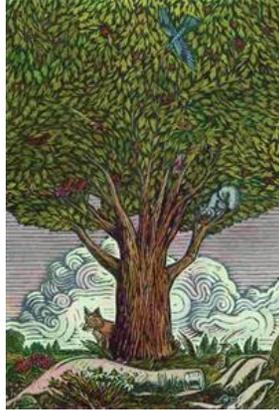


# **HARRINGTON ASSET MANAGEMENT**

*An SEC Registered Investment Advisor*



## **FORM CRS** **[Customer Relationship Summary]**

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### **INTRODUCTION**

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HAM offers investment advisory services to retail investors.

Harrington Asset Management, Inc. (“HAM”) is registered with the Securities and Exchange Commission (“SEC”) as an investment adviser. Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

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### **What Investment Services and Advice Can You Provide Me?**

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#### **Advisory Services**

Our advisory services include, but are not limited to, discretionary and non-discretionary investment advisory services (including investment portfolio monitoring, financial counseling, review of accounts, and securities research), “wrap fee” programs (an account where no separate transaction charges apply and a single fee is paid for advisory services and trading costs), third-party advisory services, retirement plan consulting services and products, consulting services, and financial planning.

Additionally, some of our advisory services are sponsored by VISION2020 Wealth Management Corp. (“VISION2020”), our registered investment adviser affiliate. VISION2020 sponsors accounts on the Wealth Management Platform (“WMP”), an investment management program that provides you with access to multiple investment managers who provide investment advice to your portfolio consisting of individual stocks, bonds, exchange traded and mutual funds. To join WMP, you will enter into an investment advisory client agreement with VISION2020, FSC and your financial professional.

VISION2020 has a master agreement with Envestnet Asset Management, which in turn has a separate agreement with each of the investment managers on the WMP. Certain investment managers available on the WMP that provide asset allocation services in mutual funds and exchange traded funds, have agreements directly with us.

When providing advisory services, we are held to a fiduciary standard that covers our investment advisory relationship with you. As fiduciaries, investment advisers are required to act in the best interest of their clients and not place their own interests ahead of their clients. However, at times our interests can conflict with your interests. When we provide

recommendations, we must eliminate, mitigate or inform you of these conflicts, depending on the nature of the conflict.

When you use us for advisory services, you will pay an ongoing asset-based fee for our services. As part of these services, we will offer you advice on a regular basis, discuss your investment and overall financial goals, design a strategy to help achieve those goals, and regularly monitor your account, meeting with you at least annually. When you use us for financial planning or consulting services, the fees will be agreed upon between you and your financial professional.

There are different types of advisory accounts you can choose. You can select an advisory account that allows us to buy and sell investments in your account without asking you in advance (a “discretionary account”), or we may give you advice and you decide what investments to buy and sell (a “non-discretionary account”).

For our discretionary services, you give your financial professional or an investment manager the authority to buy and sell securities, either absolutely or subject to certain restrictions. This authority varies according to the advisory program, and there is a prohibition against exercising discretion in client accounts unless granted written authority to enter orders on your behalf. For these discretionary services, investment monitoring is offered as part of our standard services and is provided at least annually.

For our nondiscretionary services, you make the ultimate decision regarding the purchase and/or sale of investments. For these nondiscretionary services, investment monitoring is offered as part of our standard services and is provided at least annually. Investment advice may be provided regarding asset allocation, investment portfolio construction, investment selection, or other services as agreed upon by both parties, and there may be limitations on investment offerings.

The advisory services may also have account/investment minimums, which are further detailed in the applicable WMP Brochure. Our investment advice only covers investments that are allowed according to the terms of each advisory program, and other firms could provide advice on a wider range of choices, some of which might have lower costs.

### For Additional Information

Visit our website: [www.ham-inc.com](http://www.ham-inc.com) or see HAM's Form ADV, Part 2A brochure (Items 4 and 7 of Part 2A).

### Conversation Starters

*“Given my financial situation, should I choose an investment advisory service? Why or why not?”*

*“How will you choose investments to recommend to me?”*

*“What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?”*

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## What Fees Will I Pay?

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Fees and costs affect the value of your account over time. Please ask your financial professional to give you personalized information on the fees and costs that you will pay.

### Advisory Services Fees

For most advisory services, you will pay an ongoing recurring fee based on the value of cash and investments in your advisory account. The more assets there are in your advisory account, the more you will pay in fees, and the Firm may therefore have an incentive to encourage you to increase the assets in your account.

The amount paid to the Firm and your financial professional does not vary based on the type of investments we select on your behalf or recommend to you. The asset-based fee reduces the value of your account and will be deducted from your account.

For wrap fee programs, the asset-based fee will include most transaction costs and custody services, and as a result wrap fees are typically higher than non-wrap advisory fees. For non-wrap fee programs, there are asset-based fees for investment advice, but separate transaction fees. Some investments (such as mutual funds and variable annuities)

impose additional fees that will reduce the value of your investment over time. For financial planning, the fees will be agreed upon between you and your financial professional.

Some fees vary and are negotiable. The amount you pay will depend, for example, on the services you receive and the amount of assets in your account.

For additional details on how fees are calculated, refer to your investment advisory agreement and the applicable disclosures specific to your advisory account.

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## **What are your legal obligations to me when providing recommendations as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

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*When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means:*

**Conflict:** As a hybrid advisory service, we are licensed to recommend certain products that are potentially compensated by the payment of commissions or a fee-based form of compensation. Each situation that is considered during the fact-gathering process is looked at with regard to the best solution for the client.

**Example:** The client desires principal protection. Has a long-term time frame. Wants to avoid taxation for non-qualified assets. Yet, one measure of market participation is an equally important objective in order to potentially maximize returns. Would also like to have a guaranteed stream of income that cannot go down or disappear.

As a balance to an overall strategy that might include a fee-based, managed account, pension payments, Social Security, etc. the purchase of an insurance product with the additional components of stepped-up values, guaranteed death benefits and income guarantees may well be appropriate. This is consistent with comprehensive financial planning and serves as an example of a potential conflict of interest. Dialogue with the client and full disclosure are the trademark of a professional and fiduciary relationship.

### **For Additional Information**

You may find more information about our Fees and Compensation in our Form ADV, Part 2A brochure, Item 5 on page 7 (of 21). Additional information on potential conflicts of interest may also be found in our Form ADV.

### **Conversation Starters**

*"If I give you \$10,000 to invest, how much will go to fees and costs and how much will be invested for me?"*

*"How might your conflicts of interest affect me, and how will you address them?"*

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## **How do your financial professionals make money?**

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Our financial professionals can offer various types of advisory and brokerage programs, platforms and services, and can earn more or less if a certain type of service, program or platform is recommended. They are also compensated in a variety of ways, and the compensation can be based on factors such as: the amount of client assets they service; the time and complexity required to meet a client's needs; the product sold (i.e., differential compensation); product sales commissions; or revenue the Firm earns from the financial professional's advisory services or recommendations.

In their day-to-day business, it is not uncommon for our financial professionals to face decisions about whether a particular action or circumstance constitutes a conflict of interest. While many conflicts can be avoided, there are some conflicts that are unavoidable. Since our financial professionals are compensated for the services they provide, this presents an inherent conflict of interest.

Commission-based financial professionals are compensated solely through commissions. In contrast, fee-based financial professionals charge an asset-based or flat fee directly to their clients for their services. This fee can be structured in multiple ways, such as an hourly rate, a monthly retainer, a flat annual fee, or a percentage of assets under management.

Our financial professionals may have conflicts of interest beyond those disclosed by us, including the potential to receive loans, expense reimbursement, and incentives for adding assets to the Firm's platform, and those financial professionals will disclose, when appropriate, any additional material conflicts of interest no later than the time of a recommendation.

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## **Do You or Your Financial Professionals Have Legal or Disciplinary History?**

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We do not have any disciplinary events to disclose. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

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## **Additional Information**

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For additional information about our services, please visit [Investor.gov](http://Investor.gov), [BrokerCheck](http://BrokerCheck) ([brokercheck.finra.org](http://brokercheck.finra.org)), our website [www.ham-inc.com](http://www.ham-inc.com), and, if applicable, your account agreement. For additional information on advisory services, see our Form ADV brochure on IAPD, on [Investor.gov](http://Investor.gov), and any brochure supplement your financial professional provides. Additionally, you can request up-to-date information and/or a written copy of Form CRS by calling Harrington Asset Management, Inc. at (614) 798-1345.

To report a problem to the SEC, visit [Investor.gov](http://Investor.gov) or call the SEC's toll-free investor assistance line at (800) 732-0330. To report a problem to FINRA, call (301) 590-6500. If you have a problem with your investments, account or financial professional, contact us in writing at Harrington Asset Management, Inc., 6195 Emerald Parkway, Suite One North, Dublin, Ohio 43016.

Securities services offered through Royal Alliance Associates, Inc., member FINRA and SIPC. Advisory Services offered through Harrington Asset Management, Inc., a Registered Investment Advisor, which is not affiliated with Royal Alliance Associates, Inc.

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