

**Item 1 – Cover Page**

**Form ADV Part 2A  
Brochure**

**Investors Research Corporation  
dba  
IRC Wealth**

**CRD #132022**

3050 Peachtree Road NW, Suite 220  
Atlanta, GA 30305  
(404) 968-9348

[www.IRCWealth.com](http://www.IRCWealth.com)

March 31, 2022

This Brochure provides information about the qualifications and business practices of Investors Research Corporation *dba IRC Wealth*. If you have any questions about the contents of this Brochure, please contact us at (404) 968-9348. 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.

Investors Research Corporation is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about Investors Research Corporation also is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

## Item 2 - Material Changes

Since our last annual amendment dated March 15, 2021, we have made the following changes:

1. We have added additional disclosure information in Item 4 regarding our responsibilities when advising an IRA or other ERISA Retirement plan.

- a. For Item 4:

### ERISA and Individual Retirement Accounts Disclosure

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

2. We have also added a new affiliation in Item 10.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Our Brochure may be requested by contacting us at our main number above. Additional information about IRC Wealth is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website provides information about any persons affiliated with IRC Wealth who are registered or are required to be registered, as investment adviser representatives of IRC Wealth.

### **Item 3 -Table of Contents**

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

## Item 4 – Advisory Business

### General Information

Investors Research Corporation (“IRC”) *dba IRC Wealth* is an investment adviser registered with the U.S. Securities and Exchange Commission, that provides financial planning and investment advisory services.

Formed in November 1981, IRC is owned by David M. Ragland, who serves as President and Chief Compliance Officer. Mr. Ragland also hosts speaking engagements and publishes a blog for public viewing.

Please see **Brochure Supplement(s), Exhibit A**, for more information on Mr. Ragland and other individuals who formulate investment advice and have direct contact with clients or have discretionary authority over client accounts.

As of December 31, 2021, IRC held \$432,289,508 in discretionary assets under management and \$4,022,421 in non- discretionary assets under management.

### **SERVICES PROVIDED**

At the outset of each client relationship, IRC spends time with the client, asking questions, discussing the client’s investment experience and financial circumstances, and reviewing options for the client. Based on its reviews, IRC generally develops with each client:

- a financial outline for the client based on the client’s financial circumstances and goals and the client’s risk tolerance level (the “Financial Profile” or “Profile”); and
- the client’s investment objectives and guidelines (the “Investment Plan” or “Plan”).

The Financial Profile is a reflection of the client’s current financial picture and a look to the future goals of the client. The Investment Plan outlines the types of investments IRC will make on behalf of the client to meet those goals. The Profile and the Plan are discussed regularly with each client but are not necessarily written documents.

### Financial Planning

One of the services offered by IRC is financial planning, described below. This service may be provided as a stand-alone service or may be coupled with ongoing portfolio management.

Financial planning generally includes advice that addresses one or more areas of a client's financial situation, such as estate planning, risk management, budgeting and cash flow controls, retirement planning, education funding, and investment portfolio design. Depending on a client’s particular situation, financial planning may include some or all of the following:

- Gathering factual information concerning the client's personal and financial situation;
- Assisting the client in establishing financial goals and objectives;
- Analyzing the client's present situation and anticipated future activities in light of the client's financial goals and objectives;
- Identifying problems foreseen in the accomplishment of these financial goals and objectives and offering alternative solutions to the problems;
- Making recommendations to help achieve retirement plan goals and objectives;
- Designing an investment portfolio to help meet the goals and objectives of the client;
- Providing estate planning;

- Assessing risk and reviewing basic health, life and disability insurance needs; and/or
- Reviewing goals and objectives and measuring progress toward those goals.

Once financial planning advice is given, the client may choose to have IRC implement the client's financial plan and manage the investment portfolio on an ongoing basis. However, the client is under no obligation to act upon any of the recommendations made by IRC under a financial planning engagement. It is recommended that the client review this plan with tax accountants, attorneys and other professional service providers.

#### Investment Advisory Services

IRC is an investment adviser specializing in meeting the personalized asset management needs of its clients. IRC focuses on each client's personal success and long-term goals when recommending its value, income, or ETF-based model portfolios. IRC applies its disciplined approach to money management, which it feels attracts discerning clients, many of whom are unable to find solutions they are seeking in traditional managed accounts.

The process begins with having conversations and meetings with a client to ascertain their objectives, needs, risk tolerance, and financial status. A client may reserve the right to impose restrictions or guidelines on the management of the client's assets, including any limitations on the purchase or sale of particular securities or types of securities. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client's investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. However, IRC may also implement a model portfolio strategy that is regularly analyzed and updated. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with other clients of IRC.

#### Retirement Plan Advisory Services

Establishing a sound fiduciary governance process is vital to good decision-making and to ensuring that prudent procedural steps are followed in making investment decisions. IRC will provide Retirement Plan consulting services to Plans and Plan Fiduciaries as described below. The appropriate Plan Fiduciary(ies) designated in the Plan documents (e.g., the Plan sponsor or named fiduciary) will (i) make the decision to retain IRC; (ii) agree to the scope of the services that IRC will provide; and (iii) make the ultimate decision as to accepting any of the recommendations that IRC may provide. The Plan Fiduciaries are free to seek independent advice about the appropriateness of any recommended services for the Plan. Retirement Plan consulting services may be offered individually or as part of a comprehensive suite of services.

The Employee Retirement Income Security Act of 1974 ("ERISA") sets forth rules under which Plan Fiduciaries may retain investment advisers for various types of services with respect to Plan assets. IRC acts as a fiduciary under ERISA Section 3(21). As such, IRC works with clients to recommend the investment choices for a plan among which the plan participants may select. IRC does not have discretion over plan investments, and Retirement Plan clients will retain control of the plan's investments and will approve the fund lineup. IRC does not offer investment management services, as defined under ERISA section 3(38).

With respect to any account for which IRC meets the definition of a fiduciary under Department of Labor rules, IRC acknowledges that both IRC and its Related Persons are acting as fiduciaries. Additional disclosure may be found elsewhere in this Brochure or in the written agreement between IRC and the client.

IRC, acting in a non-fiduciary capacity, will provide employee investment education, and guidance to Plan participants, separate and apart from any actual investment advice, and assistance with the management of service providers.

#### ERISA and Individual Retirement Accounts Disclosure

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours.

Under this special rule's provisions, we must:

- meet a professional standard of care when making investment recommendations (give prudent advice);
- never put our financial interests ahead of yours when making recommendations (give loyal advice);
- avoid misleading statements about conflicts of interest, fees, and investments;
- follow policies and procedures designed to ensure that we give advice that is in your best interest;
- charge no more than is reasonable for our services; and
- give you basic information about conflicts of interest.

#### Speaking Engagements

IRC's President and CCO David Ragland is available to present as a keynote speaker, workshop facilitator, or course instructor. Topics include Wealth Made Simple and Retirement Planning Made Simple, among others. Amy Getz, an advisor with IRC also speaks on podcasts, zoom meetings and in person. One of her topics is called: "Wealth from Within: Simple Steps To Creating Financial Freedom"

### **Item 5 – Fees and Compensation**

#### General Fee Information

Fees paid to IRC are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third-party consultants. Please see **Item 12 – Brokerage Practices** for additional information. Fees paid to IRC are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee, 12b-1 fees and other fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, IRC and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

Some mutual funds pay 12b-1 service fees (normally 0.25% per year) to the Custodian. These fee arrangements will be disclosed upon request of a client and are available in the applicable fund's prospectus. IRC does not typically recommend mutual funds that charge 12b-1 fees when other share classes are available. However, there are instances in which mutual funds charging 12b-1 fees are transferred into IRC, or clients in a retirement plan may be limited in their investment choices to include funds charging such fees. In this case, the Firm may recommend the client hold the existing share class, instead of selling the fund and buying a lower-cost share. When recommending to sell or hold such positions, a variety of factors will be considered, including the anticipated investment timeframe, potential tax consequences, anticipated transaction costs, the client's investment objectives, and other inputs. IRC does not receive any part of the fees charged by mutual funds.

### Financial Planning Fees

When IRC provides stand-alone financial planning services to clients, these fees are negotiated at the time of the engagement for such services. Financial planning fees will be charged on an agreed upon fixed fee, ranging from \$250 to \$500 per session, depending on the nature and complexity of each client's circumstances. Fees are due immediately following the scheduled planning session. IRC will waive financial planning fees at its discretion; financial planning fees will typically be waived when the client is also engaged for ongoing portfolio management with at least \$250,000 managed by IRC.

### Investment Advisory Fees

IRC's Investment Advisory Fee Schedule is based upon a percentage of assets under management. Fees are billed quarterly in arrears, based on the average daily balance of assets under management in the client's portfolio during the previous calendar quarter. If advisory services commence after the start of a calendar quarter, the initial fees are based upon the average daily balance from the day IRC begins management of account assets through the last business day of the calendar quarter that an account was opened. Fees are based on the assets in the account per the tiered schedule below and in some instances, may be negotiated.

#### **Investment Advisory Tiered Fee Schedule**

<b>Portfolio Balance</b>	<b>Annualized Rate</b>	<b>Quarterly Rate</b>
\$0 - \$500,000	1.5%	0.375%
\$500,001-\$999,999	1.30%	0.325%
\$1,000,000 - \$4,999,999	1.10%	0.275%
\$5,000,000 - \$9,999,999	0.90%	0.225%
Greater than \$10,000,000	0.80%	0.200%

For example, if the assets in the account are \$1,500,000, the first \$500,000 is billed at 1.5%, the next \$500,000 is billed at 1.3% and the last \$500,000 is billed at 1.1%. The Investment Advisory Fee is deducted by the custodian quarterly from the client's account. The client authorizes the custodian to debit their account(s) for Investment Management Fees due to IRC.

Either IRC or the client may terminate their Investment Advisory Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any fees due to IRC from the client will be invoiced or deducted from the client's account prior to termination. Termination of the contract will not affect any liabilities or obligations of the parties from transactions initiated before termination of this Agreement or a client's obligation to pay advisory fees if paid in arrears (pro-rated through end of the month in which termination is effective).

Upon written receipt of notice to terminate its client agreement and unless specific transfer instructions are received, IRC and its agent will cease advisory services. Should the client provide specific instructions to liquidate, IRC will proceed with liquidation of the client's account in an orderly and efficient manner. There will not be a charge by IRC for such redemption; however, the client should be aware that certain mutual funds impose redemption fees as stated in each company's fund prospectus in certain circumstances. Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor. Factors that could affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market

makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate client's investment advisory service and communicate the instructions to client's investment advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. IRC and its agent are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

#### Speaking Engagements

Speaking engagement fees are negotiable and based upon the audience size, length of time involved along with travel costs and time.

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

IRC does not have any performance-based fee arrangements. Because IRC has no performance-based fee accounts, it has no side-by-side management. "Side-by-Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis.

#### **Item 7 – Types of Clients**

IRC provides investment advisory services to individuals, high net worth individuals, corporations, and pension plans. The minimum portfolio value eligible for an income strategy portfolio is \$500,000. This minimum requirement is negotiable and can be waived by IRC at its discretion. IRC does not require a minimum asset size for its other management styles.

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

IRC manages most of its portfolios utilizing investment strategies and policies that attempt to minimize or prevent erosion by inflation. Since client assets are typically intended for retirement, the investment time horizon is long-term by nature. Because of the long-term focus, short-term volatility is acceptable in an effort to provide for higher, long-term returns. In an effort to provide a higher return, client assets are predominantly allocated between stocks, ETFs and cash equivalents.

On rare occasions, corporate bonds or other fixed income securities may be utilized, typically at the request of the client. In addition, on a limited basis, short-term transactions may be employed when deemed appropriate for a client.

In addition to its value and income investment strategy, IRC has developed a model portfolio strategy that primarily allocates client investment assets among various ETFs.

IRC takes a disciplined approach to its equity selection process. It is based partly on technical analysis, partly on fundamentals and partly on our own proprietary research. The firm's approach is methodical and consistent to seek the best possible return for a client's capital. The refined application of analytical tools is a distinguishing feature of our company. IRC does this for each and every client. The process does not vary based on the size of a client's account or the number of years a client has been with IRC. The investment selection process is as follows:

1. **Technical Analysis:** On an approximately weekly basis, IRC reviews more than 2,000 stocks and analyzes their price action over the last 1 year and 3 years using various research tools. During this phase, IRC looks for companies whose stock price has been substantially reduced due to some temporary reduction in earnings or earnings expectations. This reduction in earnings can be the result of an economic cycle, a commodity pricing cycle, bad management at the company, change in governmental regulation or uncertainty that otherwise holds back the stock's price.

IRC next looks for a base range in the stock's price action. A base range is a sideways price pattern and often indicates that we are near a bottom value or if we're at a price with minimal downside pressure. This analysis helps the firm detect bottom ranges that last anywhere from 1 month to 5 years. Generally, IRC likes stocks that are in the base range for a period of at least 6 months.

In addition to the sideways pattern, IRC's technical analysis looks at a stock's trading volume during up and down days; insider buying or selling; and the company's price action in comparison to other companies in the same industry.

2. **Fundamental Analysis:** If a stock clears technical analysis hurdles, IRC reviews the company's fundamentals. As the firm's research is broad based, many resources such as annual reports and other SEC filings issued by companies as well as various news periodicals and magazines, such as Barron's, Forbes, Fortune, Money, and the Wall Street Journal. Financial information and financial ratios, including the price-to-earnings ratio, price-to-sale ratio, debt levels, and earnings history, are analyzed, as well as its trends in its industry.
3. **Proprietary Research:** Developed over the last three decades, IRC applies its own screening criteria to help weigh risk-versus-reward when making an investment selection. In this portion of the review, IRC is reviewing the interest rate versus dividend rate of a security, investor sentiment about the financial markets, and overall momentum of the financial markets. This is the macro view that allows the firm to look at both the individual stock and the overall market conditions in making the final investment selections.

ETFs are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

#### Risk of Loss

It is important to note that investing in securities involves a risk that clients must be prepared to bear. While IRC seeks to diversify clients' investment portfolios across various asset classes consistent with their investment objectives in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

*Management Risks.* While IRC manages client investment portfolio based on IRC's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that IRC allocates client assets to individual securities and/or asset classes that are adversely affected by unanticipated market movements, and the risk that IRC's specific investment choices could underperform their relevant indexes.

*Equity Market Risks.* IRC will generally invest portions of client assets directly into equity investments, primarily stocks. Stocks and other equity securities are subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Risks of Investments in ETFs and Other Investment Pools.* As described above, IRC may invest client portfolios in ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*Fixed Income Risks.* IRC may invest portions of client assets directly into fixed income instruments. While investing in fixed income instruments is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Foreign Securities Risks.* IRC may invest portions of client assets directly into international investments. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of IRC or the integrity of IRC's management. IRC has no information applicable to this Item.

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

IRC is affiliated through common ownership with IRC Alpha Limited (IRC Alpha). IRC Alpha is registered with the National Futures Association (NFA) as Commodity Trading Advisor (CTA). Investment Adviser Representatives ("IARs") of IRC may also effect commodity transactions for Clients as registered representatives of IRC Alpha. Adviser or its associated persons may receive compensation, where such compensation is separate and distinct from Adviser's compensation related to IRC investment advisory services. All NFA, SEC, CFTC and other regulatory agencies disclosure requirements and policies are observed for all transactions.

IRC Alpha Clients will be charged separately from IRC advisory services. Clients are required to maintain their commodity interest accounts with Millenium Trust Company or Tradestation Securities, Inc., not affiliated with IRC. Clients have the option to purchase investment products that we recommend through other brokers that are not affiliated with IRC.

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

IRC has adopted a Code of Ethics for all supervised persons describing its high standards of business conduct and its fiduciary duty to clients. The Code of Ethics includes provisions relating to the confidentiality of client information; a prohibition on insider trading, a requirement to seek pre-clearance for investing in initial public offerings restrictions on the acceptance of significant gifts; the reporting of certain gifts and business entertainment items and personal securities trading policies, among other things. All supervised persons at IRC must acknowledge the terms of the Code of Ethics initially upon hire, annually, and as amended.

Supervised persons of IRC may trade for their own accounts in securities which are recommended to and/or purchased for clients. This presents a conflict of interest as supervised persons of IRC could receive an execution for a transaction for an account in which they have a financial interest and that execution may be superior to that received by a client. To address this conflict, the Code of Ethics is designed to ensure that the personal securities transactions as well as all activities and interests of supervised persons of IRC will not interfere with 1) making decisions in the best interest of IRC clients; and 2) implementing such decisions while, at the same time, allow supervised persons to invest for their own accounts. Supervised persons, in conducting transactions in accounts in which they have beneficial ownership or control, are required to obtain pre-clearance for transactions in initial public offerings and private and limited offerings. Further, supervised persons are only permitted to place transactions after all transactions have been made on behalf of clients. Trading by supervised persons is continually monitored by IRC to reasonably prevent conflicts of interest between supervised persons and IRC's clients.

IRC's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting David M. Ragland at (404) 968-9348.

### **Item 12 - Brokerage Practices**

IRC recommends the brokerage and custodial services of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC. When selecting a custodian to recommend, a number of factors were considered, including, without limitation, quality of execution, services provided and commission rates. While IRC considers transaction costs offered by Schwab to be reasonable in relation to the value of the brokerage and other services rendered, transaction fees may be higher or lower than fees charged by other broker-dealers.

For IRC client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab also makes available to IRC other products and services that benefit IRC but may not directly benefit IRC's clients' accounts. Many of these products and services may be used to service all or some substantial number of IRC clients' accounts, including accounts not custodied at Schwab.

Schwab Advisor Services provides IRC with access to its institutional trading, custody, reporting and related services, which are typically not available to Schwab retail investors. Schwab also makes available various

support services. Some of those services help IRC manage or administer IRC clients' accounts while others help IRC manage and grow its business. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them. These services are not soft dollar arrangements but are part of the institutional platform offered by Schwab. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Research services received with transactions may include proprietary or third-party research (or any combination) and may be used in servicing any or all of IRC's clients' accounts. Therefore, research services received may not be used for the account for which a particular transaction was effected.

Schwab's products and services that assist IRC in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide pricing and other market data; (iv) facilitate payment of IRC's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help IRC manage and further develop its business enterprise. These services may include: (i) technology compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for these types of services rendered to IRC. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to IRC. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of IRC personnel.

In evaluating whether to recommend that clients custody their assets at Schwab, IRC may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

#### Trade Aggregation

In placing transactions for client accounts, IRC does not aggregate purchase and sale orders for various client accounts. Instead, individual orders are placed for each client account. By not aggregating client transactions, there is the possibility that a client may incur additional commission and transaction charges that would otherwise not be the case if the client's order was executed in concert with other client's orders. When entering orders for more multiple clients, entry order is randomized so that clients are not systematically advantaged over others. Even so, one client may receive an execution price better or worse than the next client for the same security.

#### **Item 13 - Review of Accounts**

Client accounts are reviewed on an ongoing basis, often daily, for potential investment opportunities. No less than annually, IRC reviews accounts and meets (either in person, video conference or via telephone) with clients concerning their investment portfolio. Meetings may be held more frequently at the client's request. During the meeting, IRC reviews investment results and updates financial strategies in accordance to any changes that might have occurred since the last review. Prior to or at the time of the meeting, IRC provides a written investment recap report summarizing the portfolio's yearly and historical performance.

Clients are encouraged to contact IRC if there is a change to their financial circumstances or investment objectives that might affect the manner in which client's assets should be invested. Reviews are undertaken by David Ragland, President, and CCO of IRC.

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

In some instances, IRC compensates third-party solicitors for client referrals. The solicitor's agreements entered into by IRC comply with Rule 206(4)-3 under the Investment Advisers Act of 1940. Currently IRC has agreements with Zoe Financial Inc., Adam Glendye, Jason Butler and Insured Benefit Plans.

Additional solicitor agreements may be initiated, or existing ones terminated at any time. Compensation will be based on a percent of referred clients' account value managed by IRC. Such fees are paid pursuant to a written agreement between IRC and the solicitor. A client who is solicited will receive an additional disclosure document specifically describing the arrangement and the compensation paid to the solicitor. Solicitor's fees will be based on IRC's normal fee schedule; clients will not be charged any additional fees or expenses as a result of the referral.

As noted above, IRC receives an economic benefit from Schwab in the form of support products and services it makes available to IRC and other independent investment advisors whose clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described in **Item 12 - Brokerage Practices**. The availability of Schwab's products and services to IRC is based solely on its participation in the programs and not in the provision of any particular investment advice. Schwab is not paid to refer clients to IRC.

#### **Item 15 - Custody**

Under government regulations, IRC is deemed to have custody of your assets if, for example, you authorize us to instruct the custodian holding your account to deduct our advisory fees directly from your account or if you grant us authority to move your money to another person's account. Schwab maintains actual custody of your assets. You will receive account statements directly from the qualified custodian that holds and maintains your account at least quarterly. IRC urges clients to carefully review such statements and compare official custodial records to investment recap reports provided by IRC. Our reporting may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

#### **Item 16 - Investment Discretion**

IRC may act in a discretionary or non-discretionary capacity. If discretionary authority is granted by the client, it must be authorized in writing as part of the advisory agreement. Managing money on a discretionary basis allows IRC to purchase, sell, invest, reinvest, exchange, and trade the assets in the account(s) of the client, subject to any restrictions imposed by the client. This means IRC will have the authority to determine what securities and investments are to be bought or sold, the amount of transactions, and the timing of transactions without seeking approval from the client prior to such transactions taking place. When selecting securities and determining amounts, IRC observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to IRC in writing.

### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, IRC does not have any authority to and does not vote proxies on behalf of a client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients should contact their advisor if they have any questions and/or to obtain this information. Clients will receive their proxies directly from their custodian or transfer agent.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the adviser's financial condition. IRC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and IRC has not been the subject of a bankruptcy proceeding.