend all types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of

the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

### **Voting Client Securities**

Without exception, we will not vote proxies on behalf of your advisory accounts. However, we may, at your request, answer questions you may have regarding the nature of a proxy and voting procedures.

## **Item 7 Client Information Provided to Portfolio Managers**

We are not required to provide disclosures in this section because we are the sponsor and portfolio manager to the Wrap Fee Program, and we do not provide your information to other portfolio managers.

### **Privacy Policy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact Mark Riefer, Managing Member and Chief Compliance Officer at 573.426.5770 if you have any questions regarding this policy.

## **Item 8 Client Contact with Portfolio Managers**

We serve as the program sponsor and the portfolio manager, and there are no restrictions placed on your ability to contact and consult with us. You should contact our firm directly with any questions regarding your account.

## **Item 9 Additional Information**

### **Disciplinary Information**

Neither our firm nor our principal owners or Associated Persons have any legal or disciplinary information.

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

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

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

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm. Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Mark Riefer at (573) 426-5770.

### **Review of Accounts**

Client accounts are monitored on a continuous basis, with a formal review conducted at least annually. Mark Riefer, Managing Member and Chief Compliance Officer, or the advisory representative assigned to the account will conduct the review. The calendar is the triggering factor for reviews.

The custodian holding your funds and securities will send you a confirmation of every securities transaction in your account(s), and a brokerage statement at least quarterly. Our firm will provide reports to you on an as needed basis. Such reports may include information about accounts that are not directly managed by our firm.

### **Client Referrals and Other Compensation**

We directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this Disclosure Brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires or a one-time, flat referral fee upon your signing an advisory agreement with our firm. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

### **Financial Information**

We do not receive fees of more than \$500 six months or more in advance, thus we are not required to provide financial information to our clients. We do not have any financial condition that is reasonably likely to impair our ability to meet our contracted commitment to any client.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

### **Class Action Lawsuits**

From time to time, securities held in your accounts may be the subject of class action lawsuits. Without exception, we have no obligation to determine if securities held by you are subject to a pending or resolved class action lawsuit. We also have no duty to evaluate your eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, we have no obligation or responsibility to initiate litigation to recover damages on your behalf if you may have been injured as a result of actions, misconduct or negligence by corporate management of issuers whose securities are held in your account.

Where we receive written or electronic notice of a class action lawsuit, settlement or verdict affecting securities you own, we will forward all notices, proof of claim forms and other materials, to you for further action. Electronic mail is acceptable where appropriate, and you authorize contact in this manner

## **Item 10 Requirements for State-Registered Advisers**

Neither our firm, nor any of our Associated Persons are compensated for advisory services with performance-based fees. Please refer to the "Performance-Based Fees and Side-By-Side Management" section above for additional information on this topic.

Neither our firm, nor any of our Associated Persons have any reportable arbitration claims, civil, self-regulatory organization proceeding or administrative proceeding.

Neither our firm, nor any of our Associated Persons have a material relationship or arrangement with any issuer of securities. Refer to the Part(s) 2B for background information about management personnel and those giving advice on behalf of our firm.