

## **Sitrin Capital Management, LLC**

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This brochure provides information about the qualifications and business practices of Sitrin Capital Management LLC. If you have any questions about the contents of this brochure, please contact Efren Bolisay, Chief Compliance Officer, by telephone at (424) 777-4400 or by email at [efren@sitrincapital.com](mailto:efren@sitrincapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority.

Additional information about Sitrin Capital Management LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term "registered investment adviser" and description of Sitrin Capital Management LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

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## ITEM 2: MATERIAL CHANGES

Sitrin Capital Management LLC (SCM) is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and provide the date of the last annual update of our Brochure.

Since our last annual amendment filed on 03/03/2023, the following changes have been made:

Our firm has updated Item 5 of Part 2A of Form ADV to clarify that the firm will take the market value of the gross assets under management as the basis for its fee calculation.

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## ITEM 4: ADVISORY BUSINESS

SCM LLC provides clients with asset management and financial planning and consulting portfolio management services. Our firm is a limited liability company formed in the State of California. We have been in business as an independent registered investment adviser since 2012 and are owned by The Sitrin Living Trust (35%), Efren Bolisay (35%), Ryan Sitrin (15%), and Scott Sitrin (15%).

### **Description of the Types of Advisory Services We Offer**

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#### **Comprehensive Portfolio Management:**

Our Comprehensive Portfolio Management service encompasses asset management as well as providing financial planning/financial consulting to clients. It is designed to assist clients in meeting their financial goals through the use of financial investments. We conduct at least one, but sometimes more than one meeting (in person if possible, otherwise via telephone conference) with clients in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, we propose an investment approach to the client. We may propose an investment portfolio consisting of exchange traded funds, mutual funds, individual stocks or bonds, or other securities. Upon the client's agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client's portfolio. Once the relevant accounts are under our management, we review such accounts on a regular basis, at least quarterly. We may periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client's investments.

#### **Tailoring of Advisory Services**

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We offer individualized investment advice to all of our clients. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our Asset Management services. We do not manage assets through our other services.

#### **Participation in Wrap Fee Programs**

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Our firm does not currently offer or sponsor a Wrap Fee Program service. However, we have some Legacy Clients currently enrolled in our Wrap Program.

#### **Regulatory Assets Under Management**

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We manage \$286,237,759 on a discretionary basis and \$0 on a non-discretionary basis as of December 31, 2022.

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## ITEM 5: FEES AND COMPENSATION

## **How We Are Compensated for Our Advisory Services**

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SCM's annual fee is prorated and charged quarterly, in advance, based upon the market value of the gross assets being managed by SCM on the last day of the previous quarter. Our firm bills on cash unless indicated otherwise in writing. The maximum annual fee charged by the firm shall not exceed 2.0% of the client's total assets under value but will vary depending on the market value of the gross assets under management and the type of investment management services to be rendered (including account composition).

SCM, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.).

Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based upon the market value of the gross assets being managed by SCM on the last day of the previous quarter. Fees will be automatically deducted from your managed account through a qualified custodian. As part of the fee deduction process, you understand and acknowledge the following:

- a) Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the assets and all disbursements in your account including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms; and
- c) If we send a copy of our invoice to you, it will include a legend urging you to compare information provided in our statement with those from the qualified custodian.

## **Other Types of Fees & Expenses**

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Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Charles Schwab & Co., Inc. ("Schwab") does not charge transaction fees for U.S. listed equities and exchange traded funds.

Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

## **Termination & Refunds**

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We charge our advisory fees quarterly in advance. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

## **Commissionable Securities Sales**

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We do not sell securities for a commission. In order to sell securities for a commission, we would need to have our associated persons registered with a broker-dealer. We have chosen not to do so.

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

SCM does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

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## **ITEM 7: TYPES OF CLIENTS AND ACCOUNT REQUIREMENTS**

We may service the following types of clients:

- Individuals
- High Net Worth Individuals
- Trusts, Estates or Charitable Organizations
- Pension and Profit Sharing Plans
- Corporations, limited liability companies and/or other business types

Our firm requires a minimum account balance of \$300,000 for our Comprehensive Portfolio Management services. This minimum account balance may be waived at the firm's discretion.

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

### **Methods of Analysis**

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SCM employs an investment process focused on top-down analysis, closely tracking the S&P 500 index. The firm first identifies analyzes the current market environment. From there, SCM seeks to identify leading sectors and industries and then seeks out what it believes are the best companies within those industries. SCM predominantly invests in individual equities and fixed income, but may also incorporate ETFs for small accounts to provide diversification. As part of its evaluation, SCM's evaluations of securities may contain aspects of fundamental, technical and cyclical analysis.

*Fundamental analysis* involves the fundamental financial condition and competitive position of a company. SCM will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

*Technical analysis* involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that SCM will be able to accurately predict such a reoccurrence.

*Cyclical analysis* is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that SCM is recommending. The risks with cyclical analysis are similar to those of technical analysis.

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**Risk of Loss**

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Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

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**Description of Material, Significant or Unusual Risks**

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We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to asset management, as applicable.

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**ITEM 9: DISCIPLINARY INFORMATION**

Our firm and management persons have not been involved in any legal or disciplinary events that would be material to the evaluation of the firm or the integrity of its management.

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

We have no other financial industry activities and affiliations to disclose.

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

An investment adviser is considered a fiduciary and our firm has a fiduciary duty to all of our clients. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes policies and procedures to avoid Insider Trading, as well as Personal Securities Transactions Policies and Procedures. Upon employment or affiliation, and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics.

Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided upon request. Neither our firm nor a related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest. Related persons of our firm may buy or sell securities and other investments that are also owned by our clients. In order

to minimize this potential conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day. If related persons' accounts are included in a block trade, our related persons' accounts will be traded in the same manner every time.

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## ITEM 12: BROKERAGE PRACTICES

### **Selection of Broker-Dealers**

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Our firm generally recommends that clients establish brokerage accounts with Schwab to maintain custody of their assets and to effect trades for their accounts. Schwab may provide us with access to their institutional custody and trading services, which are typically not available to Schwab retail investors. Schwab's services may also include 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. Please note, however, that our firm is independently owned and operated and not affiliated with Schwab, and we may recommend that clients establish accounts with firms other than Schwab.

For client accounts maintained in their custody, Schwab does not charge separately for trading, but is compensated by our firm out of the advisory fees that we charge. Our firm places trades for clients' accounts subject to its duty to seek best execution and its other fiduciary duties. While our firm may use broker-dealers other than Schwab to execute trades for client accounts maintained at Schwab, this practice may result in additional costs to clients, so that we are more likely to place trades through Schwab rather than other broker-dealers. Schwab's execution quality may be different than other broker-dealers. Neither our firm, nor any of its principals and/or employees, receives any portion of the brokerage commissions and/or transaction fees directly charged by a broker-dealer to our firm or charged to Client by a broker-dealer, which are then absorbed by our firm and credited back to Client.

### **Research and Other Benefits.**

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Our firm may have arrangements with Schwab which provide us with their "platform" services. Schwab's services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support our firm in conducting business and in serving the best interests of our clients.

Schwab also makes certain research and brokerage services available at no additional cost to our firm. These non-soft-dollar services include certain research and brokerage services, including research services obtained by Schwab directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by Schwab to our firm may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by Schwab to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.



We may also gain access to non-soft-dollar products and services that will help us in managing and administering client accounts. These include software and other technology that: provide access to client account data (i.e. trade confirmations and account statements); facilitate trade executions; provide research, pricing information, and other market data; facilitate in the payment of our firm's fees from its clients' accounts; and assist with back-office functions, record-keeping, and client reporting. Many of these services may be used to service all or a substantial number of our accounts.

As a result of receiving the services for no additional cost, we may have an incentive to continue to use or expand the use of Schwab's services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with Schwab and we have determined that the relationship is in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution.

Schwab charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). In some instances, Schwab does charge transaction fees to clients, in which case, our firm will reimburse the client those fees. Schwab enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Schwab's commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by Schwab may be higher or lower than those charged by other custodians and broker-dealers. The investment research products and services that may be obtained by our firm will generally be used to service all of our clients.

#### **Brokerage for Client Referrals**

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Our firm does not receive brokerage for client referrals.

#### **Directed Brokerage**

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Our firm generally does not permit clients to direct that we execute transactions through a specified broker-dealer. We may recommend clients execute through Schwab, but we do not have discretion over the direction of brokerage.

#### **Special Considerations for ERISA Clients**

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A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

#### **Aggregation of Purchases/Sales**

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Our firm does not aggregate the purchase or sale of securities for various client accounts in quantities sufficient to obtain reduced transaction costs. Schwab charges the same transaction fees for the purchase and sale of widely traded securities in block and non-block procedures. Long term client

accounts are traded differently for a variety of reasons, including tax circumstances and investment objectives.

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### ITEM 13: REVIEW OF ACCOUNTS OR FINANCIAL PLANS

For those clients to whom SCM provides investment management services, SCM monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom SCM provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of SCM’s investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with SCM and to keep SCM informed of any changes thereto. SCM contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom SCM provides investment advisory services will also receive a report from SCM that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance as clients may periodically request. Clients should compare the account statements they receive from their custodian with those they receive from SCM.

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### ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

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#### **Economic Benefits from Others**

Our firm receives economic benefit from Schwab in the form of the support products and services made available to our firm and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability of Schwab’s products and services is not based on our firm giving particular investment advice, such as buying particular securities for our clients.

#### **Compensation to Others**

In accordance with Rule 206 (4)-1 of the Investment Advisers Act of 1940, our firm provides cash or non-cash compensation directly or indirectly to unaffiliated persons for testimonials or endorsements (which include client referrals). Such compensation arrangements will not result in higher costs to the referred client. In this regard, our firm maintains a written agreement with each unaffiliated person that is compensated for testimonials or endorsements in an aggregate amount of \$1,000 or more (or the equivalent value in non-cash compensation) over a trailing 12-month period in compliance with Rule 206 (4)-1 of the Investment Advisers Act of 1940 and applicable state and federal laws. The following information will be disclosed clearly and prominently to referred prospective clients at the time of each testimonial or endorsement:

- Whether or not the unaffiliated person is a current client of our firm,

- A description of the cash or non-cash compensation provided directly or indirectly by our firm to the unaffiliated person in exchange for the referral, if applicable, and
- A brief statement of any material conflicts of interest on the part of the unaffiliated person giving the referral resulting from our firm's relationship with such unaffiliated person.

In cases where state law requires licensure of solicitors, our firm ensures that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If our firm is paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

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## ITEM 15: CUSTODY

All of our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm. We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with the account custodian:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

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## ITEM 16: INVESTMENT DISCRETION

Our firm manages accounts on a discretionary basis. SCM is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. SCM is given this authority through a power-of-attorney included in the agreement between SCM and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). SCM takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

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## ITEM 17: VOTING CLIENT SECURITIES

Our firm votes client proxies when authorized to do so in writing by a client. We understand our duty to vote client proxies and to do so in the best interest of our clients. Furthermore, we understand that any material conflicts between our interests and those of our clients with regard to proxy voting must be resolved before proxies are voted. We subscribe to a proxy monitor and voting agent service offered by Broadridge Financial Solutions, Inc. ("Broadridge"), which includes access to proxy analyses with research and vote recommendations from Glass, Lewis & Co. ("Glass Lewis"). Our firm will generally vote in accordance with the recommendations of Glass Lewis, but may vote in a different fashion on particular votes if we determine that such actions are in the best interest of our clients. Where applicable, we will consider any specific voting guidelines designated in writing by a client. Clients may request a copy of our written policies and procedures regarding proxy voting and/or information on how particular proxies were voted by contacting our Chief Compliance Officer, Efren Bolisay, by phone at (424) 777-4407.

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## ITEM 18: FINANCIAL INFORMATION

We are not required to provide financial information in this Brochure because we do not require the prepayment of more than \$1,200 in fees and six or more months in advance nor do we take custody of client funds or securities.