

GDM Advisory Group, Ltd.

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Brochure

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This Brochure provides information about the qualifications and business practices of GDM Advisory Group, LTD. If you have any questions about the contents of this Brochure, please contact us at (215) 886-5800 or Info@gdmplan.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about GDM Advisory Group, LTD also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to GDM Advisory Group, LTD as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

Since last year’s Annual Amendment filing on February 14, 2017, this disclosure statement has been materially revised at Item 1 to reflect the firm’s new principal office location. Although not material, this disclosure statement has been revised at Items 4, 5, 7, and 12 to increase and enhance disclosures.

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Item 4 Advisory Business

- A. GDM Advisory Group, Ltd. (“GDM Advisory”) is a corporation formed on September 9, 1993 in the Commonwealth of Pennsylvania. GDM Advisory became registered as an Investment Adviser Firm in October 1993. GDM Advisory is owned by Glenn D. Meyer, who is also GDM Advisory’s President.
- B. As discussed below, GDM Advisory offers to its clients (individuals, pension and profit sharing plans, trusts, estates, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage GDM Advisory to provide discretionary investment advisory services on a *fee-only* basis. GDM Advisory’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under GDM Advisory’s management, generally between 0.15% and 0.85%.

GDM Advisory’s annual investment advisory fee shall include investment advisory services, and, to the **extent specifically requested** by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of GDM Advisory), GDM Advisory may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, GDM Advisory *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. GDM Advisory’s planning and consulting fees are negotiable, but generally range from \$2,500 to \$7,500 on a fixed fee basis, and from \$350 to \$400 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging GDM Advisory to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with GDM Advisory setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to GDM Advisory commencing services. If requested by the client, GDM Advisory may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from GDM Advisory. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client’s responsibility to promptly notify GDM Advisory if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising GDM Advisory’s previous recommendations and/or services.

MISCELLANEOUS

Non-Investment Consulting/Implementation Services. To the extent requested by the client, GDM Advisory *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither GDM Advisory, nor any of its representatives, serves as an attorney or accountant and no portion of GDM Advisory's services should be construed as same. To the extent requested by a client, GDM Advisory may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from GDM Advisory. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify GDM Advisory if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising GDM Advisory's previous recommendations and/or services.

Please Note: Fee Differentials. As indicated below at Item 5, we shall generally price our advisory services based upon various objective and subjective factors. As a result, our clients could pay diverse fees based upon the market value of their assets, the complexity of the engagement, the level and scope of the overall investment advisory services to be rendered, negotiations, and other factors. As a result, similarly situated clients could pay diverse fees, and the services to be provided by GDM Advisory to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly. **ANY QUESTIONS:** GDM Advisory's Chief Compliance Officer, Glenn D. Meyer, remains available to address any questions regarding Fee Differentials.

Retirement Rollovers-Potential for Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If GDM Advisory recommends that a client roll over their retirement plan assets into an account to be managed by GDM Advisory, such a recommendation creates a conflict of interest if GDM Advisory will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account managed by GDM Advisory. GDM Advisory's Chief Compliance Officer, Glenn D. Meyer, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

ERISA / IRC Fiduciary Acknowledgment. If the client is: (i) a participant or beneficiary of a Plan subject to Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (ii) the beneficial owner of an IRA acting on behalf of the IRA; or (iii) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then GDM Advisory represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue

Code, or both, with respect to any investment advice provided by GDM Advisory or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

Please Note-Use of Mutual Funds: Most mutual funds are available directly to the public. Thus, a prospective client can obtain many of the mutual funds that may be recommended and/or utilized by GDM Advisory independent of engaging GDM Advisory as an investment advisor. However, if a prospective client determines to do so, he/she will not receive GDM Advisory's initial and ongoing investment advisory services.

Schwab. As discussed below at Item 12, GDM Advisory recommends that Schwab serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab charge brokerage commissions and/or transaction fees for effecting securities transactions. In addition to GDM Advisory's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). The fees charged by Schwab, as well as the charges imposed at the mutual fund and exchange traded fund level, are in addition to GDM Advisory's advisory fee referenced in Item 5 below.

Portfolio Activity. GDM Advisory has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, GDM Advisory will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, mutual fund manager tenure, style drift, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when GDM Advisory determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by GDM Advisory will be profitable or equal any specific performance level(s).

Client Obligations. In performing its services, GDM Advisory shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify GDM Advisory if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising GDM Advisory's previous recommendations and/or services.

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

- C. GDM Advisory shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, GDM Advisory shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on GDM Advisory's services.
- D. GDM Advisory does not participate in a wrap fee program.

- E. As of December 31, 2017 GDM Advisory had \$471,400,000 in assets under management on a discretionary basis.

Item 5 Fees and Compensation

A. INVESTMENT ADVISORY SERVICES

If a client determines to engage GDM Advisory to provide discretionary investment advisory services on a *fee-only* basis, GDM Advisory's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under GDM Advisory's management (between 0.15% and 0.85%) as follows:

Fixed Income Securities

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$0 to \$1,000,000	0.25%
Over \$1,000,000	0.15%

Equity Mutual Funds (all Funds other than Fixed Income Securities)

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$0 to \$500,000	0.85%
Next \$500,000	0.70%
Over \$1,000,000	0.60%

Please Note: Conflict of Interest: Although GDM Advisory will allocate client assets consistent with the client's designated investment objective, the fact that GDM Advisory earns a higher fee for management of securities other than individual fixed income as referenced in the above fee schedule, GDM Advisory has a conflict of interest since it will have an economic incentive to allocate more assets to those types of securities from which it will earn a higher advisory fee.

Please Also Note: If a client maintains less than \$352,941 in assets under GDM Advisory's management, and is subject to GDM Advisory's \$3,000 annual minimum fee, that client will pay a higher percentage Annual Fee than the 0.85% referenced above. Balanced funds are considered equity funds.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, GDM Advisory *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. GDM Advisory's planning and consulting fees are negotiable, but generally range from \$2,500 to \$7,500 on a fixed fee basis, and from \$350 to \$400 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

Please Note: As indicated in Item 4 above, GDM Advisory's fees shall be based upon various objective and subjective factors, including but not limited to: the amount of the assets placed under GDM Advisory's direct management, the complexity of the engagement, and the level and scope of the overall investment advisory services to be rendered. Before engaging GDM Advisory to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement, setting forth the terms and conditions of the engagement (including termination), which describes the fees and services to be provided.

- B. Clients may elect to have GDM Advisory's advisory fees deducted from their custodial account. Both GDM Advisory's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of GDM Advisory's investment advisory fee and to directly remit that management fee to GDM Advisory in compliance with regulatory procedures. In the limited event that GDM Advisory bills the client directly, payment is due upon receipt of GDM Advisory's invoice. GDM Advisory shall deduct fees and/or bill clients quarterly in arrears, based upon the market value of the assets on the last business day of the previous billing quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, GDM Advisory shall generally recommend that Charles Schwab and Co., Inc. ("*Schwab*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to GDM Advisory's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Relative to its discretionary investment management services, when beneficial to the client, individual fixed income securities may be effected through broker-dealers other than the account custodian, in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate "tradeaway" and/or prime broker fee charge by the account custodian (*Schwab*).

- D. GDM Advisory's annual investment advisory fee shall be prorated and paid quarterly, in arrears, based upon the market value of the assets on the last business day of the previous billing quarter.

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

- E. Neither GDM Advisory, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither GDM Advisory nor any supervised person of GDM Advisory accepts performance-based fees.

Item 7 Types of Clients

GDM Advisory's clients shall generally include individuals, pension and profit sharing plans, trusts, and estates. GDM Advisory generally requires an annual minimum fee of \$3,000. GDM Advisory, in its sole discretion, may reduce its investment management fee and/or waive or modify its annual minimum fee, based upon certain criteria. (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). **Please Note:** Similar advisory services may be available from other investment advisers for similar or lower fees. **Please Also Note:** If a client maintains less than \$352,941 in assets under GDM Advisory's management, and is subject to GDM Advisory's \$3,000 annual minimum fee, that client will pay a higher percentage Annual Fee than the 0.85% referenced in Item 5.

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

- A. GDM Advisory may utilize the following methods of security analysis:
- Charting – (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
 - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
 - Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

GDM Advisory may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by GDM Advisory) will be profitable or equal any specific performance level(s).

- B. GDM Advisory's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis GDM Advisory must have access to current/new market information. GDM Advisory has no control over the dissemination rate of market information; therefore, unbeknownst to GDM Advisory, certain analyses may be compiled with outdated market information, severely

limiting the value of GDM Advisory's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

GDM Advisory's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Currently, GDM Advisory primarily allocates client investment assets among various debt (bonds) and fixed income securities, mutual funds and/or exchange traded funds on a discretionary basis in accordance with the client's designated investment objective(s).

Item 9 Disciplinary Information

GDM Advisory has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither GDM Advisory, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither GDM Advisory, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. GDM Advisory has no other relationship or arrangement with a related person that is material to its advisory business.
- D. GDM Advisory does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. GDM Advisory maintains an investment policy relative to personal securities transactions. This investment policy is part of GDM Advisory's overall Code of Ethics, which serves to establish a standard of business conduct for all of GDM Advisory's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, GDM Advisory also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by GDM Advisory or any person associated with GDM Advisory.

- B. Neither GDM Advisory nor any related person of GDM Advisory recommends, buys, or sells for client accounts, securities in which GDM Advisory or any related person of GDM Advisory has a material financial interest.
- C. GDM Advisory and/or representatives of GDM Advisory *may* buy or sell securities that are also recommended to clients. This practice may create a situation where GDM Advisory and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if GDM Advisory did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of GDM Advisory’s clients) and other potentially abusive practices.

GDM Advisory has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of GDM Advisory’s “Access Persons”. GDM Advisory’s securities transaction policy requires that an Access Person of GDM Advisory must provide the Chief Compliance Officer or his/her designee with a written report of the their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date GDM Advisory selects; provided, however that at any time that GDM Advisory has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. GDM Advisory and/or representatives of GDM Advisory *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where GDM Advisory and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, GDM Advisory has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of GDM Advisory’s Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that GDM Advisory recommend a broker- dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct GDM Advisory to use a specific broker-dealer/custodian), GDM Advisory generally recommends that investment management accounts be maintained at *Schwab*. Prior to engaging GDM Advisory to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with GDM Advisory setting forth the terms and conditions under which GDM Advisory shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that GDM Advisory considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with GDM Advisory, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by GDM Advisory's clients shall comply with GDM Advisory's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where GDM Advisory determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although GDM Advisory will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, GDM Advisory's investment management fee. GDM Advisory's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, GDM Advisory may receive from *Schwab* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist GDM Advisory to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by GDM Advisory may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by GDM Advisory in furtherance of its investment advisory business operations.

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

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

GDM Advisory's Chief Compliance Officer, Glenn D. Meyer, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

Products and Services Available to Us from Schwab

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us as long as we keep a total of at least \$10 million of our clients' assets in accounts at Schwab. If we have less than \$10 million in client assets at Schwab, it may charge us quarterly service fees. Here is a more detailed description of Schwab's support services:

Services that Benefit You. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

2. GDM Advisory does not receive referrals from broker-dealers.

3. GDM Advisory does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and GDM Advisory will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by GDM Advisory. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs GDM Advisory to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through GDM Advisory. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

GDM Advisory's Chief Compliance Officer, Glenn D. Meyer, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that GDM Advisory provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless GDM Advisory decides to purchase or sell the same securities for several clients at approximately the same time. GDM Advisory may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among GDM Advisory's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. GDM Advisory shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom GDM Advisory provides investment supervisory services, account reviews are conducted on an ongoing basis by GDM Advisory's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise GDM Advisory of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with GDM Advisory on an annual basis.
- B. GDM Advisory **may** conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. GDM Advisory may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

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

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

GDM Advisory's Chief Compliance Officer, Glenn D. Meyer, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. GDM Advisory does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

Item 15 Custody

GDM Advisory shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. GDM Advisory may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that GDM Advisory provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by GDM Advisory with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of GDM Advisory's advisory fee calculation.

Item 16 Investment Discretion

The client can determine to engage GDM Advisory to provide investment advisory services on a discretionary basis. Prior to GDM Advisory assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming GDM Advisory as the client's attorney and agent in fact, granting GDM Advisory full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage GDM Advisory on a discretionary basis may, at any time, impose restrictions, **in writing**, on GDM Advisory's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe GDM Advisory's use of margin, etc.).

Item 17 Voting Client Securities

- A. GDM Advisory does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact GDM Advisory to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. GDM Advisory does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. GDM Advisory is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. GDM Advisory has not been the subject of a bankruptcy petition.

ANY QUESTIONS: GDM Advisory's Chief Compliance Officer, Glenn D. Meyer, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.