

# DORN & Co., INC.

## Form ADV PART 2A: BROCHURE

This Brochure provides information about the qualifications and business practices of Dorn & Co., Inc. If you have any questions about the contents of this Brochure, please contact Matthew Dorn at (952) 449-3019 or by email at [mdorn@dornco.com](mailto:mdorn@dornco.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.

Dorn & Co., Inc. is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Dorn & Co., Inc. is also available on the SEC's web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The firm's CRD number is: 2950

**216 E Washington Avenue  
Fergus Falls, MN 56537  
(218) 739-5236  
[www.dornco.com](http://www.dornco.com)**

January 6, 2020

## **Item 2 – Material Changes**

On an ongoing basis, this item will discuss only specific material changes that are made to the Brochure and provide Clients with a summary of such changes. Dorn & Co., Inc. (“Dorn” or “Firm”) will also reference the date of its last annual update of the Brochure.

Further, Dorn & Co., Inc. will provide clients with a new Brochure as necessary based on changes or new information, at any time, without charge. Since our last annual filing on February 13, 2019, there have been no material changes to our Form ADV Part 2A or Part 2B.

Currently, Dorn & Co., Inc.’s Brochure may be requested by contacting Matthew Dorn, CCO, by phone at (952) 449-3019 or by email at [mdorn@dornco.com](mailto:mdorn@dornco.com).

# Table of Contents

ITEM 1 – COVER PAGE .....	1
ITEM 2 – MATERIAL CHANGES .....	2
ITEM 3 TABLE OF CONTENTS.....	3
ITEM 4: ADVISORY BUSINESS.....	5
ITEM 5: FEES, COMPENSATION AND TERMINATION OF SERVICES.....	10
ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	14
ITEM 7: TYPES OF CLIENTS .....	15
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	16
ITEM 9: DISCIPLINARY INFORMATION .....	19
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	20
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	22
ITEM 12: BROKERAGE PRACTICES .....	23
ITEM 13: REVIEW OF ACCOUNTS .....	24
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION .....	25
ITEM 15: CUSTODY .....	26
ITEM 16: INVESTMENT DISCRETION.....	27
ITEM 17: VOTING CLIENT SECURITIES.....	28
ITEM 18: FINANCIAL INFORMATION .....	29
ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS .....	30
<b>MATTHEW L. DORN .....</b>	<b>33</b>
601 CARLSON PARKWAY, SUITE 1050 .....	33
<i>Matthew Dorn</i> .....	34
<i>Educational Background:</i> .....	34
<i>Business Experience:</i> .....	34
<i>Disciplinary Information:</i> .....	34
<i>Other Business Activities:</i> .....	34
<i>Additional Compensation:</i> .....	34
<i>Supervision:</i> .....	34
<b>RICHARD FELSTUL.....</b>	<b>35</b>
216 E WASHINGTON AVENUE FERGUS FALLS, MN 56537 (218) 739-5236 .....	35

<i>Richard Felstul</i> .....	36
<i>Educational Background:</i> .....	36
<i>Business Experience:</i> .....	36
<i>Disciplinary Information:</i> .....	36
<i>Other Business Activities:</i> .....	36
<i>Additional Compensation:</i> .....	36
<i>Supervision:</i> .....	37
<b>BONITA “BONNIE” DENZEL</b> .....	<b>38</b>
<b>216 E WASHINGTON AVENUE</b> .....	38
<b>FERGUS FALLS, MN 56537</b> .....	38
<b>(218) 739-5236</b> .....	38
<b>WWW.DORNCO.COM</b> .....	38
<b>EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE</b> .....	<b>39</b>
<i>Bonnie Denzel</i> .....	39
<i>Educational Background:</i> .....	39
<i>Business Experience:</i> .....	39
<i>Disciplinary Information:</i> .....	39
<i>Other Business Activities:</i> .....	39
<i>Additional Compensation:</i> .....	39
<i>Supervision:</i> .....	39

\* The SEC requires all investment advisers to organize their disclosure documents according to specific categories listed above, some of which may not pertain to Dorn’s business. When a required category is not relevant to our business, we list the category and state that it does not apply.

## ITEM 4: ADVISORY BUSINESS

### A. Firm Description

Dorn & Co., Inc. was established in 1946 and registered as an Investment Adviser in 1982 with the State of Minnesota. The Firm is 52% owned by Russell Lawrence Dorn Revocable Trust and 48% by Matthew Dorn.

### B. Types of Advisory Services

The Firm provides investment advisory and consulting services to individuals, corporations, banking institutions, pension and profit sharing plans, trusts, estates and charitable organizations. Investment advice and portfolio management services are provided through the Advisor Program (“Program”) offered through its custodian, RBC Capital Markets, LLC (“RBC”). These services will normally be provided via third party money managers on a non-discretionary basis.

The Firm does not have any pre-established selection criteria but rather will monitor on a frequent but no less than monthly basis to ensure that the investment strategy selected for the client is performing within standard industry benchmarks or other criteria as appropriate. If Dorn & Co., Inc. determines that the strategy being utilized is underperforming or no longer appropriate for the client, the Firm may recommend a different strategy or may recommend to the client that the Program no longer be utilized. The Firm does not calculate portfolio manager performance and any performance reporting will be done by RBC. Dorn & Co., Inc. will not verify said performance and, to its knowledge, neither will any third party.

Dorn & Co., Inc. will advise the clients as to the recommended model portfolio based upon the client’s Risk Profile Questionnaire. Additional information on the Program is available in the RBC disclosure document that will be provided to all clients selecting the Program. The Programs will be offered as “Wrap Programs” sponsored and managed by RBC where clients will pay one fee based upon their assets under management that will cover investment advice as well as any transaction fees. For more information on Fees and Expenses, please see Item 5 below.

Dorn & Co., Inc. currently offers the following programs through RBC. Additional information on each program is contained in RBC’s Advisory Programs Disclosure Document which will be provided in a separate document.

## **Consulting Solutions**

Consulting Solutions is an advisory Program through which client accounts are managed by one or more professional investment managers participating in the Program. Alternatively, through this Program, we offer model portfolios, managed by us acting as an overlay manager. As overlay manager, we manage the account in accordance with a single model portfolio provided by us or another model portfolio provider. We make available investment managers or model portfolio providers who meet our eligibility requirements for participation in the Program.

The Financial Advisor may provide you with information on investment managers or model portfolios with investment styles and strategies that may be compatible with your Risk Profile. In the Client Agreement with us, you authorize the model portfolio provider to select securities for your account by delivering a model portfolio to RBC WM. In our capacity as the overlay manager, we will implement the model portfolio subject to any written investment guidelines submitted by you that are accepted by us. Where we do not act as the overlay manager, the investment manager will implement the investment decisions for your account. In the Consulting Solutions Program, you sign a Client Agreement with us. You do not sign a separate agreement with the investment manager.

## **Managed Account Program**

The Managed Account Program, or MAP, is an advisory Program through which your account is managed by one or more professional investment managers selected by you in accordance with your Risk Profile. In MAP, you may elect to pay us separately for each transaction, as described below under *Program Fees*. You are also responsible for payment of each investment manager's fee, which is negotiated separately between you and the selected manager(s). You are required to meet the individual requirements of each investment manager you select and to enter into an investment advisory agreement directly with the manager. We do not review or negotiate any investment manager's investment advisory agreement on your behalf.

This Program is designed to permit you, in consultation with an RBC WM Financial Advisor, to choose an investment manager that you believe is appropriate and to receive certain brokerage and/or other services from us, regardless of whether the manager has received any degree of scrutiny from us.

## **Portfolio Focus**

In the Portfolio Focus Program, we will manage the assets in your Portfolio Focus account on a discretionary basis in accordance with your Risk Profile and subject to our guidelines for the Program. In the exercise of this discretion, we will designate a Financial Advisor to carry out this function for us and they will work closely with you to analyze and define your investment objectives and needs. Based

on this analysis and evaluation, we provide discretionary investment management, reporting, and other services to you. Account assets may include a variety of securities including, but not limited to: eligible equity securities; investment grade bonds (both taxable and nontaxable); wrap-eligible mutual funds (load-waived and no-load); and ETPs. To assist in the management of Portfolio Focus accounts, we provide the Financial Advisors with various sources of information, which may include research materials, financial publications and public filings. We may also provide the Financial Advisor with various model portfolios which the Financial Advisor may consider for discretionary management. We may offer different investment options in the Program based on the Financial Advisor's experience and qualifications.

### **RBC Advisor**

RBC Advisor is an advisory Program through which you receive non-discretionary advice for investing in eligible securities in your account. Based on our understanding of your Risk Profile (and any additional written investment guidelines established for you), the Financial Advisor recommends an appropriate investment strategy to you. The Financial Advisor may recommend eligible securities, including mutual funds offered at their net asset value without any front-end or deferred sales charge, which may also include no-load funds, that your Financial Advisor believes possess investment characteristics that are consistent with your Risk Profile. If the investment strategy will be implemented with mutual funds only, you may select from the various eligible mutual funds and specify, in writing, the mutual funds in which account assets are to be invested and the allocation among those funds for the purposes of rebalancing (described below). This written fund allocation may subsequently be modified by notifying your Financial Advisor.

### **RBC Total Portfolio**

RBC Total Portfolio is an advisory Program through which your account is managed by a third-party overlay manager, Placemark Investments, Inc. The overlay manager manages the account through investments in mutual funds, ETPs, and/or in accordance with one or more model portfolios provided by investment managers or us. Your Financial Advisor may provide you with information on mutual funds, ETPs, and/or model portfolios representing different investment styles and strategies that may be compatible with your Risk Profile.

### ***Recommendation of Investment Strategy***

Based on our understanding of your Risk Profile (and any additional written investment guidelines established for you), the Financial Advisor recommends an appropriate investment strategy for you. If the strategy includes an asset allocation, it will also include an investment allocation — that is, an

assignment of a percentage of the overall value of the asset class to one or more mutual funds, ETPs, or model portfolios. You select from the eligible investments and specify, in writing, the investments in which account assets are to be invested and the allocation among those investments. Your investment allocation may subsequently be modified by you by notifying us of the changes. Any such changes will be effective only upon confirmation by us and the overlay manager. In limited circumstances, you may grant us discretion to (a) select or change mutual funds, ETPs and/or one or more model portfolios for you, (b) select the rebalancing frequency and/or, (d) define and adjust your asset allocation for you based on your Risk Profile. In the exercise of this discretion, we will designate a Financial Advisor to carry out this function and they will work closely with you to analyze and define your Risk Profile. The overlay manager will effect the securities transactions required to conform to revisions in the model portfolios as soon as practicable after they are received, subject to any written client-specific investment guidelines such as security restrictions or tax overlay management services; however, delays may occur between the communication of model revisions and the execution of securities transactions for the account. The overlay manager intends to manage an account so that the estimated investment performance does not substantially deviate from the model portfolio(s), provided client-specific investment guidelines make it practicable to do so. Except as described herein, we have no discretionary trading authority with respect to the accounts and you have sole discretion to accept or reject any investment strategies or investment allocations. Other than in connection with our consulting responsibilities described above, we do not assume responsibility for the conduct of the overlay manager, including its performance or compliance with law or regulations.

### **C. Client Tailored Services and Client Imposed Restrictions**

Dorn tailors its advisory services to the individual needs of its clients by obtaining each client's financial information, investment objectives, risk tolerances and other information contained in the Risk Profile Questionnaire. This information is then used to recommend an appropriate investment strategy for each client. Clients will provide any restrictions or instructions regarding the account in the Risk Profile Questionnaire.

### **D. Wrap Fee Programs**

Dorn & Co., Inc. does not sponsor or provide investment advice to a wrap fee program. As explained above, the Firm does utilize wrap fee programs sponsored by RBC. Dorn & Co., Inc. charges an investment management fee to each client in the wrap fee program and pays a portion of that fee to RBC. RBC does not charge any fees in addition to those charged by Dorn & Co., Inc. for investment advisory services. All transaction charges are also included as part of the wrap fee.

## **E. Amount of Assets Under Management**

As of December 31, 2019, we had a total of \$ 20,752,565 in non-discretionary assets under management.

## ITEM 5: FEES, COMPENSATION AND TERMINATION OF SERVICES

### A. Description of Compensation and Basic Fee Schedule

The Firm provides investment advisory and consulting services to individuals, corporations, banking institutions, pension and profit sharing plans, trusts, estates and charitable organizations.

The Firm utilizes wrap fee programs offered by RBC to provide investment advisory services to its clients. Clients will be provided detailed pricing information in disclosure documents provided by RBC. Dorn & Co., Inc. retains the discretion to negotiate fees on a client-by-client basis. The specific fee schedule is identified in the contract between the adviser and each client. Clients may choose to have the Dorn & Co., Inc. advisory fees deducted directly from a custodial account for their convenience, or it may be billed directly.

Percentage of Assets Under Management (POA) fees range from 0.40% to 1.25% annually. Client circumstances and needs are considered in determining the fee schedule. These include, among other factors; the complexity of the client, assets under management, anticipated future assets, related accounts and portfolio composition. POA fees are billed quarterly in advance. In our discretion, we may negotiate other fee paying arrangements, such as payment in arrears.

Fees are calculated on an incremental basis and are subject to change with 30 days written notice. The Firm's fee for ongoing non-discretionary consulting services is negotiable, depending on the size of the account. Notwithstanding the above, certain clients of the Firm with pre-existing relationships may initially be charged fees which are less than those set out above. With regards to employee related accounts and certain other accounts, the quarterly fees may be less, depending upon a number of factors, including portfolio size, length of employment and relationship to the employee.

To the extent mutual funds are selected to fill components of the overall investment strategy, the annual advisory fee set forth above does not include the customary fees and expenses associated with investing in mutual funds or other costs of establishing and maintaining an account with mutual funds including Rule 12b-1 fees and expenses. The client is advised that, in addition to the annual advisory fee set forth above, each mutual fund in which assets are invested will incur separate investment advisory fees and other expenses including trading costs for which Client will bear a proportionate share. None of these fees or expenses will be shared with Dorn & Co., Inc.

Dorn & Co., Inc. does not charge any performance-based fees or fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **B. Payment of Fees**

The client pays Dorn & Co., Inc. for its investment management services based upon the client's assets under management as set forth in the above fee schedule. Fees are calculated by multiplying the assets under management by the relevant percent for the quarter based upon the annual rate for the client. Accounts opened in mid-quarter will be assessed at a pro-rated management fee. Fees are payable quarterly, in advance, and such fees may be deducted from client's account(s) within 30 days following the beginning of the quarter for which said fees will be incurred. Fees for the initial quarter will be adjusted pro-rata based upon the number of calendar days in the calendar quarter that the Agreement goes into effect. All advisory fees are negotiable.

Compensation for the services provided to Client under the Program Agreement will be calculated and payable quarterly in advance based on the value of the assets in an Account, which will be determined according to the Valuation Methodology (as defined in the Agreement), as of the last business day of the preceding calendar quarter or alternative quarter as elected. Where permitted, Client may elect to be billed on an alternative quarterly cycle. The Program fee as described below may be negotiated between Dorn & Co., Inc. and Client and is set forth in the Client Agreement. Generally a minimum initial account value will be required in accordance with Program guidelines.

The fee schedule and explanations are set forth above. The initial fee will be calculated on the value of the initial assets deposited into the Account (valued as of the Effective Date of the Program Agreement) and shall cover the initial quarter pro-rated based on the number of remaining days in such quarter. If the agreement is terminated prior to the last day of a calendar quarter, a pro-rated portion, based upon the days remaining in such quarter, of the quarterly fee paid in advance will be refunded to Client.

Fees will be automatically deducted from the Account unless Client elects, in accordance with the instructions in the Agreement, to be billed directly for the fees or to have the fees deducted from another account held by RBC. Fee deductions will be funded from available cash or the proceeds of the sale of securities in the Account. Unless directed by Client, fee deductions will be funded first from the redemption of amounts in the Cash Sweep Option, then from the sale or redemption of sufficient securities. If Client has elected to be billed for fees and such fees and/or other Program charges are not paid within sixty (60) days of the date on the invoice for such fees and/or charges, Dorn & Co., Inc. will debit the applicable Account for the invoiced amounts due from Client.

## **Valuation Methodology**

Assets in an Account will be valued as follows (“**Valuation Methodology**”):

- Securities traded on a national securities exchange will be valued at the last sale price on the exchange, or, if there has been no sale that day, at the last known bid price;
- Securities that are traded over-the-counter and on a stock exchange will be valued according to the broadest and most representative market. Securities for which market quotations are readily available will be valued at the known current bid price believed by RBC most nearly to represent current market value; and
- Other securities and all other assets will be valued at fair value as determined in good faith by RBC or an independent third party retained by RBC.

## **C. Other Fees**

Firm will generally provide non-discretionary consulting services for a fee, based upon a percentage of the client’s assets for which consultation is provided. In addition, clients will be responsible for other charges that may apply to the management of their account or custody of their assets. Additional charges may be levied for services that include the following:

- Investment Management Services of External Investment Advisors;
- Operational Fees (including mutual funds expenses);
- Transaction Fees (commissions) executed away from the RBC; and
- Clearing and Custodial Fees.

## **D. Prepayment of Fees**

Clients will normally pay fees quarterly in advance. In the event the Client terminates the investment management agreement by providing written notice to Dorn & Co., Inc., any and all fees paid in advance shall be prorated to the date of termination and any unearned portion of prepaid fees will be refunded to the Client.

## **E. Other Compensation**

As a broker/dealer and investment adviser, the Firm manages money as both a broker (for commissions) and as an adviser (a fee based upon assets under management). Neither the Firm nor its

supervised persons accept any compensation/commission for the recommendation of securities products into advisory accounts including asset-based sales charges or service fees from the sale of mutual funds or insurance products from advisory clients.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Dorn & Co., Inc. fees associated with services are not “performance based” (based upon a share of capital gains or capital appreciation, or performance, for any portion of funds under an advisory contract). The fees noted herein represent fees for advisory services only.

## **ITEM 7: TYPES OF CLIENTS**

All clients that choose to invest through the Program must complete the Advisor Program Agreement which includes a Risk Profile Questionnaire, Account Information and Portfolio Review Set-up. The entirety of this agreement is provided to RBC. Dorn & Co., Inc. will update this information as circumstances change but no less often than annually. All updates will be provided in writing. Any updated information will be provided to RBC in a timely manner.

The minimum investment generally required by a Client is \$25,000. Accounts below this minimum may be negotiated and accepted on an individual basis, as determined in Dorn & Co., Inc.'s sole discretion. However, Dorn & Co., Inc. may from time to time establish, modify and waive account or investment minimums.

## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Dorn & Co., Inc. does not place any restrictions on clients' ability to contact or consult with their portfolio managers.

### A. Methods of Analysis and Investment Strategies

Dorn & Co., Inc. utilizes the Programs on RBC's platform to provide investment advisory services to its clients. These programs and their strategies are discussed under Item 4 above and in RBC's Advisory Programs Disclosure Document. Clients should be aware that all securities contain risk and investing in them involves a risk of loss that clients should be prepared to bear.

### B. Material Risks

All investments carry some amount of risk. Dorn's investment strategies and the Programs may be subject to the following principal investment risks:

**Credit Risks** – The risk that the portfolio could lose money if the issuer of guarantor of a fixed-income security, or the counter-party to a derivative contract, is unable or unwilling to meet its financial obligations.

**Counter-Party Risks** – A portfolio may incur a loss if the other party to an investment contract, such as a derivative, fails to fulfill its contractual obligation.

**Currency Risks** – The risk that foreign currencies will decline in value relative to the US dollar and affect a portfolio's investments in foreign (non-US) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-US) currencies.

**Debt Securities Risks** – The issuer of a debt security may fail to pay interest of principal when due, and changes in market interest rates may reduce the value of debt securities or reduce the portfolio's returns.

**Derivatives Risks** – The use of derivatives such as futures, options and swap agreements can lead to losses, including those magnified by leverage, particularly when derivatives are used to enhance return rather than offset risk.

**Emerging-Markets Risk** – Foreign investment risks are typically greater for securities in emerging markets, which can be more vulnerable to recessions, currency volatility, inflation and market failure.

Equity Risks – The risk that the value of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.

ETF Risks – A portfolio will be exposed indirectly to all of the risks of securities held by an ETF.

Foreign Investment Risk – Foreign investments face the potential of heightened illiquidity, greater price volatility and adverse effects of political, regulatory, tax, currency, economic or other macroeconomic developments.

High-Yield Securities Risk – High-yield securities have a much greater risk of default or of not returning principal and tend to be more volatile than higher-rated securities of similar maturity.

Interest-Rate Risk – The risk that fixed income securities will decline in value because of an increase in interest rates.

Issuer Risk – The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.

Issuer Non-Diversification Risk – The risks of focusing investments in a small number of issuers, industries, or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.

Leverage Risk – The risk that certain portfolio transactions may give rise to leverage, causing the portfolio to be more volatile than if it had not been leveraged.

Liquidity Risk – A security may not be able to be sold at the time desired or without adversely affecting the price.

Market Risk – The market price of securities held by a portfolio may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

Mortgage- and Asset-Backed Securities Risk – These securities may decline in value when defaults on the underlying mortgage or assets occur and may exhibit additional volatility in periods of changing interest rates. When interest rates decline, the prepayment of mortgages or assets underlying such securities may require the reinvestment of money at lower prevailing interest rates, resulting in reduced returns.

Regulatory Risk – The risk that changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

Short Sale Risk – The risk of entering into short sales includes the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to a portfolio.

Private Securities Risk – Private securities contain the risks of their respective public securities, but these risks can be magnified due to their illiquidity and lack of public knowledge on the business. These securities are inherently more risky.

Real Estate Risk – The real estate market has experienced some large swings recently. Due to changes in interest rates, the lending market, economic policy, and supply and demand, in addition to illiquidity, real estate investments can carry a great deal of risk.

### **C. Certain Risk Factors**

Dorn does not recommend any particular type of security above others.

## **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 Dorn & Co., Inc. or the integrity of Dorn & Co., Inc.'s management.

### **A. Criminal or Civil Action**

Neither Dorn & Co., Inc., nor any of our employees, has had any civil or criminal actions brought against them.

### **B. Administrative Procedure**

The Firm does not have any disciplinary action taken by the SEC or any state regulatory agency within the last 10 years.

### **C. Self Regulatory Organization**

Neither Dorn & Co., Inc., nor any of our employees, has had any proceedings before a self-regulatory organization.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Dorn & Co., Inc. is a SEC registered broker/dealer and member of FINRA. In this capacity, Dorn & Co., Inc. and its representatives may execute securities transactions for advisory clients that are also brokerage clients. The Company's advisory representatives may receive benefit in the form of commissions for securities, insurance purchases and sales by clients but not from assets invested in advisory accounts. The principal executive officers and other account representatives of Dorn & Co., Inc. may from time to time, receive 12b-1 distribution fees and other sales fees from investment companies in connection with the placement of client funds into investment companies in non-advisory accounts. In addition, the officers and Adviser Representatives may receive commissions from Dorn & Co., Inc. as registered representatives of the broker/dealer. The fact that representatives of the Firm may receive commissions or advisory fees creates a conflict whereby these representatives have incentives to recommend products that result in higher revenue to the representatives and/or the Firm. Dorn & Co., Inc. mitigates this conflict by ensuring that all clients' needs and objectives, along with their risk profile and other factors, are considered in determining whether the Firm recommends the clients enter into a brokerage or advisory relationship. The Firm reviews new relationships to ensure that the type of relationship that has been recommended is appropriate for the clients.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator or a Commodity Trading Adviser**

Neither Dorn & Co., Inc. nor its representatives are registered as a FCM, CPO or a CTA.

### **C. Registration Relationships Material to This Advisory Business and Conflicts of Interest**

Dorn & Co., Inc. is registered as a broker/dealer as described under Section A. of this item. Even though the Firm does not assess commissions on advisory accounts, this relationship creates a conflict of interest in that the Firm and/or its representatives may recommend an investment and/or a type of account based upon the potential compensation and to be received rather than on the clients' best interests. Dorn & Co., Inc. mitigates this conflict by ensuring that the recommended investments and/or accounts are suitable and appropriate for the clients based upon the clients' financial situation, risk tolerance, time horizons and other factors unique to each client's situation.

#### **D. Selection of Other Advisors of Managers**

Dorn & Co., Inc. currently utilizes its custodian, RBC, as the sponsor of its Wrap Program. This does not create a conflict of interest in that the investment advice is provided by Dorn & Co., Inc. and not RBC.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **A. Code of Ethics**

Dorn & Co., Inc. has adopted a Code of Ethics for all Supervised Persons of the Firm describing its high standard of business conduct and its fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on, and the reporting of gifts and gratuities and personal securities trading procedures, among other things. All Supervised Persons at Dorn & Co., Inc. must sign an acknowledgement, acceptance, and understanding of the terms of the Code of Ethics, annually. Any trading by Dorn & Co., Inc. personnel is controlled by Dorn & Co., Inc.'s Code of Ethics. A copy of such Code will be available upon request.

### **B. Recommendations Involving Material Financial Interests**

Neither Dorn & Co., Inc. nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which the Firm or the related person has a material financial interest.

### **C. Investing in the Same Securities as Clients**

On occasion, Dorn & Co., Inc. and/or a related person may own the same securities products that the Firm or a related person also recommends to Clients, which may present a conflict of interest. However, as a preventative measure to mitigate any such conflict, all Client transactions will be conducted and implemented before any such transaction relating to any personal accounts of Dorn & Co., Inc. or any related person of Dorn & Co., Inc. Purchase and sale of specific securities by employees of Dorn & Co., Inc., Inc. are prohibited when there are client programs active in those securities. Executions for clients will always receive priority. The Firm receives monthly and/or quarterly account statement for accounts held by officers and employees of Dorn & Co., Inc., Inc. and monitors these statements for potential conflicts of interest.

### **D. Trading the Same Securities as Clients' Securities**

Please see the Firm's response to Item 11.C. above.

## ITEM 12: BROKERAGE PRACTICES

### A. Selecting Brokerage Firms

#### 1. Research and Other Soft Dollar Benefits

Dorn & Co., Inc. does not receive research or soft dollar benefits from any broker/dealer or third party in connection with client securities transactions. All research the Firm utilizes is paid for through hard dollars directly by the Firm.

#### 2. Brokerage for Client Referrals

Dorn & Co., Inc. does not recommend broker/dealers in exchange for referrals. All advisory services are offered through RBC and thus does not create any conflict of interest regarding referrals of clients.

#### 3. Directed Brokerage

Dorn & Co., Inc. does not direct brokerage or allow its advisory clients to direct where transactions are executed because all advisory activity is conducted through RBC and its Programs.

### B. Aggregation of Securities for Multiple Client Accounts

Due to the nature of its advisory services, Dorn & Co., Inc. does not aggregate transactions in advisory accounts. As all advisory business is conducted through RBC programs, clients should refer to RBC's Advisory Programs Disclosure Document for details on RBC's aggregation practices.

## **ITEM 13: REVIEW OF ACCOUNTS**

### **A. Periodic Reviews**

Either Matthew Dorn or Larry Dorn will review all accounts on a quarterly basis, and compare each portfolio to determine if it appears to be performing in accordance with standard benchmarks. In their review, they will consider that each portfolio is still: (i) suitable to the respective client's investment objectives; and (ii) meets that client's quality standards. They will also ensure that the clients' investment objectives are still pertinent to the managed account arrangement. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances or the market economic or political environment.

### **B. Factors that Will Trigger Non-Periodic Reviews**

The Firm may review accounts more often than quarterly based upon changing economic conditions or individual client circumstances.

### **C. Reports Provided to Clients**

Dorn & Co., Inc. will not provide reports to clients unless specifically requested by the client. Instead, RBC will provide monthly or quarterly statements for each account. Each client should review the statements and ask for additional information and/or clarification as necessary.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

### **A. Third Party Compensation**

Neither Dorn & Co., Inc. nor any of its Supervised Persons receives any economic benefits from any persons or entities who are not clients.

### **B. Referrals**

Neither Dorn & Co., Inc. nor any of its Supervised Persons directly or indirectly compensate any person or entity for client referrals.

## ITEM 15: CUSTODY

Dorn & Co., Inc. does not maintain custody of any of its clients' funds or securities. Clients will receive monthly or quarterly account statements from the Firm's qualified custodian, RBC Capital Markets Corp, LLC.

## **ITEM 16: INVESTMENT DISCRETION**

Dorn & Co., Inc. may use discretion in client accounts, as set forth in the respective advisory contract executed by the client.

## **ITEM 17: VOTING CLIENT SECURITIES**

Dorn & Co., Inc. does not take any action or render any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in the client accounts.

## **ITEM 18: FINANCIAL INFORMATION**

### **A. Balance Sheet**

Dorn & Co., Inc. does not require nor solicit prepayment of investment advisory fees which would result in custody issues. Therefore, the Firm is not required to include a balance sheet with this brochure.

### **B. Financial Conditions**

Neither Dorn & Co., Inc. nor its management have any financial conditions that is likely to reasonably impair the Firm's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions**

Dorn & Co., Inc. has not been the subject of a bankruptcy petition in the last ten years.

## **ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

### **A. Principal Officers**

Russell (“Larry”) Dorn serves as the Firm’s President and Chief Executive Officer. Matthew Dorn serves as the Firm’s Chief Compliance Officer, Chief Operating Officer and Senior Vice President.

### **B. Other Business**

Dorn & Co., Inc. is also a registered broker/dealer as explained above.

### **C. Performance-Based Fees**

Dorn & Co., Inc. fees associated with services are not “performance based” (based upon a share of capital gains or capital appreciation, or performance, for any portion of funds under an advisory contract).

### **D. Disciplinary Events**

Dorn & Co., Inc. does not have any events to disclose under this item.

### **E. Relationships with Issuers of Securities**

Dorn & Co., Inc. does not have any relationship or arrangement with any issuer of securities.

## **ADDITIONAL INFORMATION**

### **Privacy Policy**

Dorn & Co., Inc. ("Dorn & Co.") adopted this policy with recognition that protecting the privacy and security of the nonpublic personal information we obtain about our clients is an important responsibility. We also know that you expect us to service you in an accurate and efficient manner. To do so, we must collect and maintain certain nonpublic personal information about you. We want you to know what information we collect and how we use and safeguard that information.

### **WHAT INFORMATION WE COLLECT**

We collect certain nonpublic personal information about you (such as your name, address, social security number, etc.) that you provide on applications or other forms as well as communications (electronic, telephone, written or in person) with you or your authorized representatives (such as your attorney, accountant, etc.). We also collect information about your brokerage accounts and transactions (such as purchases, sales, account balances, inquiries, etc.).

### **WHAT INFORMATION WE DISCLOSE**

Dorn & Co. does not disclose the nonpublic personal information we collect about our clients to anyone except: (1) in furtherance of our business relationship with clients, and then only to those persons necessary to effect the transactions and provide the services that clients authorize (such as broker-dealers, custodians, independent managers etc.); (2) to persons assessing our compliance with industry standards (e.g., professional licensing authorities, etc.); (3) our attorneys, accountants, and auditors; or (4) as otherwise provided by law.

We are permitted by law to disclose the nonpublic personal information about you to governmental agencies and other third parties in certain circumstances (such as third parties that perform administrative services on our behalf). These third parties are prohibited to use or share the information for any other purpose. If you decide to either terminate our services or become an inactive client, we will continue to adhere to our Privacy Policy, as may be amended from time to time.

### **SECURITY OF YOUR INFORMATION**

We restrict access to your nonpublic personal information to those employees who need to know that information to service your account. We maintain physical, electronic and procedural safeguards that comply with applicable federal or state standards to protect your nonpublic personal information.

### **CHANGES TO OUR PRIVACY POLICY OR RELATIONSHIP WITH YOU**

Our policy about obtaining and disclosing information may change from time to time. We will provide you notice of any material change to this policy before we implement the change.

**OPTING OUT**

Clients cannot opt out of allowing Dorn & Co., Inc. to share their nonpublic personal information with non-affiliated third parties which are necessary to service their accounts.

**REQUESTS FOR INFORMATION**

For a copy of our Privacy Policy, please contact the Chief Compliance Officer either in writing at 601 Carlson Parkway Suite 1050, Minnetonka, MN 55305, or by phone at (952) 449-3019.

# DORN & Co., INC.

Matthew L. Dorn

## Form ADV PART 2B: BROCHURE SUPPLEMENT

This Brochure provides information about Matthew Dorn that supplements the Dorn & Co., Inc. brochure. You should have received a copy of that brochure. Please contact us at (218) 739-5236 or email [larry@dornco.com](mailto:larry@dornco.com) if you did not receive our firm's brochure or if you have any questions about the contents in this supplement.

Additional information about Matthew Dorn is available on the SEC's web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**601 Carlson Parkway, Suite 1050  
Minnetonka, MN 55305  
(952) 449-3019  
[www.dornco.com](http://www.dornco.com)**

January 6, 2020

## Educational Background and Business Experience

### Matthew Dorn

Matthew Dorn serves as the Firm's Senior Vice President, Chief Operating Officer, and Chief Compliance Officer. Year of birth: 1972

#### **Educational Background:**

- Drake University, Des Moines, IA – B.S. Business Administration (1995)

#### **Business Experience:**

- Dorn & Co., Inc., Minnetonka, MN (2012 – present) Senior Vice President, COO, CCO
- Wedbush Morgan Securities, Minneapolis, MN (2010 – 2012) Senior Vice President
- Collins Stewart, Minnetonka, MN (2007 – 2010) Director
- RBC Capital Markets, Minneapolis, MN (1995 – 2007) Vice President

#### **Disciplinary Information:**

Matthew Dorn has no disciplinary events to report.

#### **Other Business Activities:**

Matthew Dorn is a Registered Representative of Dorn & Co., Inc. As a Registered Representative of Dorn & Co., Inc., he may receive customary brokerage activity related compensation. He is also licensed as an independent insurance agent. In this capacity, he can effect transactions in insurance products for his clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Mr. Dorn for insurance related activities. This may present a conflict of interest because Mr. Dorn may have an incentive to recommend insurance products for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

#### **Additional Compensation:**

Please refer to the Other Business Activities section above for disclosures.

#### **Supervision:**

Matthew Dorn is subject to the supervision Larry Dorn, firm President and CEO. He reviews his work through frequent interactions and review of activities in the firm's client information management system. Larry Dorn may be contacted at (218) 739-5236.

# **DORN & CO., INC.**

Richard Felstul

## **Form ADV PART 2B: BROCHURE SUPPLEMENT**

This Brochure provides information about Richard Felstul that supplements the Dorn & Co., Inc. brochure. You should have received a copy of that brochure. Please contact us at (952) 449-3019 or email [mdorn@dornco.com](mailto:mdorn@dornco.com) if you did not receive our firm's brochure or if you have any questions about the contents in this supplement.

Additional information about Richard Felstul is available on the SEC's web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**216 E Washington Avenue  
Fergus Falls, MN 56537  
(218) 739-5236  
[www.dornco.com](http://www.dornco.com)**

January 6, 2020

## Educational Background and Business Experience

### Richard Felstul

Financial Advisor at Dorn & Co., Inc.

Year of birth: 1950

#### **Educational Background:**

- Wisconsin Graduate School of Banking, Madison, WI (1991)
- East Carolina University, Greenville, NC – Masters of Education (1976)

#### **Business Experience:**

- Dorn & Co., Inc., Fergus Falls, MN (2016 – present) Financial Advisor
- Bremer Financial, Morris, MN (1996 – 2015) Financial Advisor
- Morris State Bank, Morris, MN (1980-1995) Bank Cashier

#### **Disciplinary Information:**

Richard Felstul has no disciplinary events to report.

#### **Other Business Activities:**

Richard Felstul is an independent Registered Representative with Dorn & Co., Inc. As a Registered Representative, he may receive customary brokerage activity related compensation. He is also licensed as an independent insurance agent. In this capacity, he can effect transactions in insurance products for his clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Mr. Felstul for insurance related activities. This may present a conflict of interest because Mr. Felstul may have an incentive to recommend insurance products for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

#### **Additional Compensation:**

Please refer to the Other Business Activities section above for disclosures.

**Supervision:**

Richard Felstul is subject to the supervision of Matthew Dorn, Chief Compliance Officer. He reviews his work through frequent interactions and review of activities in the firm's client information management system. Matthew Dorn may be contacted at (952) 449-3019.

# **DORN & Co., INC.**

Bonita “Bonnie” Denzel

## **Form ADV PART 2B: BROCHURE SUPPLEMENT**

This Brochure provides information about Bonnie Denzel that supplements the Dorn & Co., Inc. brochure. You should have received a copy of that brochure. Please contact us at (952) 449-3019 or email [mdorn@dornco.com](mailto:mdorn@dornco.com) if you did not receive our firm’s brochure or if you have any questions about the contents in this supplement.

Additional information about Bonnie Denzel is available on the SEC’s web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**216 E Washington  
Avenue  
Fergus Falls, MN 56537  
(218) 739-5236  
www.dornco.com**

January 6, 2020

## Educational Background and Business Experience

### **Bonnie Denzel**

Senior Vice President, Financial Advisor at Dorn & Co., Inc.

Year of birth: 1962

### **Educational Background:**

- Credits in Finance from Moorhead State University, Moorhead, MN (1989 – 1992)
- Associate of Arts degree from Fergus Falls Community College, Fergus Falls, MN (1981 – 1983)

### **Business Experience:**

- Dorn & Co., Inc., Fergus Falls, MN (1995 – present) Senior Vice President, Financial Advisor
- Edward Jones (1982 – 1995) Client Associate

### **Disciplinary Information:**

Bonnie Denzel has no disciplinary events to report.

### **Other Business Activities:**

Bonnie Denzel is a Registered Representative with Dorn & Co., Inc. As a Registered Representative, she may receive customary brokerage activity related compensation. She is also licensed as an independent insurance agent. In this capacity, she can effect transactions in insurance products for her clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Mrs. Denzel for insurance related activities. This may present a conflict of interest because Mrs. Denzel may have an incentive to recommend insurance products for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

### **Additional Compensation:**

Please refer to the 'Other Business Activities' section above for disclosures.

### **Supervision:**

Bonnie Denzel is subject to the supervision of Matthew Dorn, Chief Compliance Officer. He reviews her work through frequent interactions and review of activities in the firm's client information management system. Matthew Dorn may be contacted at (952) 449-3019 or [mdorn@dornco.com](mailto:mdorn@dornco.com).