

# **Millard & Company, Inc.**

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## **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of Millard & Company, Inc. If you have any questions about the contents of this brochure, please contact us at 828-859-7001. 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 Millard & Company, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Millard & Company, Inc. is 154394.

Millard & Company, Inc. 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 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.

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

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## Item 4 Advisory Business

Millard & Company, Inc. is a registered investment adviser based in Tryon, North Carolina. Our firm is organized as a subchapter S-Corporation under the laws of the State of North Carolina. We have been providing investment advisory services through this entity since July, 2010. Carl Andrew Millard, President and Chief Compliance Officer, is also our principal owner. Prior to establishing Millard & Company, Mr. Millard was a part owner and advisory representative with Main Street Financial Group, Inc. from July of 2000 until September of 2010.

As used in this brochure, the words "we", "our" and "us" refer to Millard & Company, Inc. 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.

Currently, we offer the following investment advisory services, which are personalized to each individual client:

- Portfolio Management Services
- Mutual Fund Account Setup Services
- Financial Planning Services
- Advisory Consulting Services

### **Portfolio Management Services**

We offer discretionary and non-discretionary portfolio management services to our clients and prospective clients. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. We will use the suitability information we gather from our initial discussions to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we will customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. We provide investment advisory services utilizing a series of model portfolios based on investment asset classes. The model portfolio utilized for you is dependent upon your particular situation and risk tolerance. Once we construct an investment portfolio for you, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, 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. Please refer to the *Investment Discretion* section below for additional disclosures on our use of discretionary authority.

If you enter into a non-discretionary arrangement with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advise provided by our firm on a non-discretionary basis.

Under this service, we will generally assist you in creating a portfolio of exchange-traded funds (ETFs) and/or no-load and load waived mutual funds available through third-party custodians. We will allocate your assets among various investments taking into consideration the overall management style appropriate for you. The funds selected may be actively-managed or passively-managed (index funds). The funds will be selected on the basis of any or all of the following criteria: the fund's management fee structure; the fund's investment objectives; the historical risk/reward profile; the fund's performance history; the track record of the fund's manager; and the fund's management style and philosophy. Portfolio weighting between funds and asset classes will be determined by your individual needs and circumstances. You will have the opportunity to place reasonable restrictions on the types of investments which will be made on your behalf. Any restrictions placed on the account must be in writing. You will retain individual ownership of all securities. On rare occasions, when appropriate for your individualized needs, or as an accommodation to you, individual stocks and/or bonds may also be placed in your portfolio.

Either party may terminate the portfolio management agreement upon 30-days' written notice to the other party. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Self-Directed Investment Account Setup Services**

When appropriate to your individual needs, we will assist you in setting up an account through a self-directed discount brokerage firm or no-load fund family. Such services are made available for a fixed fee of \$150.00, depending on the amount of time involved in providing the service. The fee will be payable when the service is rendered. We do not consider these services to be ongoing, and once the account is established we will not provide additional services. Thereafter, you may re-engage our firm for additional/ongoing advisory services as needed. This service is only available at our discretion and to smaller investors whose financial needs do not meet the criteria for portfolio management services described above.

### **Financial Planning Services**

Our financial planning services will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. Once such information has been reviewed and analyzed, we will provide you with a written financial plan designed to achieve your stated financial goals and objectives. The primary objective of this process is to assist you in developing a strategy for the successful management of your income, assets, and liabilities in meeting your financial goals and objectives. For clients who may only require advice on a single aspect of the management of their financial resources, we offer financial plans in a format that will address only your specific areas of concern.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. We are not required to verify any information received from you. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm, and are not obligated to use the brokerage firm that we recommend. Please refer to the *Brokerage Practices* section below for additional disclosures on brokerage firms that we recommend.

Either party may terminate the financial planning agreement by providing written notice to the other party. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Types of Investments**

We primarily offer advice on mutual funds and exchange traded funds. Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of December 12, 2011, we manage \$62,063,693 in client assets on a discretionary basis, and \$371,250 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Portfolio Management Fees**

Our fee for portfolio management services is based on a percentage of your assets we manage and is set forth in the following fee schedule:

<b>Assets Under Management</b>	<b>Annual Fee*</b>
\$0 - \$1,000,000	1.00% (.25% per quarter)
\$1,000,001 - \$1,500,000	0.85% (.2125% per quarter)
\$1,500,001 - \$2,000,000	0.75% (.1875% per quarter)
\$2,000,001 - \$2,500,000	0.70% (.175% per quarter)
\$2,500,001 - \$3,000,000	0.60% (.15% per quarter)
\$3 million +	0.50% (.125% per quarter)

\* In special circumstances, other fees may be negotiated.

Our annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

We may, at our discretion, charge a \$200.00 'start-up' fee for the expenses related to establishing a new account(s); this fee is non-refundable. Since start-up expenses are only incurred during the first year of our advisory relationship, fees paid in subsequent years will be charged for the rendering of investment advice and management only.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be

paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements.

We encourage you to reconcile the statements you receive from us with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our statements and the statement(s) you receive from the qualified custodian please call our main office number located on the cover page of this brochure.

### **Financial Planning Fees**

We charge an hourly fee of \$ 150.00 for financial planning services, which is negotiable depending on the scope and complexity of the plan, your situation, and your financial objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee.

We require that you pay 50% of the fee in advance and the remaining portion upon the completion of the financial planning and/or consulting engagement. Under no circumstances will we require prepayment of a fee more than six months in advance and in excess of \$1,200.

### **Self-Directed Investment Account Setup Fees**

Such services are made available for a fixed fee of \$150.00, depending on the amount of time involved in providing the service. The fee will be payable when the service is rendered. We do not consider these services to be ongoing, and once the account is established we will not provide additional services.

### **Additional Fees and Expenses**

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

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. 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. Our fees are calculated as described in the *Advisory Business* 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.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we require a minimum of \$300,000 per client relationship to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum. Arrangements with existing clients may differ.

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

Primarily, we will utilize the investment strategy as set forth in the book *Low-Stress Investing: 10 Simple Steps to a Worry-Free Portfolio*, by C. Andrew Millard, President of Millard & Company. Low-Stress Investing® is an investing approach that seeks to maximize returns while minimizing volatility and risk. It attempts to accomplish this by using a combination of asset classes that are appropriate for the investor. We encourage potential clients to read *Low-Stress Investing* prior to entering into an agreement with our firm for investment advisory services. Mr. Millard will not provide a courtesy copy of his book to prospective clients. As the author of *Low-Stress Investing: 10 Simple Steps to a Worry-Free Portfolio*, and the owner of Trade Street Publishing Mr. Millard will receive a direct economic benefit for each book sold. As previously stated, prospective clients are encouraged to read Mr. Millard's book; however, they are under no obligation to do so. Please refer to *Other Financial Industry Activities and Affiliations* section below for additional disclosures on this topic.

In addition, we may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- 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 - short term purchases refer to 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.
- Margin Transactions - Margin transactions refer to a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.
- Asset Allocation and Rebalancing - A portfolio allocation and management method aimed at balancing risk and return. We will not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities.

We do not employ short-term purchases, or margin transactions as part of our core investment strategies. However, these strategies may be utilized in limited circumstances, when they are transferred in as part of a preexisting account, at your request, or in periodic rebalancing of your portfolio.

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.

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 default to the FIFO accounting 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.

Additionally, risks associated with asset allocation and rebalancing include: the risk that past patterns and results will not be duplicated in the future; the risk that the ETF or mutual fund representing a particular class may not accurately reflect that asset class; the risk that all asset classes could decline at the same time.

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

As disclosed under the "Advisory Business" section in this Brochure, we primarily recommend exchange traded funds and mutual funds. However, we will, on occasion, recommend other types of securities 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.

The ETFs and mutual funds selected may be actively-managed or passively-managed (index funds). Millard will review fund fundamentals, including any or all of the following criteria: the fund's management fee structure; the fund's investment objectives; the historical risk/reward profile; the fund's performance history; the track record of the fund's manager; and the fund's management style and philosophy in evaluating mutual funds and ETFs.

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, commodities, 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 investments. 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 funds, 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.

## Item 9 Disciplinary Information

C. Andrew Millard, President and Chief Compliance of our firm has been registered and actively engaged in the financial services industry since April of 1994. Neither our firm nor Mr. Millard has any disciplinary information.

## Item 10 Other Financial Industry Activities and Affiliations

Andy Millard and his wife Sharon Millard, own a publishing company called Trade Street Publishing. The publishing company is set up primarily to distribute Mr. Millard's book, *Low-Stress Investing: 10 Simple Steps to a Worry-Free Portfolio* and *The Graduate's Book of Practical Wisdom: 99 Lessons They Can't Teach in School*.

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

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

### Description of Our Code of Ethics

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 contact us at the telephone number on the cover page of this brochure to request a copy.

### Personal Securities Transactions

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our firm nor our Associated Persons shall have priority over your account in the purchase or sale of securities. These requirements are not applicable to: (i) direct obligations of the Government

of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

## Item 12 Brokerage Practices

We routinely recommend the brokerage and custodial services of TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), an independent and unaffiliated SEC-registered securities broker-dealer and a member of FINRA/SIPC/NFA. TD Ameritrade offers to independent investment advisors services that include custody of securities, trade execution, clearance, and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the TD Ameritrade Institutional Equity Management Program (the "Program"), a program established by TD Ameritrade. We believe that TD Ameritrade provides quality execution services for your account at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by TD Ameritrade, including the value of research provided the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services we receive from TD Ameritrade, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We participate in the TD Ameritrade Institutional program through which we receive some benefits from TD Ameritrade. There is no direct link between our participation in the program and the investment advice we provide to you, although we do receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations ; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our associated persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm and/or associated persons but may not benefit you or your accounts. These products or services may assist our firm in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits we receive through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duty to clients, we endeavor at all times to put the interests of our clients first. You should be aware; however, that the receipt of economic benefits by our firm or our associated persons itself creates a conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

We may receive succession planning, practice valuation and equity management services from third-party vendors through our participation in the Program. In addition to meeting the minimum eligibility criteria for participation in the Program, we may be selected to participate in the Program based on the amount and potential profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade has established the Program as a means of assisting independent unaffiliated Advisors to grow and maintain their respective investment advisory business. TD Ameritrade does not supervise and has no responsibility for our

management of client portfolios or our other advice or services to clients. Our Firm and TD Ameritrade are independent of one another and have neither an agency nor employment relationship.

Our participation in the TD Ameritrade Institutional Equity Management Program raises potential conflicts of interest. Resulting from our participation in the program, we may encourage our clients to custody their assets at TD Ameritrade, and to place transactions for client accounts with TD Ameritrade, which are profitable to TD Ameritrade. Our participation in the TD Ameritrade Institutional Equity Management Program does not relieve us of the duty to seek best execution of trades for our client accounts.

The products and services we receive from TD Ameritrade will generally be used in servicing all of our clients' accounts. Our use of these products and services will not be limited to the accounts that paid commissions to the broker-dealer for such products and services .

### **Brokerage for Client Referrals**

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

### **Directed Brokerage**

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

### **Block Trades**

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). We believe the benefits of conducting direct trades for each client account outweighs the slight cost savings derived from aggregating trades over a large number of accounts. Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

## **Item 13 Review of Accounts**

We monitor client portfolios as part of an ongoing process while regular account reviews are conducted at least quarterly. You are encouraged to discuss your needs, goals, and objectives with our firm, and to keep us informed of any changes in this information. Generally, you will not participate in the review. Andrew Millard, President and Chief Compliance Officer will conduct all reviews. Additional reviews may be conducted at your request, or based on various circumstances, including, but not limited to, contributions and withdrawals, year-end tax planning, market moving events, security specific events, and/or, changes in your risk/return objectives.

Andrew Millard, President and Chief Compliance Officer will review your financial plan periodically upon your request to ensure that the planning advice and/or asset allocation recommendations made to you remain consistent with your stated investment needs and objectives. Such reviews and any written updates may be subject to our then current hourly rate. We will not provide regular written reports to you for financial planning and consulting services.

You will receive transaction confirmation notices and regular summary account statements, at least quarterly, directly from your account custodian. We will also provide you with written quarterly reports that generally include relevant account and/or market-related information such as an inventory and appraisal of account holdings, and investment performance.

We encourage you to reconcile our reports with those received from the qualified custodian. If you find your holdings differ between these two statements, please call our main office number located on the cover page of this brochure.

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

As disclosed under the *Brokerage Practices* section above, we participate in the TD Ameritrade Institutional Equity Management Program through which we receive some benefits from TD Ameritrade. There is no direct link between our participation in the program and the investment advice we provide to you, although we do receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors, see Item 12 above for additional disclosures on this topic.

## **Item 15 Custody**

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

We will also provide quarterly reports to you. We strongly encourage you to compare our statements with the statements you receive from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact our firm at 828-859-7001.

## **Item 16 Investment Discretion**

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section above for more information on our discretionary management services.

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

## **Item 17 Voting Client Securities**

Without exception, we will not vote proxies on behalf of your advisory accounts.

## Item 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

## Item 19 Requirements for State Registered Investment Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## Item 20 Additional Information

### Your Privacy

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 our 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 safeguard 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 Andrew Millard, President and Chief Compliance Officer at 828-859-7001 if you have any questions regarding this policy.

### 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.