

FORM ADV PART 2A  
MAY 2020

INTEGRATED BENEFITS, INCORPORATED

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This Brochure provides information about the qualifications and business practices of Integrated Benefits, Incorporated "ADVISER". If you have any questions about the contents of this Brochure, please contact by telephone at **(970) 379-5215** or email **roy@IBladvisors.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 Integrated Benefits, Incorporated also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Integrated Benefits, Incorporated is a registered investment adviser. Please note that the use of term "registered investment adviser" and description of Integrated Benefits, Incorporated and/or our associates as "registered" does not imply any 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. The oral and written communications of an Adviser provide you with information about which you determine whether to hire or retain an Adviser.

## **Item 2 – Material Changes to Our Part 2A of Form ADV: Firm Brochure**

This Brochure dated March 2020 is prepared according to the SEC’s requirements and rules. Integrated Benefits Incorporated is required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must clearly state that we are discussing only material changes since our last annual update of our Brochure, and that we must provide the date of the last annual update of our Brochure.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Please note that we do have to provide this information to a client or prospective client who has not received a previous version of our brochure. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Sarah Stachnik, Investment Advisor Representative, at (970) 975-0280 or [sarah@IBladvisors.com](mailto:sarah@IBladvisors.com). Our Brochure is also available on our web site [www.IBladvisors.com](http://www.IBladvisors.com) also free of charge.

Additional information about Integrated Benefits Incorporated is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Integrated Benefits Incorporated who are registered, or are required to be registered, as investment adviser representatives of Integrated Benefits Incorporated.

## **Item 2 - Material Changes**

Since our last annual amendment on 03/24/2019, we have made the following changes:

- Integrated Benefits, Incorporated has obtained financial assistance through participation in Paycheck Protection Program (“PPP”) established by the U.S. Small Business Administration (“SBA”). Please refer to Item 18 for additional information.

- Item 3 -Table of Contents

Item 2 – Material Changes to Our Part 2A of Form ADV: Firm Brochure.....	ii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation.....	5
Item 6 – Performance-Based Fees and Side-By-Side Management.....	9
Item 7 – Types of Clients.....	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	10
Item 9 – Disciplinary Information.....	12
Item 10 – Other Financial Industry Activities and Affiliations.....	12
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	13
Item 12 – Brokerage Practices.....	15
Item 13 – Review of Accounts.....	15
Item 14 – Client Referrals and Other Compensation.....	16
Item 15 – Custody.....	18
Item 16 – Investment Discretion.....	18
Item 17 – Voting Client Securities.....	18
Item 18 – Financial Information.....	19
Item 19 – Requirements for State-Registered Advisers.....	19
Brochure Supplement(s).....	NA

#### **Item 4 – Advisory Business**

##### **A. Description of our advisory firm, including how long we have been in business and our principal owner(s).**

Integrated Benefits, Incorporated is registered with the Financial Industry Regulatory Authority (“FINRA”). Integrated Benefits, Incorporated is also registered as an investment adviser with the State of Colorado in order to offer investment advisory products and services to its advisory clients. Registration does not imply a certain level of skill or training.

The firm uses an open-architecture model and is committed to technology and service. The amount of client assets Integrated Benefits, Incorporated manages on a non-discretionary basis are \$60,443,938 as of December 31, 2019. Integrated Benefits, Incorporated does not manage client assets on a discretionary basis.

We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Integrated Benefits Incorporated is a corporation formed in the State of Colorado and started in 1989 by Roy E. Stachnik MSFS, AIF®, who is the sole shareholder, President and Chief Compliance Officer of Integrated Benefits Incorporated.

##### **B. Description of the Types of Advisory Services We Offer:**

The Wealth Management Platform –the “Program” is sponsored by Royal Alliance Associates, Inc. which is registered with the Financial Industry Regulatory Authority (“FINRA”). Royal Alliance is also a registered investment adviser with the Securities and Exchange Commission (“SEC”), SEC File No. 801-54859, in order to offer investment advisory services to its advisory clients. Royal Alliance is a subsidiary of Advisor Group, Inc. a wholly-owned subsidiary of Advisor Group Holdings, Inc. which is owned primarily by a consortium of investors through RDP Artemis Co-Invest, L.P., an investment fund affiliated with Reverence Capital Partners LLC.

The Program is presented to the client (“you”) by Investment Adviser Representatives (“Advisory Representative”) of Integrated Benefits Inc. (“Advisor”) that may be a Related Person (as defined in Form ADV). Please refer to ADV, Part 1 to determine if the Advisor is a Related Person.

To join the Program, you will enter into an investment advisory client agreement (“Client Agreement”) with VISION 2020 (the “Firm”) and your Advisor and establish a brokerage account (“Program Account”) on a fully disclosed basis with the Advisor’s associated broker-dealer, Royal Alliance Associates (“Royal”).

Our Advisory Representative is permitted to offer all or any combination of the advisory services described below to our clients (“you” or “your”). A client may select one or any combination of platforms to manage the client’s portfolio.

##### **VISION 2020 WEALTH MANAGEMENT PLATFORM – ADVISOR MANAGED PORTFOLIOS**

The Wealth Management Platform - Advisor Managed Portfolios Program (“Advisor Managed Portfolios”) provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing, LLC (“Pershing”).

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based upon your responses to a risk tolerance questionnaire (“Questionnaire”) and discussions that we have together regarding, among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you. Your Advisory Representative has the option to allocate your portfolio amongst a mix of stocks, bonds, options, exchange-traded funds, mutual funds and other securities (Program Investments”) which are based on your investment goals, objectives, and risk tolerance.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. There can be no assurance that any of your investment goals will be met or that the rate of return on an investment in a portfolio of mutual funds will exceed what could have been obtained through other investment or savings strategies.

**For further Advisor Managed Portfolios details please see the Advisor Managed Portfolios Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in the Advisor Managed Portfolios program. Please read it thoroughly before investing.**

## **VISION 2020 WEALTH MANAGEMENT PLATFORM – MODEL PORTFOLIOS PROGRAM**

The Wealth Management Platform - Model Portfolios Program ("Model Program") offers you managed asset allocation models ("Asset Allocation Models") of mutual funds, exchange traded funds ("ETFs"), or a combination thereof, diversified across various investment styles and strategies. The Asset Allocation Models are constructed by managers ("Program Managers").

Based upon your risk tolerance, the Model Program utilizes a system that selects a specific Asset Allocation Model. After the Asset Allocation Model is chosen, we, with the assistance of the Model Program sponsor, will open a Model Program account. Your assets will be invested in the specific investments contained within the recommended Asset Allocation Model. You have the opportunity to place reasonable restrictions on investments held within the Model Program account.

Updates have been made to Item 7 to reflect lower minimum account size requirements for Model Portfolios offered under the Firm's VISION 2020 Wealth Management Program Model Portfolios programs. The Model Portfolios program has launched a new set of three asset allocation models constructed by Envestnet Asset Management (the "PMC Asset Allocation Models") marketed under the name of "Advisor Group Genesis Series". The Advisor Group Genesis Series asset allocation models are offered to accounts with an initial balance of less than \$25,000. The PMC Asset Allocation Models are only available to clients with Program Assets custodied at Pershing, LLC.

The PMC Asset Allocation Models consist of the following:

### **1) PMC Foundation Passive Fund Strategist Portfolios**

Program Manager, Envestnet Asset Management ("EAM") will provide asset allocation models constructed of low-cost passively managed index mutual funds to offer broad-market exposure, lower return variability, and low turnover (the "PMC Foundation Passive Fund Strategist Portfolios"). Each portfolio will consist of approximately 3 to 5 holdings. With the assistance of EAM, your Advisor will invest your Program Account in a recommended Passive Foundation Portfolio of mutual funds suitable to your risk tolerance and investment objectives. PMC will be responsible for rebalancing the portfolio of mutual funds within your account generally in accordance with the instructions provided by EAM. There can be no assurance that any of your investment goals will be met or that the rate of return on an investment in a portfolio of mutual funds will exceed what could have been obtained through other investment or savings strategies.

### **2) American Funds @ PMC Active Core Portfolios**

Program Manager, Envestnet Asset Management ("EAM") has partnered with Capital Group's American Funds to provide a series of mutual fund based asset allocation portfolios, constructed by selecting active managers whose funds have both high manager ownership and low expense ratios (the American Funds @ PMC Active Core Portfolios). Each portfolio will consist of approximately 12 to 16 holdings. The allocation to Capital Group's - American Funds used in model portfolios will vary based on the quantitative and qualitative assessments resulting from EAM's due diligence process. With the assistance of EAM, your Advisor will invest your Program Account in a recommended American Funds @ PMC Active Core Portfolio suitable to your risk tolerance and investment objectives. PMC will be responsible for rebalancing the portfolio of mutual funds within your account generally in accordance with the instructions provided by EAM. There can be no assurance that any of your investment goals will be met or that the rate of return on an investment in a portfolio of mutual funds will exceed what could have been obtained through other investment or savings strategies.

### **3) PMC Strategic ETF Solution Portfolios**

Program Manager, Envestnet Asset Management ("EAM"), will provide Asset Allocation Models constructed using ETFs across 7 model portfolio options, with portfolio consisting of 5 to 8 holdings (the "PMC Strategic ETF Solution Portfolios"). With the assistance of EAM, your Advisor will invest your Program Account in a recommended PMC Strategic Solution ETF Portfolio suitable to your risk tolerance and investment objectives. PMC will be responsible for rebalancing the portfolio of ETFs within your account generally in accordance with the instructions provided by EAM. There can be no assurance that any of your investment goals will be met or that the rate of return on an investment in a portfolio of mutual funds will exceed what could have been obtained through other investment or savings strategies.

**For further Model Program details, including a full list of Program Managers, please see the Model Program Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in the Model Program. Please read it thoroughly before investing.**

## **VISION 2020 WEALTH MANAGEMENT PLATFORM – SMA AND UMA PROGRAM**

The Wealth Management Platform – SMA and UMA Account Program (“Wealth Managed Account Program” or “WMA”) provides you with the opportunity to invest your assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. WMA is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, annual, asset-based advisory fee.

We will present you with a WMA asset allocation model (“WMA Model”) for your approval which will consist of: 1) third party money managers (“WMA Managers”) who will manage your WMA account according to a particular equity or fixed income model or strategy, or 2) no-load mutual funds (“Funds”), or 3) exchange traded funds (“ETFs”) or any combination thereof (individually or collectively, “WMA Investments”). WMA Investments will be managed according to the selected WMA Model. WMA Investments are held within a separately managed account or a series of separately managed accounts (collectively, “SMA Account”) or in one, unified managed account (“UMA Account”).

We will suggest a WMA Model to you based on your responses to a risk tolerance questionnaire (“Questionnaire”) and discussion that we have together regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation. In addition, you have the opportunity to place reasonable restrictions on investments held within your WMA account.

**For further WMA details, please see the WMA Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in WMA. Please read it thoroughly before investing.**

## **EXIT PLANNING for FAMILY-OWNED BUSINESSES.**

Integrated Benefits Incorporated exit planning services are marketed to small and mid-sized, family-owned businesses. These businesses generally encounter situations that may not be present in large, publicly-traded corporations such as; the transfer of ownership upon the death, disability or retirement of an owner, the loss in value to the business due to the death of a key employee, or providing certain benefits to retain key employees. We can provide you with a one-time Exit Plan that will analyze the business owner client’s pertinent financial data and will address areas of concern, such as maximizing and protecting business value, ownership transfer to insiders (family members and/or key employee(s)), ownership transfer to a 3<sup>rd</sup> party (Strategic or Financial), business continuity, personal wealth and estate planning.

Once the plan is complete, the Investment Advisor Representative will meet with the business owner client to deliver and explain the plan. The plan does not generally make specific recommendations, but rather presents possible solutions and alternatives to the business owner client in a manner which is believed best for the business owner client to obtain his or her objectives.

The analysis of pertinent financial data and the recommendations made for managing certain risks and for providing certain employee benefits will be provided in a business planning report. This report should be reviewed by the business owner client’s other professional advisers (such as attorney and tax professional) prior to implementation. We do not render legal, tax or accounting advice or prepare any legal documents for you. Your attorney will be solely responsible for providing legal advice, legal opinions, legal determinations and legal documents. Your professional tax adviser, accountant or CPA will be solely responsible for any tax or accounting services provided to you.

The success and continuance of small and mid-size family-owned or closely-held businesses are frequently determined by a few individuals. Integrated Benefits Incorporated’s philosophy for its exit planning services dictates that certain known risks can be managed cost-effectively by using insurance products.

The Investment Advisor Representative may make specific recommendations to the business owner client during the presentation of the plan. The business owner client alone will decide whether to accept the plan and is free to implement some or all of the recommendations, suggestions and advice through Integrated Benefits Incorporated or through any other financial service institution. Should the business owner client purchase securities or insurance products through our Advisor Representative, a commission or other sales fee (and this may be their primary method of compensation) as Registered Representatives of Royal Alliance or insurance agents in connection with such transactions; the amount of the commission or sales fee varies according to the product purchased will be charged. The charge is independent and is in addition to the planning fee charged by Integrated Benefits Incorporated and the Investment Advisor Representative acting in his capacity of registered investment adviser. Integrated Benefits Incorporated and the Investment Advisor Representative may receive a portion or all of the commission or other sales fee that result from the purchase of a product. The Investment Advisor Representative will generally recommend products that are offered through the broker-dealer Royal Alliance Associates and/or New York Life Insurance Company with which Integrated Benefits Incorporated’s Investment Advisor Representative has a relationship. Thus, we may have a conflict of interest when providing exit planning services to you as there may be an incentive for

us to recommend specific courses of action through our exit planning services that may lead our Advisory Representatives receiving additional compensation.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with our providing you with exit planning services, or any advisory service we offer. Please review Section 5 Fees and Compensation.

**RETIREMENT INCOME PLANNING for PRE-and RECENT RETIREES.**

Integrated Benefits Incorporated offers retirement income planning services (described below) to help pre-and recent retirees identify, establish and obtain their financial objectives. We can provide you with a one-time Retirement Income plan that will include a review of your financial circumstances, financial goals and a written report of recommendations. The information normally would cover present and anticipated assets and liabilities, including insurance, savings, investments and anticipated retirement or other employee benefits, phase of life and lifestyle. We may also create a cash flow analysis or work with and advise you as to the rearrangement of cash flow in order to fund certain long-term objectives.

The program developed for you will usually include general recommendations for a course of activity or specific actions to be taken by you. For example, recommendations may be made that you obtain insurance or revise existing coverage, establish an individual retirement account, increase or decrease funds held in savings accounts or invest funds in securities. We may refer you to an accountant or attorney for development of tax or estate plans.

This report should be reviewed by the client's other professional advisers (such as attorney and tax professional) prior to implementation. We do not render legal, tax or accounting advice or prepare any legal documents for you. Your attorney will be solely responsible for providing legal advice, legal opinions, legal determinations and legal documents. Your professional tax adviser, accountant or CPA will be solely responsible for any tax or accounting services provided to you.

The Advisor Representative may make specific recommendations to the client during the presentation of the plan. The client alone will decide whether to accept the plan and is free to implement some or all of the recommendations, suggestions and advice through Integrated Benefits Incorporated or through any other financial service institution. Should the client purchase securities or insurance products through our Advisor Representative, a commission or other sales fee (and this may be their primary method of compensation) as Registered Representatives of Royal Alliance or insurance agents in connection with such transactions; the amount of the commission or sales fee varies according to the product purchased will be charged. The charge is independent and is in addition to the planning fee charged by Integrated Benefits Incorporated and the Advisor Representative acting in his capacity of registered investment adviser. Integrated Benefits Incorporated and the Advisor Representative may receive a portion or all of the commission or other sales fee that result from the purchase of a product. The Advisor Representative will generally recommend products that are offered through the broker-dealer Royal Alliance Associates and/or New York Life Insurance Company with which Integrated Benefits Incorporated's Advisor Representative has a relationship. Thus, we may have a conflict of interest when providing retirement income planning services to you as there may be an incentive for us to recommend specific courses of action through our retirement income planning services that may lead our Advisory Representatives receiving additional compensation.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with our providing you with exit planning services, or any advisory service we offer. Please review Sections 5 Fees and Compensation.

**RETIREMENT PLAN CONSULTING SERVICES:**

We offer retirement consulting services to employee benefit plans (collectively, "Plan") and their fiduciaries. The services are designed to assist the plan sponsor (the "Company") in meeting their management and fiduciary obligations to the plan under the Employee Retirement Income Security Act ("ERISA"). Retirement consulting services are provided pursuant to a retirement plan consulting services agreement, and will consist of general or specific advice, that includes services other than investment advisory services. Retirement plan consulting services include one or more of the following:

1. Investment Advisory Services and Investment Advice Including Investment Policy Statement Review:

Meet with the Company and/or Named Fiduciary or their fiduciary delegate to assist them in developing an investment policy statement (hereafter the "IPS"). Alternatively, if the Plan has an existing IPS, we will review the existing IPS and assist the Company, and/or their fiduciary delegate to determine whether the Plan is performing consistent with the IPS and/or whether the IPS needs to be revised, based on an analysis of the Plan's liquidity requirements, performance goals and risk tolerance levels of the Plan using information provided by the Company.

2. Plan Review:

Conduct a review of the Plan design and advise the Named Fiduciary whether the Plan is operating in accordance with Plan documents and applicable provisions of ERISA; and review Named Fiduciary's compliance with fiduciary responsibilities, including compliance with requirements for self-directed plans (if applicable) under ERISA Section 404(c);

3. Fee and Cost Review.

Conduct an annual review of fees and costs charged to the Plan by other service providers to assist Named Fiduciary to determine reasonableness of fees and costs paid by the Plan;

4. Acting as Third Party Service Provider Liaison.

Act as liaison for the Plan and the Named Fiduciary when dealing with the trustee, custodian, plan actuary and other third party service providers.

5. Investment Manager Search and Monitoring.

Conduct a periodic review of fund expenses, investment performance, and style drift for mutual funds offered by the Plan to participants, comparing them with other funds in the same asset category using data from F1360; provide suggestions to the Named Fiduciary from time to time as deemed warranted by IAR for alternative mutual fund options for the Plan to make available to its participants (which decision shall remain the sole and exclusive decision of the Named Fiduciary and/or their fiduciary delegate);

6. Participant Education and Communication.

Coordinate and/or conduct investment education and enrollment meetings for plan participants as determined by the Company.

We will determine with the Company in advance the scope of services to be performed and the fees for all requested services. Prior to engaging us to provide pension consulting services, the Company will be required to enter into a written agreement with us setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the relevant fees and fee paying arrangements. The services outlined above that we provide are explained in more detail in the written agreement. We will also provide additional disclosures about our services and fees, where required by ERISA.

When we perform our agreed upon services, we will not be required to verify the accuracy or consistency of any information received from the Company. We will serve in a nondiscretionary ERISA fiduciary capacity with respect to some but not all of the services that we provide which will be further explained in the written agreement we sign with the Company.

The Company is always free to seek independent advice about the appropriateness of any recommendations made by us. Adviser does not provide legal, tax, or actuarial advice and Adviser will not be responsible for ensuring that the IPS and asset allocation choices comply with any legal, actuarial or other requirements that apply to the Plan.

## **Item 5 – Fees and Compensation**

### **NEGOTIATION OF FEES**

Fees are negotiated on a case-by-case basis, depending on a variety of factors, including the nature and complexity of the particular service, your relationship with us and our Advisory Representative, the size of the Account, the potential for other business, the amount of work anticipated and the attention needed to manage your Account. Please note the same or similar services to those described above may be available to you at a lower cost.

The specific manner in which fees are charged by Integrated Benefits, Incorporated is established in a client's written agreement with Integrated Benefits, Incorporated. Integrated Benefits Incorporated will generally bill its fees on a quarterly basis. Clients will be billed in advance each calendar quarter. Clients may also elect to be billed directly for fees or to authorize Integrated Benefits, Incorporated to directly debit fees from client accounts. If advisory fees are deducted from client accounts, the client must provide Integrated Benefits, Incorporated with written authorization permitting direct payment of advisory fees from their account(s) maintained by an independent custodian. Integrated Benefits, Incorporated sends quarterly statements to the client showing the fee amount, the value of the assets upon which the fee is based, and the specific manner in which the fee is calculated as well as disclosing that it is the client's responsibility to verify the accuracy of fee calculation, and that the custodian does not determine its accuracy. Finally, the account custodian sends a



statement to the client, at least quarterly, showing all account disbursements, including advisory fees. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

#### **VISION 2020 WEALTH MANAGEMENT PLATFORM – ADVISOR MANAGED PORTFOLIOS**

We offer Advisor Managed Portfolios as an account where no separate transactions charges apply, and a single fee is paid for all advisory services and transactions (“Wrap Account”). In a Wrap Account the wrap fee can be set-up so that Royal or the Advisor Representative pays the underlying ticket charges for securities transactions. In cases where the Adviser Representative pays the ticket charges, the Adviser Representative may be incentivized to trade less frequently which may result in the adviser retaining a greater portion of the wrap fee. The Firm has policies and procedures to monitor and reduce the risk of this occurring.

We also offer Advisor Managed Portfolios with separate advisory fees and transaction charges (“Non-Wrap Account”). As such, in addition to the quarterly account fee described below for advisory services, you will also pay separate per-trade transaction charges.

You will pay quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. If you terminate your participation in this program, you will be entitled to a pro-rata refund of any prepaid quarterly fees based upon the number of days remaining in the quarter after the date upon which the notice of termination is received.

Our Advisory Representative negotiates his or her own fee schedule.

Mutual funds and exchange traded funds invested in the account have their own internal fees which are separate and in addition and distinct from the program account fees (for more information on these fees, see the applicable fund prospectus).

Some Fund fees include 12b-1 fees which are internal distribution fees assessed by the fund all or a portion of which are paid to the distributor(s) of the funds. Royal Alliance and your Advisory Representative do not retain 12b-1 fees paid by the funds.

***For complete fee details, including account fee schedule guidelines and a list of transaction charges, please see the Advisor Managed Portfolios Wrap Fee Program Brochure.***

#### **VISION 2020 WEALTH MANAGEMENT PLATFORM – MODEL PORTFOLIOS PROGRAM**

We offer the Model Portfolios Program as an account where no separate transactions charges apply, and a single fee is paid for all advisory services and transactions (“Wrap Account”).

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. If you terminate your participation in this program, you will be entitled to a pro rata refund of any prepaid quarterly fees based upon the number of days remaining in the quarter after the date upon which the notice of termination is received.

Our Advisory Representative negotiates his own fee schedule. The account fees paid by client include portions paid to Royal Alliance, your Advisory Representative, the custodian, and the third-party money managers selected. Mutual funds and exchange traded funds invested in the account have their own internal fees which are separate and in addition and distinct from the program account fees (for more information on these fees, see the applicable fund prospectus). Adviser Representative may have an incentive to select third party money managers with lower platform fees which may result in the Adviser Representative retaining a greater portion of the wrap fee. Royal Alliance and your Advisory Representative do not retain 12b-1 fees paid by the funds.

***For complete fee details, including account fee schedule guidelines and a list of transaction charges, please see the Model Portfolios Program Wrap Fee Brochure.***

#### **VISION 2020 WEALTH MANAGEMENT PLATFORM – SMA AND UMA PROGRAM**

We offer WMAP as an account where no separate transactions charges apply, and a single fee is paid for all advisory services and transactions (“Wrap Account”).

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. If you

terminate your participation in this program, you will be entitled to a pro rata refund of any prepaid quarterly fees based upon the number of days remaining in the quarter after the date upon which the notice of termination is received.

Our Advisory Representative negotiates his own fee schedule. The account fees paid by client include portions paid to Royal Alliance, your Advisory Representative, the custodian, and the third-party money managers selected. Mutual funds and exchange traded funds invested in the account have their own internal fees which are separate and in addition and distinct from the program account fees (for more information on these fees, see the applicable fund prospectus). Adviser Representative may have an incentive to select third party money managers with lower platform fees which may result in the Adviser Representative retaining a greater portion of the wrap fee. Royal Alliance and your Advisory Representative do not retain 12b-1 fees paid by the funds.

***For complete fee details, including account fee schedule guidelines and a list of transaction charges, please see the WMAP Wrap Fee Brochure.***

#### **EXIT PLANNING for FAMILY-OWNED BUSINESSES.**

Fees for Exit Planning Services are negotiated, depending upon the complexity of the plan. The fee is payable upon the signing of an exit planning agreement. However, if a partial payment is made, the balance is due upon the delivery of the plan. Under no circumstances will Integrated Benefits Incorporated require a prepayment of more than \$500 and six (6) months in advance. A typical comprehensive financial plan will include the following modules: business owner goals and objectives, current business and personal financial resources, maximizing and protecting business value, ownership transfer to insiders (family members and/or key employee(s)), ownership transfer to a 3<sup>rd</sup> party (Strategic or Financial Buyer), business continuity, personal wealth and estate planning. The business owner client will have the option to contract one or more modules at \$1,000 per module (total fee not to exceed \$5,000). The business owner client has the right to cancel the agreement within five (5) days, and a full refund of the fee will be made. If the agreement is cancelled after five (5) days, Integrated Benefits Incorporated will be entitled to compensation for the time expended on the preparation of the plan and any excess will be refunded to the business owner client. Similar exit planning services may be available elsewhere at a lower cost to you.

The Advisor Representative may make specific recommendations to the business owner client during the presentation of the plan. The business owner client alone will decide whether to accept the plan and is free to implement some or all of the recommendations, suggestions and advice through Integrated Benefits Incorporated or through any other financial service institution. Should the business owner client purchase securities or insurance products through our Advisor Representative, a commission or other sales fee (and this may be their primary method of compensation) as Registered Representatives of Royal Alliance or insurance agents in connection with such transactions; the amount of the commission or sales fee varies according to the product purchased will be charged. The charge is independent and is in addition to the planning fee charged by Integrated Benefits Incorporated and the Advisor Representative acting in his capacity of registered investment adviser. Integrated Benefits Incorporated and the Advisor Representative may receive a portion or all of the commission or other sales fee that result from the purchase of a product. The Advisor Representative will generally recommend products that are offered through the broker-dealer Royal Alliance Associates and/or New York Life Insurance Company with which Integrated Benefits Incorporated's Advisor Representative has a relationship. Thus, we may have a conflict of interest when providing exit planning services to you as there may be an incentive for us to recommend specific courses of action through our exit planning services that may lead our Advisory Representatives receiving additional compensation.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with our providing you with exit planning services, or any advisory service we offer.

#### **RETIREMENT INCOME PLANNING for PRE-and RECENT RETIREES.**

Fees for Retirement Income Planning Services ranging from \$500 to \$2,500 are negotiated, depending upon the complexity of the plan. The fee is payable upon the signing of a retirement income planning agreement. However, if a partial payment is made, the balance is due upon the delivery of the plan. Under no circumstances will Integrated Benefits Incorporated require a prepayment of more than \$500 and six (6) months in advance. A typical comprehensive retirement income plan will include the following modules: current financial situation, risk analysis, investment analysis, income tax analysis, special needs funding, retirement planning, estate planning and cash flow management. The client will have the option to contract one or more modules at \$500 per module (total fee not to exceed \$2,500). If within twelve (12) of the original plan date, the client would like a comprehensive financial plan to be done, the client will pay the difference between the fee for the comprehensive financial plan and what the client has already paid for the modules. The client has the right to cancel the agreement within five (5) days, and a full refund of the fee will be made. If the agreement is cancelled after five (5) days, Integrated Benefits Incorporated will be entitled to compensation for the time expended on the preparation of the plan and any excess will be refunded to the client.

The Advisor Representative may make specific recommendations to the client during the presentation of the plan. The client alone will decide whether to accept the plan and is free to implement some or all of the recommendations, suggestions and advice through

Integrated Benefits Incorporated or through any other financial service institution. Should the client purchase securities or insurance products through our Advisor Representative, a commission or other sales fee (and this may be their primary method of compensation) as Registered Representatives of Royal Alliance or insurance agents in connection with such transactions; the amount of the commission or sales fee varies according to the product purchased will be charged. The charge is independent and is in addition to the planning fee charged by Integrated Benefits Incorporated and the Advisor Representative acting in his capacity of registered investment adviser. Integrated Benefits Incorporated and the Advisor Representative may receive a portion or all of the commission or other sales fee that result from the purchase of a product. The Advisor Representative will generally recommend products that are offered through the broker-dealer Royal Alliance Associates and/or New York Life Insurance Company with which Integrated Benefits Incorporated's Advisor Representative has a relationship. Thus, we may have a conflict of interest when providing retirement income planning services to you as there may be an incentive for us to recommend specific courses of action through our retirement income planning services that may lead our Advisory Representatives receiving additional compensation.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with our providing you with exit planning services, or any advisory service we offer.

#### **RETIREMENT PLAN CONSULTING SERVICES:**

Our Retirement Plan Consulting services are billed a fee based on the percentage of Plan assets under management. Fees based on a percentage of managed Plan assets will not exceed 0.50%. Fees may be billed quarterly in advance or in arrears. In special circumstances, other fee-paying arrangements may be negotiated. The above referenced terms will be disclosed in the client agreement we sign with the Company.

The client agreement may be terminated by us or the Company at any time upon 30 days' prior written notice. Upon termination, we will deliver a final billing statement for unbilled work performed prior to the termination, and the Company will have a period of 30 days within which to deliver payment. If we bill the Company in advance, our fee will be credited back to the Company on a pro-rata basis for the unused portion of the billing period. When we calculate the credit, we will subtract any unbilled work we performed for the Company prior to termination.

#### **ADDITIONAL FEES AND EXPENSES**

Integrated Benefits, Incorporated's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, postage and/or overnight shipping charges and other fees and taxes on brokerage accounts and securities transactions.

Mutual fund investments in the programs that we offer are no-load or load at NAV (load waived). Your mutual fund investments may be subject to early redemption fees, 12b-1 fees and mutual fund management fees as well as other mutual fund expenses. These fees are in addition to the fees and expenses referenced below. Please review the mutual fund prospectus for full details. Royal Alliance and your Advisory Representative do not retain 12b-1 fees paid by funds.

Variable annuity companies generally impose internal fees and expenses on your variable annuity investment, including contingent deferred sales charges and early redemption fees. In addition, variable annuity companies generally impose mortality charges of approximately 1.25% annually. These fees are in addition to the fees and expenses referenced below. Complete details of such internal expenses are specified and disclosed in each variable annuity company's prospectus. Please review the Variable Annuity prospectus for full details.

Regarding Non-Wrap Accounts that we offer you, in addition to the per-trade transaction charges referenced below, you will also be subject to per-trade confirmation fees as disclosed on your trade confirmation (typically \$4.00 per trade). Integrated Benefits, Incorporated recommends Pershing as a custodian for client accounts. Other major custodians have recently eliminated transaction fees for all ETFs and U.S. listed equities, so clients may pay more for investing in the same securities at Pershing.

An additional fee of \$1.50 will apply for both Wrap and Non-Wrap Accounts for each trade confirmation that you do not elect to receive electronically or that is not suppressed, when applicable. You may also be subject to an additional, per-trade transaction charge on the selling of certain securities as disclosed in your trade confirmation (generally less than \$1.00 of trades of \$50,000 or less). These fees are not shared with us but are transaction charges paid to Royal Alliance and our custodian.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

In addition to providing advisory services, our Advisory Representatives will likely also sell you securities products and other investment and insurance products in their capacity as registered representatives of Royal Alliance and as licensed insurance agents. We will receive additional compensation in connection with this activity and the amount of compensation will depend on the type of product purchased.

We will have a greater financial incentive to sell certain products as opposed to others (for example, in the case of mutual funds those that have a higher 12b-1 fee than others). While our securities sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities and insurance products and are encouraged to ask us about any conflict presented. Though these assets are not subject to the advisory account fee, you should be aware that the purchases are subject to commissions or loads which are earned by the Advisor Representative.

Please be aware that you are under no obligation to purchase products or service recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

Mutual funds generally offer multiple share classes available for investment based upon certain eligibility and/or purchase agreements. For instance, in addition to the more commonly offered retail share classes (typically, Class A, B and C shares), mutual funds may also offer institutional shares classes that are specifically designed for purchase in an account enrolled in fee-based investment advisory programs. Institutional share classes or classes of shares designed for purchase in an investment advisory program usually have lower expense ratio than other share classes. Clients should not assume that they will be invested in the share class with the lowest expense ratio.

Your Advisory Representative's assessment of the appropriate share class is based upon a range of different considerations, including but not limited to: the asset-based advisory fee that is charged; whether transaction charges are applied to the purchase or sale of mutual funds; overall cost structure of the advisory program; operational considerations associated with accessing or offering particular share classes (including the presence of selling agreements with the mutual fund sponsors and the ability to access particular share classes through the custodian); share class eligibility requirements; and the availability of revenue sharing, distribution fees, shareholder servicing fees or other compensation associated with offering a particular class of shares.

In selecting or recommending particular share classes, Advisory Representative may (but are not required to) consider the overall profitability of the account or client relationship. Accordingly, the advisory fees that are charged on an account basis or in the aggregate at the relationship level may take into consideration the mutual fund share classes in which the clients are invested. Clients that are invested in retail share classes may be charged lower advisory fees or may receive 12b-1 rebates or other fee offsets designed to minimize the impact of being invested in a more expensive share class. Please contact your Advisory Representative for more information about share eligibility.

#### **WRAP ACCOUNT PRICING**

For Advisory Programs that we offer Wrap Account pricing for, please consider that depending upon the level of the wrap fee charges, the amount of portfolio activity in the account, the value of services that are provided under the investment program and other factors, the wrap fee may or may not exceed the aggregate cost of services if they were to be provided separately. Generally, wrap accounts are relatively less expensive for actively traded accounts. However, they may result in higher overall costs to the Client in accounts that experience little trading activity.

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

Integrated Benefits, Incorporated nor its Advisory Representative accept performance-based fees (i.e. fees based on a share of capital gains on or capital appreciation of the assets of a client). Nor does Integrated Benefits Incorporated engage in side-by-side management. As a result, this disclosure item is not applicable.

It is the opinion of Integrated Benefits Incorporated that “performance-based fee arrangements” may create an incentive for an adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. In addition, “performance-based fee arrangements” may also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities.

#### **Item 7 – Types of Clients**

Integrated Benefits, Incorporated provides investment advisory services to:

- Individuals;
- Pension and Profit-Sharing plans
- Trusts, and Estates
- Owners of family-owned businesses that operate as corporations, limited liability companies and/or other business entities.

Through their own efforts, the clients of Integrated Benefits, Incorporated have accumulated significant assets. Often their wealth has been earned through ownership of a family-owned or closely-held business or as a key employee of a business.

This wealth has created many opportunities, but at the same time concerns and challenges. Our clients have a desire to be organized but understand time pressures make it difficult to accomplish. They have concerns about securing their lifestyles and making certain a solid strategy is in place consistent with their lifetime plan. They are concerned about the impact of their wealth on their children and grandchildren and have a strong desire to provide support to their community and those less fortunate.

Integrated Benefits, Incorporated clients have a strong desire to accomplish their personal objectives in every area that is important to them. Financial goals are a part of any plan, but these individuals' concerns go far beyond financial. It is their character and values that make them who they are. This is what is most important to them and the legacy they work hard to instill in their family.

Our clients build long term, trusting relationships and understand the importance of these relationships with advisers who help them accomplish their goals for themselves, their business, their family and their community. Though mutual respect and commitment to integrity, our goal is to help clients achieve peace of mind. They are confident in their own lifetime security and know they will be remembered as someone who made a difference, cared and created opportunities for future generations.

Our minimum account size requirements for opening an account with us are as follows:

<b><u>Program:</u></b>	<b><u>Requirements:</u></b>
VISION 2020 Wealth Management Platform – Advisor Managed Portfolios	\$250,000
VISION 2020 Wealth Management Platform – Model Portfolios	The program minimum for model portfolios is \$5,500. The specific minimum varies according to the model portfolio selected.
VISION 2020 Wealth Management Platform – SMA and UMA Program	\$100,000 – SMA \$50,000 – UMA
Exit Planning for Family-Owned or Closely-Held Businesses	No minimum
Retirement Income Planning for Pre-and Recent Retirees	No minimum
Retirement Plan Consulting	No minimum

*All account minimums may be waived in the sole discretion of the Program Sponsor.*

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

Our Advisory Representative relies on various types of tools and methods to assist in recommending or selecting strategies to you, including asset allocation and various types of software. You should note that our advisory services are generally designed for strategic long-term investing. However, short-term tactical investment strategies are also available to accommodate certain circumstances. Investment returns are highly dependent on the value of underlying securities which are impacted by trends in the various investment markets. An investment fiduciary is someone who is managing the assets of another person and stands in a special relationship of trust, confidence, and/or legal responsibility. A fiduciary should follow a structured process demonstrating prudence in managing investment decisions. The following is the process Integrated Benefits, Incorporated employs:

##### **Step 1: Organize**

The starting point is collecting, analyzing, and reviewing all documents pertaining to the establishment and management of the investments. In managing any financial decision, our Advisory Representative will work with you to set definitive goals and objectives that are consistent with the portfolio's current and future resources that meet the needs and requirements of the client. Our Advisory Representative will prepare a written Investment Policy Statement (IPS) to manage the client's investments.

## **Step 2: Formalize**

One of the most important decisions is the determination of the portfolio's time horizon. The portfolio's anticipated cash flows should be reviewed to ensure that there are sufficient liquid assets to pay bills and other liabilities when they come due. Based upon the time horizon, our Advisory Representative will assist you in selecting which asset classes to consider and what allocation might be appropriate. A short time horizon typically is implemented with fixed income and cash, while a long investment horizon can be prudently implemented across most asset classes. A cash flow schedule provides information to more effectively rebalance a portfolio's asset allocation strategy. For example, if a particular asset class is outside the range of the Investment Policy Statement's (IPS) limit, one could use the cash flow information to effectively rebalance the portfolio.

## **Step 3: Implementation**

There are numerous factors that should be considered when selecting investments. Our Advisory Representative will implement the investment strategy using a due diligence process that is consistently applied.

## **Step 4: Monitor**

The monitoring function extends beyond strict examination of performance. The ongoing review, analysis, and monitoring of investment decision-maker and/or money managers is just as important as the due diligence implemented during the manager selection process. The frequency of reviews of the client's account will take into account such factors as: (1) prevailing general economic conditions, (2) the investment objectives sought, (3) the investment strategies employed, (4) the volatility of the investments selected and (5) the size of the portfolio.

## **Associated Risks:**

When pursuing our strategic long-term investment strategies, we are assuming the Financial Markets will go up in the long-term which cannot be assured. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall Financial Markets advance. In addition, purchasing investments long-term may create an opportunity cost, "locking-up" assets that may be better utilized in the short-term in other investments.

We generally recommend stocks, bonds and mutual funds to you.

Investing in stocks involves the assumption of risk including:

- Financial Risk: which is the risk that the companies we recommend to you may perform poorly which will affect the price of your investment.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities we recommend to you with it.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.
- Political and Governmental Risk: which is the risk that the value of your investment may change with the introduction of new laws or regulations.

Investing in bonds involves the assumption of risk including:

- Interest Rate Risk: which is the risk that the value of the bond investments we recommend to you will fall if interest rates rise.
- Call Risk: which is the risk that your bond investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.
- Default Risk: which is the risk that the bond issuer may be unable to pay you the contractual interest or principal on the bond in a timely manner or at all.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the bond.

Investing in mutual funds involves the assumption of risk including:

- Manager Risk: which is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities contained within the mutual funds we recommend to you.

- Industry Risk: which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the mutual fund.

Listed above are some of the primary risks associated with the way we recommend investments to you, please do not hesitate to contact us to discuss these risks and others in more detail. In instances where we recommend that a third party manage your assets, please refer to the third party's ADV and associated disclosure documents for details on their investment strategies, methods of analysis and associated risks.

***Investing in securities involves risk of loss that you should be prepared to bear.***

#### **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 your evaluation of Integrated Benefits, Incorporated or the integrity of Integrated Benefits, Incorporated's management or Advisory Representative. Integrated Benefits, Incorporated has no information applicable to this Item.

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

Roy E. Stachnik, MSFS was born in 1954 and is the President and sole shareholder of Integrated Benefits, Incorporated. Roy began his career in the Financial Services Industry in 1983 as a licensed insurance agent with New York Life Insurance Company. He is a licensed insurance agent in several states and has earned high levels of achievement and industry awards. In the past, Roy has served as a committee chair for the Colorado Association of Life Underwriters and was past president of the Alpine Association of Life Underwriters. Roy helped start and served as president of the Roaring Fork Estate Planning Council. In the past, Roy has served as president and a member of the board member of the Western Colorado Estate Planning Council, a member of Advanced Association of Life Underwriters (AALU), Society of Financial Services Professionals (SFSP), National Association of Insurance and Financial Advisors (NAIFA) and Million Dollar Round Table (MDRT). Roy received his Bachelors of Architecture in Design from the University of Illinois, Chicago Campus and practiced as a licensed architect in western Colorado prior to 1983. He received his Masters of Science in Financial Services (MSFS) from the American College. Roy received his Accredited Investment Fiduciary (AIF) designation from the Center for Fiduciary Studies.

Integrated Benefits, Incorporated, its Investment Advisor Representative Roy E. Stachnik is also an Investment Advisor Representative and registered representative associated with Royal Alliance Associates, Inc. ("Royal Alliance"). Royal Alliance is a diversified financial services company registered with the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer engaged in the offer and sale of securities products. Our Advisory Representatives may recommend the purchase of securities offered by Royal Alliance, New York Life Insurance Company and/or other insurance companies. If you purchase these products through them, they will receive normal commissions which may be in addition to customary advisory fees. As such, Advisory Representatives may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest may exist between their interests and your best interests.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

General securities accounts for our advisor clients are maintained and custodied on a fully disclosed basis by Pershing or for VISION 2020 Wealth Management Platform accounts, Pershing. Pershing is a registered broker-dealer and investment adviser.

Retirement Plan accounts for our advisor clients are maintained and custodied on a fully disclosed basis by Charles Schwab Bank ("Schwab"). Schwab is a registered broker-dealer and investment adviser. Schwab recently eliminated transaction fees for U.S. listed equities and exchange traded funds.

In addition to our association with Royal Alliance, we have Related Persons (as defined as entities that we control or control us or are under common control with us) that are insurance companies. Roy E. Stachnik, MSFS is an agent of New York Life Insurance Company

and other insurance companies. As such, Integrated Benefits, Incorporated, its Investment Advisor Representative Roy E. Stachnik, MSFS may recommend securities or insurance products offered by Royal Alliance, New York Life or other insurance companies.

There are conflicts of interest inherent in the function as an investment adviser to the client and as a salesperson. Integrated Benefits, Incorporated, its Advisor Representative Roy E. Stachnik, MSFS recommend to clients that they purchase investment and insurance products in which Integrated Benefits, Incorporated, its Advisor Representative Roy E. Stachnik, MSFS have some financial interest in implementing, however, it cannot guarantee that the client will receive the best price.

Thus, a conflict of interest may exist between Integrated Benefits, Incorporated, its Advisor Representative Roy E. Stachnik, MSFS and a client. The client is under no obligation to purchase products recommended by Integrated Benefits, Incorporated, its' Advisor Representative, Roy E. Stachnik MSFS, or Royal Alliance, or New York Life or other insurance companies.

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

We have adopted a Code of Ethics (the “Code”) to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code and to avoid any actual or potential conflict of interest or any abuse of an employee’s position of trust and responsibility;
- The fiduciary principle that information concerning the identity of your security holdings and financial circumstances are confidential; and
- The principle that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request.

In limited circumstances, and in compliance with the Investment Adviser’s Act of 1940, Section 206(3) and the Rules thereunder (collectively, the “Act”), we may perform principal or agency cross transactions as such activities are described in the ACT.

Related Person(s) to us may have an interest or position in securities which may also be recommended to you.

Our Advisory Representatives, from time to time, may recommend investment products to you, including mutual funds, variable and fixed annuities, and other insurance products, sponsored, distributed, or managed by our Related Persons. Advisory Representatives may also recommend that you select portfolio managers that are Related Persons. These Related Persons may, from time to time, place brokerage transactions with Royal Alliance and refer you to us. Such recommendations and arrangements might create a conflict of interest because they may result in an increase in compensation for us, our Advisory Representatives and our Related Persons.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

We may recommend securities to you or buy or sell securities for your account at or about the same time we may buy or sell the same securities in our own account. As such, there may be instances where our interests may appear to be placed ahead of yours. However, our firm policy prohibits us from receiving a better price on our order, if you and we invest in the same security on the same side of the market on the same day.

#### **Privacy Notice:**

We have adopted the following privacy policy:

Maintaining the trust and confidence of our clients is a high priority. That is why we want you to understand how we protect your privacy when we collect and use information about you, and the steps that we take to safeguard that information. This notice is provided to you on behalf of Integrated Benefits, Incorporated and Royal Alliance, Inc.

**Information We Collect:** In connection with providing investment products, financial advice, or other services, we obtain non-public personal information about you, which may include:

- Information we receive from you on account applications, such as your address, date of birth, Social Security Number, occupation, financial goals, assets and income;



- Information about your transactions with us, our affiliates, or others; and
- Information received from credit or service bureaus or other third parties, such as your credit history or employment status.

**Categories of Parties to Whom We Disclose:** We will not disclose information regarding you or your account with us, except that we may disclose under the following circumstances:

- To your authorized Financial Advisor and his or her manager;
- To our parent companies or affiliates, to the extent permitted by law;
- To entities that perform services for us or function on our behalf, including financial service providers, such as a clearing broker-dealer, investment company, or insurance company;
- To consumer reporting agencies;
- To third parties who perform services on your behalf;
- To your attorney, trustee or anyone who represents you in a fiduciary capacity;
- To our attorneys, accountants or auditors; and
- To government entities or other third parties in response to subpoenas or other legal process as required by law or to comply with regulatory inquiries.
- Royal Alliance does not sell customer lists or customer information to third parties.
- We may disclose non-public personal information about you in connection with the transfer of your account to another financial institution at your request or the request of your advisor. Royal Alliance Associates, Inc. permits Financial Advisor and Investment Advisers that terminate their affiliation with Royal Alliance Associates, Inc. to make copies of their client files\*. If you do not want Royal Alliance Associates, Inc. to disclose your non-public personal information with your advisor's new financial institution, please contact Royal Alliance Associates, Inc., Attn: Legal Department, One World Financial Center, 15<sup>th</sup> Floor, New York, NY 10281.

\*If you reside part-time or full-time in a state that requires your affirmative consent before we provide your non-public personal information to certain third parties – such as in connection with the transfer of your advisor to another financial institution – we will obtain such consent as required.

**How We Use Information:** Information may be used among the affiliate companies that perform support services for us, such as data processors, technical systems consultants and programmers, or companies that help us market products and services to you for a number of purposes, such as:

- To protect your accounts from unauthorized access or identity theft;
- To process your requests such as securities purchases and sales;
- To establish or maintain an account with an unaffiliated third party, such as a clearing broker-dealer providing services to you and/or Royal Alliance, Inc.
- To service your account, such as by issuing checks and account statements;
- To comply with Federal, State, and Self-Regulatory Organization requirements; and
- To keep you informed about financial services of interest to you.

**Our Security Policy:** We restrict access to nonpublic personal information about you to those individuals who need to know that information to provide products or services to you and perform their respective duties. We maintain physical, electronic, and procedural security measures to safeguard confidential client information.

**Closed or Inactive Accounts:** If you decide to close your account(s) or become an inactive customer, our Privacy Policy will continue to apply to you.

**Complaint Notification:** Please direct complaints, questions, or issues regarding the Privacy Policy to:

Royal Alliance Associates, Inc., Attn: Chief Privacy Officer, One World Financial Center, 15<sup>th</sup> Floor, New York, NY 10281.

**Changes to This Privacy Policy:** If we make any substantial changes in the way we use or disseminate confidential information, we will notify you.

#### **Item 12 – Brokerage Practices**

We do not engage in any soft dollar practice.

As described in Item 10, our Advisory Representatives are also Registered Representatives of Royal Alliance, a FINRA registered broker-dealer. In order to meet its FINRA supervisory obligations, Royal Alliance requires that all investment advisory activities that we conduct be processed through Royal Alliance's clearing relationships with Pershing. As a result, we do not have the discretion to choose the broker-dealer or commission rates to be paid. However, we do believe that Pershing's blend of execution services, commission and transaction costs as well as professionalism will allow us to seek best execution and competitive prices.

We utilize Pershing to execute advisory account transactions and to custody advisory assets in connection with investment advisory programs we offer you. Transactions executed through Pershing are subject to our duty to obtain "best execution", i.e., a price that is as favorable to you as possible under the prevailing market conditions. While we make every attempt to obtain the best execution possible, there is no assurance that it will be obtained. You should consider whether our programs result in costs or other disadvantages to you as a result of possibly less favorable trade executions.

For advisory programs where Royal serves as the introducing broker, Royal keeps the difference between the transaction charged to the clients and the costs paid to the clearing broker, Pershing.

We may aggregate your orders with those of other clients in a bunched trade or trades when securities are purchased or sold. For each account that we include in the bunched trade, we must reasonably believe that the bunched order is consistent with our duty to seek best execution and may benefit you and each client participating in the aggregated order. The average price per share of each bunched trade is allocated to each account that participates in the bunched trade. Accounts that participate in the same bunched trade are charged transaction costs, if applicable, in accordance with their advisory contracts.

If a bunched order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation. Partial fills will be allocated in a way that does not consistently advantage or disadvantage particular client accounts and are generally filled pro-rata among participating accounts.

The aggregation and allocation practices of mutual funds and third party managers that we recommend to you are disclosed in the respective mutual fund prospectuses and third party manager disclosure documents which will be provided to you.

#### **Item 13 – Review of Accounts**

Each security purchase or sale effected by our Advisory Representative is monitored for suitability by an appointed supervisor. In addition, our Advisory Representative periodically review your accounts as needed, but no less than annually. Such review and consultation typically contain, when warranted, advice regarding recommended changes to your investments and recommendations for implementation of proposed changes.

You will receive monthly and/or quarterly account statements and may receive, depending on the advisory program we offer, a quarterly performance report ("QPR").

QPRs are for informational purposes only and based on information believed to be accurate, but that we have not verified. For accurate account information, you must refer to the account statement from the account custodian.

The exit planning and retirement income planning services offered by Integrated Benefits, Incorporated apply to the client's financial condition at the time the client retained Integrated Benefits, Incorporated to render services. By its nature, these plans are for a point in time and does not call for continuous or periodic review. Integrated Benefits, Incorporated recommends that the client seek an annual or regular review of their financial situation and/or when lifestyle conditions change. The client, at any time, may contact Integrated Benefits, Incorporated to review their situation. For business planning clients, an annual review is recommended. All clients are

encouraged to have their other professional advisers (CPAs and/or attorney) participate in the client review. An additional planning fee of 50% of the initial fee will be charged for all subsequent reviews.

Integrated Benefits, Incorporated will provide the client with a single financial planning written report. The client may request additional copies of the report. These additional copies will be charged to the client at a cost of preparing the additional copies plus 10%.

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

As discussed previously, all our Advisory Representatives are Registered Representatives of Royal Alliance. This arrangement requires us to offer you advisory services and programs sponsored or approved by Royal Alliance. Royal Alliance sets limits on how much we can charge you for these advisory services.

You should be aware of and consider potential conflicts of interest related to direct and indirect compensation and benefits that we and our Advisor Representatives may receive from third parties (such as mutual funds, third party asset managers, and through our executing broker) in connection to the sale of investment products and services to clients. These forms of compensation are in addition to client advisory fees we receive and create an incentive to recommend certain investment products based on the potential compensation received.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented. In particular, we note the following:

#### **General**

The Sponsors of the advisory programs that we offer you set the fee limits that we charge you with some advisory programs having higher fee limits than others. As such there may be an incentive for us to recommend to you advisory services or programs with higher fee limits. In addition, we may be charged certain usage fees and expenses to use certain advisory programs which may decrease the amount of money we make when offering investment advice to you. Therefore, there may be an incentive to provide you with advisory programs and services that may be cheaper for us to use but not as suitable to your needs.

In addition, Royal Alliance offers our Advisory Representatives educational, training and incentive programs for those Advisory Representatives that meet certain sales production goals. There may be an incentive for us to manage your account in ways that assist us in meeting these production goals even if such strategies may not always be suitable for your account.

Royal Alliance has provided some of our Advisory Representative with funding in the form of a loan as incentive to establish, maintain or expand their broker-dealer relationships with Royal Alliance. Such loans are typically used to assist in the transition and expansion of their practices. All or a portion of the loans require cash repayments of principal and interest if specific production levels are not achieved over a specified time frame. Any year in which the practice achieves its production levels initiates pro rata loan forgiveness by Royal Alliance. Thus, there may be an incentive for our Advisory Representatives to offer advisory services and programs to you that may not be suitable in an effort to achieve specific production goals.

#### **Wrap Accounts**

When we offer you a Wrap Account, the fee for transactions executed in your account are included in your quarterly account fee. However, Royal Alliance will still assess the transaction charges to our Advisory Representative. This may influence us to charge you a higher quarterly account fee than we would otherwise charge you in an effort to recoup from you the transaction charges Royal Alliance charges our Advisory Representatives. We may also have incentive to trade your account less often to lessen our transaction fees or to trade your account with certain securities where Royal Alliance reduces or eliminates the transaction charges (such as the Focus Elite and FundVest Programs mentioned below) to our Advisory Representatives even if such trading strategies may not always be suitable for your account.

#### **Mutual Funds**

Our Advisory Representatives participate in the Focus Elite and FundVest Programs, provided by Royal Alliance. In these programs, transaction charges for purchasing securities that participate in these programs will be reduced or waived. This may provide us with an incentive to invest your account in these securities over securities that do not participate in these programs to reduce our transaction costs even if such investments may not be suitable for your account. Royal Alliance may share revenue with certain Mutual Fund sponsors as outlined in our Revenue Sharing Disclosure below.

## **Variable Annuities**

We have a Related Person who sponsors Variable Annuities. This may provide us with incentive to recommend that you invest in Variable Annuities sponsored by our Related Person even if such investments may not always be suitable for your account. Royal Alliance may share revenue with certain Variable Annuity sponsors as outlined in our Revenue Sharing Disclosure below.

## **Third Party Advisory Services**

Royal Alliance maintains certain revenue sharing arrangements with certain Third Party Advisory Services and product sponsors as discussed in its Revenue Sharing Disclosure. This may lead Royal Alliance to set favorable programs to encourage our Advisory Representatives to recommend these products and services to you. Please see the Revenue Sharing Disclosure below for further details.

Certain Third Party Advisory Service programs may provide our Advisory Representatives with the opportunity to attend training or education conferences. Such conferences include the payment or reimbursement of travel, meals and lodging expenses for attendees. Payment/reimbursement of expenses is not contingent upon sales targets or contests, but rather on total assets managed on their respective Third Party Advisory Service platforms. We may have an incentive to recommend Third Party Advisory Service programs that provide us with the above referenced opportunities over those that do not.

Further, in certain Third Party Advisory Service programs, you may direct the transaction for your account through Royal's Alliance's executing broker, Pershing. Royal Alliance may recommend that our Advisory Representatives recommend these programs to you because it will receive more aggregate compensation than would be received if these transactions were effected elsewhere.

## **Revenue Sharing Disclosure**

Royal Alliance Associates, Inc. (Royal) maintains revenue sharing arrangements with certain mutual funds, annuities, life insurance, direct participation programs (DPPs), real estate investment trusts (REITs), 529 plan providers, and third party money managers. Certain mutual fund advisers pay revenue sharing on all assets while others exclude certain share classes, for example revenue sharing may be paid only on A share class assets and not on I share class assets. These sponsors have greater access to our advisors to provide training and other educational presentations and product information so that they can serve investors better. Please visit the "Client Information and Disclosures" section of our Web site [www.royalalliance.com](http://www.royalalliance.com) to see a list of sponsors who participate in these revenue sharing arrangements.

In addition to customary sales charges, the sponsors make payments to Royal Alliance to participate in the program. All sponsors who participate in meetings may pay meeting fees up to \$175,000 per year, per sponsor. For mutual funds, including mutual funds available in retirement plans, Royal receives a payment of up to 0.25 percent (25 basis points) on all sales of mutual fund shares (the "Gross Sales Payment"). Royal Alliance may also receive an additional payment, paid quarterly, of up to 0.15 (15 basis points) per year of the assets under management held at Royal Alliance. Royal Alliance may also receive a payment of \$10 for mutual fund purchases or exchanges which may assist in offsetting a fee normally paid by advisors. For variable annuities, Royal Alliance receives a Gross Sales Payment of up to 0.25 percent (25 basis points). Royal Alliance may also receive an additional payment, paid quarterly, of up to 0.15 percent (15 basis points) per year of the assets under management. In addition, certain variable annuity sponsors may pay so-called Persistency payments of between 5 basis points and 25 basis points based on a formula determined by contracts with a minimum persistency of 95%, assets in excess of \$15 million, and contracts in effect more than six years. Persistency payments are fees paid by variable annuity companies, through Royal Alliance, based upon the amount of assets in a variable annuity contract managed by your financial adviser, and the length of time the assets have been held in the variable annuity. For fixed annuities, Royal Alliance receives a Gross Sales Payment of up to .10 % (10 basis points). For variable universal life insurance, Royal Alliance receives a 6% to 10% marketing allowance on all paid first year commission target premium from all sources on permanent plans of life insurance (to include variable universal life, universal life, indexed universal life and whole life products). Any levelized first year commission or spread first year commission products will earn the 6% marketing allowance for the term of the spread commission (i.e.: 3 years, 5 years etc.). For DPPs and REITs, Royal Alliance receives a Gross Sales Payment of up to 2 percent. For 529 plans, Royal Alliance receives a Gross Sales Payment of up to 0.125 percent (12.5 basis points) per year of the asset under management. For third party managers, Royal Alliance may receive up to 0.20 (20 basis points) per year of the assets under management or up to 20 percent of management fees earned on behalf of financial advisors of Royal Alliance. The following third party money managers may use mutual funds managed by their affiliates: (Russell Investments, SEI, Clark Capital and Loring Ward). In such cases, Royal Alliance may receive more beneficial revenue sharing terms from the third-party money manager. For specific information about payments from the sponsors, please see our website [www.royalalliance.com](http://www.royalalliance.com) and click on "Client Information and Disclosures".

Financial Advisors of Royal Alliance do not receive additional compensation from Royal Alliance in connection with sales of certain sponsor's products as opposed to other sponsors, including some mutual funds families, insurance companies, DPP sponsors, REIT

sponsors or third party money managers. In connection with sales of sponsors' mutual funds, however Royal Alliance often absorbs all or part of the normal "ticket charge," which is normally borne by your advisor (up to \$15 per transaction).

Because of these revenue sharing arrangements, though they do not impact advisor compensation, advisors may prefer recommending products offered by a sponsor who is participating in the revenue sharing program over the other mutual funds, variable products, DPPs, REITs or third party money managers available through Royal Alliance. You should feel free to ask your advisor how he or she will be compensated for any transaction involving a sponsor's products.

*This information is current as of March 2018,. Royal Alliance will update information regarding sponsors who participate in revenue sharing arrangements with Royal Alliance on its website on a regular basis. You can access this updated information, and our Disclosure Document for Mutual Funds, Insurance Products, Real Estate Investment Trust, Direct Participation Program, Third Party Money Manager Investors and Expense Reimbursement at [www.royalalliance.com](http://www.royalalliance.com) and click on "Client Information and Disclosures".*

#### **Client Referrals**

We may compensate other persons for client referrals. In such a case, Royal Alliance would enter into an agreement with the referral agents and pay them a portion of the advisory fee. The compensation to be paid in connection with these agreements is subject to negotiation between the Firm and the applicable referrer. The referral agent will disclose to the client at the time of the solicitation the arrangement and the compensation to be received by the referral agent.

There is an option for Royal Alliance and its investment adviser representatives may offer advisory services on the premises of unaffiliated financial institutions, like banks or credit unions. In such a case, the firm will enter into networking agreements with the financial institutions pursuant to which we share compensation, including a portion of the advisory fee, with the financial institution for the use of the financial institution's facilities and for client referrals.

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

State Securities Bureaus generally take the position that any arrangement under which a registered investment adviser is authorized or permitted to withdraw client funds or securities maintained with a custodian upon the adviser's instruction to the custodian is deemed to have custody of client funds and securities. Clients must provide Integrated Benefits, Incorporated with written authorization permitting direct payment of advisory fees from their account(s) maintained by a custodian who is independent of our firm. Integrated Benefits, Incorporated sends quarterly statements to the client showing the fee amount, the value of the assets upon which the fee is based, and the specific manner in which the fee is calculated as well as disclosing that it is the client's responsibility to verify the accuracy of fee calculation, and that the custodian does not determine its accuracy. The account custodian sends a statement to the client, at least quarterly, showing all account disbursements, including advisory fees. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

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

We may manage your account(s) on a discretionary or non-discretionary basis. We will only manage your account on a discretionary basis upon obtaining your consent. Your consent is typically granted and evidenced in the client agreement that you sign with us. We define discretion as: the ability to trade your account, without obtaining your prior consent, the securities and the amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds.

We may give advice and take action in the performance of our duties to you, which differs from advice given, or the timing and nature of action taken, with respect to our clients' accounts.

#### **Item 17 - Voting Client Securities**

We do not have the authority to vote proxies solicited by, or with respect to, the issues of securities held in your account. Typically, proxy materials will be forwarded to you by your custodian. We will forward proxy materials that we may receive to you. Please contact us at any time with questions you may have regarding proxy solicitations.

In addition, we do not take any action or render any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits or bankruptcy proceeding. However, we will forward you any information we receive regarding class action legal matters involving any security held in your account.

## **Item 18 – Financial Information**

### *Inclusion of a Balance Sheet*

Integrated Benefits, Incorporated does not require nor is prepayment solicited for more than \$500 in fees per client, six months or more in advance. Therefore, Integrated Benefits, Incorporated has not included a balance sheet for our most recent fiscal year.

### *Disclosure of Financial Condition*

Integrated Benefits, Incorporated has obtained financial assistance by participating in Paycheck Protection Program (“PPP”) established by the U.S. Small Business Administration (“SBA”). PPP is intended to assist us with maintaining our firm’s business in response to the COVID-19 pandemic by providing low-interest loans for business essentials such as payroll expenses. These loans are eligible for forgiveness, but it is not guaranteed as it will be based on factors such as staff retention and being used for payroll or firm overhead.

### *Bankruptcy Petition*

Integrated Benefits, Incorporated has nothing to disclose in this regard.

## **Item 19 – Requirements for State-Registered Advisers**

The following is a brief biographical background of Integrated Benefits, Incorporated’s sole shareholder, principal executive officer, and Advisor Representative, Roy E. Stachnik, MSFS, AIF®:

November 1954 Born in Chicago, Illinois

June 1978 Graduated from the University of Illinois, Chicago Campus Bachelor of Architecture in Design

December 1979 Received Professional Architect License (B-1601) State of Colorado

May 1983 Joined New York Life Insurance Company as a life insurance agent

June 1984 joined NYLIFE Securities, Incorporated as a registered representative

June 1989 started Integrated Benefits, Incorporated

June 1996 left NYLIFE Securities, Incorporated and joined Royal Alliance Associates, Incorporated as a registered representative.

May 1997 Integrated Benefits, Incorporated became a registered investment adviser

June 1998 Graduated from American College Master Science Financial Services (MSFS)

March 2007 Center for Fiduciary Studies Accredited Investment Fiduciary (AIF®)

The following is a brief biographical background of Integrated Benefits, Incorporated’s Advisor Representative, Sarah K. Stachnik, M.Ed.

March 1984 Born in Glenwood Springs, Colorado

June 2006 Graduated from the University of Colorado at Boulder, Bachelor of Arts in Communication

December 2014 Graduated from University of Oklahoma, Norman Campus, Master of Education in Intercollegiate Athletic Administration.

February 2018 joined Integrated Benefits, Incorporated as a Non-Licensed Administrative Assistant.

January 2020 joined Royal Alliance Associates, Incorporated as a registered representative.

January 2020 Integrated Benefits, Incorporated became a registered investment adviser.