



# Form ADV Part 2A Brochure

Dated: March 31, 2019

SEC File Number: 801-61670

1007 Slater Road, Suite 200  
Durham, North Carolina 27703

Telephone: (919) 313-6650

Fax: (919) 313-6675

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

This brochure provides information about the qualifications and business practices of Gordon Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at (919) 313-6650. 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 Gordon Asset Management, LLC is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to Gordon Asset Management, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

## **Item 2 - Material Changes**

Since the March 29, 2018 Annual Amendment filing, this ADV Part 2A, Firm Brochure has been materially amended at Item 4 to note that there has been a material change in ownership control of Gordon Asset Management, LLC. Joseph M. Gordon now maintains a majority ownership stake in Gordon Asset Management, LLC through his interests in the Jodaddy Revocable Trust Dated March 2002 and the 010104 Irrevocable Trust FBO James Hooper and Others. Former Principals David Misenheimer, Michael Hensley and Russell Smith have departed from Gordon Asset Management, LLC, but continue to maintain indirect ownership interests. Joseph Gordon has replaced Christian Keedy as the Chief Compliance Officer for Gordon Asset Management, LLC. Christian Keedy has departed from Gordon Asset Management and no longer maintains a direct or indirect ownership interest. Item 5 has been amended with respect to various program fees and fee dispersion. Item 4 has been amended regarding collective investment funds and associated conflicts of interests. Items 4, 5, 7, 8, 12 and 17 have been revised relative to participation in the Schwab Institutional Intelligent Portfolios Program. Items 4 and 10 have been amended regarding the Gibraltar consulting engagement. Item 15 has been amended to disclose custody of client assets.

While not material, various amendments have been made at Item 4 to enhance disclosure regarding investment management and financial planning services, retirement rollovers, ERISA plan account management, custodian charges, independent managers, use of mutual funds and exchange traded funds, cash positions, and non-discretionary investment management. Item 10 has been amended regarding a related insurance company. Item 11 has been amended regarding the firm's Code of Ethics and personal securities trading. Item 12 has been revised relative to additional economic benefits received from custodians.

**ANY QUESTIONS: Gordon Asset Management, LLCs Chief Compliance Officer, Joseph Gordon, remains available to address any questions that an existing or prospective client may have regarding this Brochure.**

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

Item 2 - Material Changes.....	2
Item 3 - Table of Contents.....	2
Item 4 - Advisory Business .....	4
Item 5 - Fees and Compensation .....	12
Item 6 - Performance Based Fees and Side-by-Side Management .....	16
Item 7 - Types of Clients .....	17
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	17
Item 9 - Disciplinary Information .....	20
Item 10 - Other Financial Industry Activities and Affiliations .....	20
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ..	22
Item 12 - Brokerage Practices .....	23
Item 13 - Review of Accounts.....	28
Item 14 - Client Referrals and Other Compensation.....	29
Item 15 - Custody .....	30
Item 16 - Investment Discretion.....	31
Item 17 - Voting Client Securities.....	31
Item 18 - Financial Information .....	31

## Item 4 - Advisory Business

- A. Gordon Asset Management, LLC was founded in 2001 and is owned by Joseph M. Gordon. Joseph Gordon is the majority owner of the firm through his interest in the Jodaddy Revocable Trust and the 010104 Irrevocable Trust FBO James Hooper And Others.

Gordon Asset Management, LLC offers wealth management services, including investment management and financial planning, to its clients. At the beginning of a client relationship, Gordon Asset Management, LLC works with the client to determine and evaluate financial circumstances and investment objectives in an effort to recommend a suitable wealth management and investment management program tailored to the client's needs.

### B. INVESTMENT ADVISORY SERVICES

The client can determine to engage Gordon Asset Management, LLC to provide discretionary and /or non-discretionary investment advisory services on a *fee-only* basis. Gordon Asset Management, LLC offers investment management and financial planning its clients. Clients typically include individuals, business entities, trusts, estates, pension and profit sharing plans, financial institutions and collective investment trusts. Gordon Asset Management, LLC's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Gordon Asset Management, LLC s management, as set forth in Item 5.A below. Before engaging Gordon Asset Management, LLC to provide those services, clients are required to enter into an Investment Advisory Agreement with Gordon Asset Management, LLC setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objectives, time horizon and risk tolerance. Thereafter, Gordon Asset Management, LLC will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. Once allocated, Gordon Asset Management, LLC provides ongoing monitoring and review of account performance, asset allocation and client investment objectives, and may rebalance and/or may recommend that clients rebalance accounts as necessary based on such review.

Gordon Asset Management, LLC's annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of Gordon Asset Management, LLC. Gordon Asset Management, LLC may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate agreement with the client. Gordon Asset Management, LLC may provide a variety of financial planning and consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of the client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives.

To the extent that new clients only seek a financial planning checkup, Gordon Asset Management, LLC will prepare a detailed financial planning overview for \$3,500, including but not limited to the following: identifying the client's short and long-term investment and

financial goals, ascertaining the client's risk tolerance, and analyzing the client's financial situation, in regard to taxation, insurance and investment asset allocation issues. To develop a client's Financial Plan, Gordon Asset Management, LLC analyzes the client's financial investment records and other related information, reviews the client's responses to a questionnaire regarding the client's financial circumstances and obligations, and conducts personal interviews with the client.

### **Discretionary Management**

Clients may appoint Gordon Asset Management, LLC to manage their portfolio on a discretionary basis. Clients authorize Gordon Asset Management, LLC to craft an Investment Policy Statement ("IPS") based on the client's goals and objectives, risk tolerance, asset class preferences, time horizon, expected return, and tax treatment, if applicable. Gordon Asset Management, LLC will review the recommendations and changes as Gordon Asset Management, LLC deems appropriate regarding the purchase, sale, investment, exchange, conversion, and trading of the portfolio based on the investment policy agreed to and signed off on in the IPS. Clients understand that Gordon Asset Management, LLC is authorized to place trades, to sell, exchange, invest or reinvest assets in stocks, bonds, mutual funds, cash and money market funds, options and other securities and to invest dividends, capital gains, income or proceeds along with new deposits in the Portfolio, at its discretion, and without obtaining the client's prior confirmation of any proposed action. Notwithstanding this discretionary authority, Gordon Asset Management, LLC will manage the portfolio in accordance with the investment mandates of the clients and subject to the guidelines and/or restrictions (if any) that have been provided by the clients.

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent it is specifically requested to do so, Gordon Asset Management, LLC may provide its clients with a broad range of financial analysis and consulting services (including non-investment related matters) on a stand-alone separate fee basis. Prior to engaging Gordon Asset Management, LLC to provide financial analysis and/or consulting services, the client will generally be required to enter into a Financial/ Advisory Agreement with Gordon Asset Management, LLC setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Gordon Asset Management, LLC commencing services. **Please Note:** Gordon Asset Management, LLC **does not** serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as legal, accounting or insurance services. Accordingly, Gordon Asset Management, LLC **does not** prepare estate planning or any other legal documents, tax returns, or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.). No client is under any obligation to utilize the services of any such recommend professional. **Please Also Note:** If the client engages any professional (i.e. attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. If, and when, Gordon Asset Management, LLC is involved in a specific matter (i.e. estate planning, insurance, accounting-related engagement, etc.), it is the engaged licensed professionals (i.e. attorney, accountant, insurance agent, etc.), and not Gordon Asset Management, LLC, that is responsible for the quality and competency of the services provided.

## **Other Services:**

Some clients only need advice on an infrequent basis. Topics covered will vary with the individual situation, but most often include analysis of an existing portfolio, evaluating retirement plan options, consideration of asset allocation adjustments, and other special projects.

Gordon Asset Management, LLC offers other special products, including insurance analysis and review and long-term care insurance, through an affiliate, Strategic Financial Management, Inc.

From time to time Gordon Asset Management, LLC will participate in special arrangements to provide a limited scope service that requires a reduced fee.

## **MISCELLANEOUS**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** As indicated above, to the extent requested by a client, we may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Please Note: Gordon Asset Management, LLC does not serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as legal, accounting or insurance services. Accordingly, Gordon Asset Management, LLC does not prepare estate planning or any other legal documents, tax returns, or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.). No client is under any obligation to utilize the services of any such recommend professional. Please Also Note: If the client engages any professional (i.e. attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. If, and when, Gordon Asset Management, LLC is involved in a specific matter (i.e. estate planning, insurance, accounting-related engagement, etc.), it is the engaged licensed professionals (i.e. attorney, accountant, insurance agent, etc.), and not Gordon Asset Management, LLC, that is responsible for the quality and competency of the services provided.

**Use of Mutual Funds and Exchange Traded Funds.** While Gordon Asset Management, LLC may recommend allocating investment assets to mutual funds and exchange traded funds that are not available directly to the public, Gordon Asset Management, LLC may also recommend that clients allocate investment assets to publicly-available mutual funds or exchange traded funds that the client could obtain without engaging Gordon Asset Management, LLC as an investment advisor. However, if a client or prospective client determines to allocate investment assets to publicly-available mutual funds or exchange traded funds without engaging Gordon Asset Management, LLC as an investment advisor, the client or prospective client would not receive the benefit of Gordon Asset Management, LLC's initial and ongoing investment advisory services. **Please Note:** In addition to Gordon Asset Management, LLC's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

**Custodian Charges-Additional Fees:** As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Gordon Asset Management, LLC generally recommends that Charles Schwab & Co., Inc. (“Schwab”) or TD Ameritrade, Inc. (“TD Ameritrade”) serve as the broker-dealer/custodians for client investment management assets. Broker-dealers such as Schwab and TD Ameritrade charge transaction fees for effecting securities transactions. In addition to Gordon Asset Management, LLC’s investment advisory fee referenced in Item 5 below, the client will also incur transaction fees to purchase securities for the client’s account (i.e., mutual funds, exchange traded funds, individual equity and fixed income securities, etc.). **ANY QUESTIONS: Gordon Asset Management, LLC’s Chief Compliance Officer, Joseph Gordon, remains available to address any questions that a client or prospective client may have regarding the above.**

**Please Note: Non-Discretionary Service Limitations.** Clients that determine to engage Gordon Asset Management, LLC on a non-discretionary investment advisory basis must be willing to accept that Gordon Asset Management, LLC cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that Gordon Asset Management, LLC would like to make a transaction for a client’s account , (including in the event of an individual holding or general market correction) and client is unavailable, Gordon Asset Management, LLC will be unable to effect the account transaction (as it would for its discretionary clients) without first obtaining the client’s consent.

**Retirement Rollovers-Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer’s plan, if permitted, (ii) roll over the assets to the new employer’s plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account (“IRA”), or (iv) cash out the account value (which could, depending upon the client’s age, result in adverse tax consequences). If Gordon Asset Management, LLC recommends that a client roll over their retirement plan assets into an account to be managed by Gordon Asset Management, LLC such a recommendation creates a conflict of interest if Gordon Asset Management, LLC will earn an advisory fee on the rolled over assets. Gordon Asset Management, LLC will earn new (or increase its current) compensation as a result of the rollover. No client is under any obligation to roll over retirement plan assets to an account managed by Gordon Asset Management, LLC. **Gordon Asset Management, LLC’s Chief Compliance Officer, Joseph Gordon, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**ERISA PLAN and 401(k) INDIVIDUAL ENGAGEMENTS:**

Gordon Asset Management, LLC provides retirement plan fiduciary services directly to corporate retirement plan sponsors. The majority of these services are limited to advice concerning plan level investment decisions and processes, including menus, maintenance, and monitoring under Section 404(a) of ERISA. Gordon Asset Management, LLC provides investment management services on a non-discretionary basis to 401(k) plans under ERISA section 3(21)(A) and on a discretionary basis under ERISA section 3(38). For 401(k) plans, Gordon Asset Management, LLC may recommend appropriate mutual funds or other investment vehicles in accordance with the plan's objectives and applicable ERISA

requirements. Gordon Asset Management, LLC will assist the plan in its selection of money managers based on financial circumstances and investment objectives of the plan. These services are more particularly described as follows:

- **Trustee Directed Plans.** Gordon Asset Management, LLC may be engaged to provide investment advisory services to ERISA retirement plans, whereby the Firm shall manage Plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, Gordon Asset Management, LLC will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 (“ERISA”). Gordon Asset Management, LLC will generally provide services on an “assets under management” fee basis per the terms and conditions of an Investment Advisory Agreement between the Plan and the Firm.
- **Participant Directed Retirement Plans.** Gordon Asset Management, LLC may also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a Retirement Plan Services Agreement between Gordon Asset Management, LLC and the plan. For such engagements, Gordon Asset Management, LLC shall assist the plan sponsor with the selection of an investment platform from which plan participants shall make their respective investment choices (which may include investment strategies devised and managed by Gordon Asset Management, LLC), and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision making process.
- **Client Retirement Plan Assets.** If requested to do so, Gordon Asset Management, LLC shall provide investment advisory services relative to the client’s 401(k) plan assets. In such event, Gordon Asset Management, LLC shall recommend that the client allocate the retirement account assets among the investment options available on the 401(k) platform. Gordon Asset Management, LLC shall be limited to making recommendations regarding the allocation of the assets among the investment alternatives available through the plan. Gordon Asset Management, LLC will not receive any communications from the plan sponsor or custodian, and it shall remain the client’s exclusive obligation to notify Gordon Asset Management, LLC of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account.

#### **Collective Investment Funds**

Gordon Asset Management, LLC also co-manages separate Collective Investment Trusts (“CITs”) known as Swan Defined Risk Aggressive Growth, Swan Defined Risk Moderate Growth, Swan Defined Risk Moderate, Swan Defined Risk Conservative and Swan Defined Risk Income. Gordon Asset Management, LLC may recommend that Plan Trustees include the CITs within their Plan’s investment lineup. Recommending the CITs to a Plan by Gordon Asset Management, LLC could be construed as a conflict of interest, and Plan Trustees are under no obligation to include the CITs within their Plan. For Plans advised by Gordon Asset Management, LLC that select the CITs as an investment option within a Plan, CIT investment management fees are waived via the usage of either share class 2 or, for plans with in excess of \$100,000,000 in assets, or share class 4, in which Gordon Asset Management, LLC charges no fee. The trustee to these funds is Alta Trust Company. These CITs are available for investment only to eligible retirement plans and entities. Gordon Asset Management, LLC may recommend that Plan trustees include the CITs. Prospective investors should be aware that



these funds are not FDIC-insured or guaranteed by Gordon Asset Management, LLC or Alta Trust Company. The funds are not mutual funds and are exempt from registration and regulation under the Investment Company Act of 1940, and their units are not registered under the Securities Act of 1933, or applicable laws of any state or other jurisdiction. Unit holders of the funds are not entitled to the protections of the Investment Company Act of 1940. Investors should carefully consider an investment in these funds

**Independent Managers.** Gordon Asset Management, LLC may allocate (and/or recommend that the client allocate) a portion of a client’s investment assets among unaffiliated independent investment managers (“Independent Manager(s)”) in accordance with the client’s designated investment objective(s). In such situations, the Independent Manager[s] shall have day-to-day responsibility for the active discretionary management of the allocated assets. Gordon Asset Management, LLC shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which Gordon Asset Management, LLC shall consider in recommending Independent Manager[s] include the client’s designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. **Please Note:** The investment management fee charged by the Independent Manager[s] is separate from, and in addition to, Gordon Asset Management, LLC’s advisory fee as set forth in the fee schedule at Item 5 below and which will be disclosed to the client before entering into the Independent Manager engagement and/or subject to the terms and conditions of a separate agreement between the client and the Independent Manager(s).

**Please Note: Cash Positions.** At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), Gordon Asset Management, LLC may maintain cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating Gordon Asset Management, LLC’s advisory fee. **ANY QUESTIONS: Gordon Asset Management, LLC’s Chief Compliance Officer, Joseph Gordon, remains available to address any questions that a client or prospective may have regarding the above fee billing practice.**

### **Schwab Institutional Intelligent Portfolios™-Automatic Investment Program**

Gordon Asset Management, LLC provides portfolio management services through Institutional Intelligent Portfolios™, an automated, online investment management platform for use by independent investment advisors and sponsored by Schwab Wealth Investment Advisory, Inc. (the “Program” and “SWIA,” respectively).

When consistent with a client’s investment objectives, Gordon Asset Management, LLC may determine to provide portfolio management services through the Program, an automated investment program through which clients are invested in a range of investment strategies. Gordon Asset Management, LLC has constructed and manages, each consisting of a portfolio of ETFs and a cash allocation. The client may instruct Gordon Asset Management, LLC to exclude up to three ETFs from their portfolio. The client’s portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. (“CS&Co”). Gordon Asset Management, LLC uses the Institutional Intelligent Portfolios® platform (“Platform”), offered by Schwab Performance Technologies (“SPT”), a software provider to independent investment

advisors and an affiliate of CS&Co., to operate the Program. Gordon Asset Management, LLC is independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co., or their affiliates (together, “Schwab”).

Gordon Asset Management, LLC, and not Schwab, is the client’s investment adviser and primary point of contact with respect to the Program. As between Gordon Asset Management, LLC and Schwab, Gordon Asset Management, LLC is solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client’s investment needs and goals, and managing that portfolio on an ongoing basis. Gordon Asset Management, LLC has contracted with SPT to provide Gordon Asset Management, LLC with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables Gordon Asset Management, LLC to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the “System”). The System includes an online questionnaire that helps Gordon Asset Management, LLC determine the client’s investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that Gordon Asset Management, LLC will recommend a portfolio via the System in response to the client’s answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but Gordon Asset Management, LLC then makes the final decision and selects a portfolio based on all the information it has about the client. The System also includes an automated investment engine through which Gordon Asset Management, LLC manages the client’s portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

Gordon Asset Management, LLC charges clients a fee for its services as described below under Item 5, Fees and Compensation. Gordon Asset Management, LLC’s fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co. as part of the Program. Schwab does receive other revenues in connection with the Program, which are described below under Item 5, Fees and Compensation.

Gordon Asset Management, LLC does not pay SPT fees for the Platform so long as it maintains \$100 million in client assets in accounts at CS&Co that are not enrolled in the Program. If Gordon Asset Management, LLC does not meet this condition, then it must pay SPT an annual licensing fee of 0.10% of the value of its clients’ assets in the Program. This arrangement presents a conflict of interest, as it provides an incentive for Gordon Asset Management, LLC to recommend that clients maintain their accounts at CS&Co. Notwithstanding, Gordon Asset Management, LLC may generally recommend to its clients that investment management accounts be maintained at CS&Co based on the considerations discussed in Item 12 below, which mitigates this conflict of interest. **Our Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

Clients enrolled in the Program are limited in the universe of investment options available to them. As a result, clients in the Program generally pay a lesser advisory fee. Gordon Asset Management, LLC’s fee may be higher (or lower) than those charged by other investment advisers offering similar services.

## **Rebalancing**

The System will rebalance a client's account periodically by generating instructions to CS&Co to buy and sell shares of ETFs and depositing or withdrawing funds through the "Sweep Program", considering the asset allocation for the client's investment strategy. Rebalancing trade instructions can be generated by the System when (i) the percentage allocation of an ETF varies by a set parameter established by Gordon Asset Management, LLC (ii) Gordon Asset Management, LLC decides to change the ETFs or their percentage allocations for an investment strategy or (iii) Gordon Asset Management, LLC decides to change a client's investment strategy, which could occur, for example, when a client makes changes to their investment profile or imposes or modifies restrictions on the management of their account. Accounts below \$5,000 may deviate farther than the set parameters as well as the target allocation of the selected investment profile. Rebalancing below \$5,000 may impact the ability to maintain positions in selected asset classes due to the inability to buy or sell at least one share of an ETF. For example, withdrawal requests may require entire asset classes to be liquidated to generate and disburse the requested cash.

## **Sweep Program**

Each investment strategy involves a cash allocation ("Cash Allocation") that will be held in a sweep program at Charles Schwab Bank (the "Sweep Program"). The Cash Allocation will be a minimum of 4% of an account's value to be held in cash, and may be higher, depending on the investment strategy chosen for a client. The Cash Allocation will be accomplished through enrollment in the Sweep Program, a program sponsored by CS&Co. By enrolling in the Program, clients consent to having the free credit balances in their brokerage accounts at CS&Co swept into deposit accounts ("Deposit Accounts") at Charles Schwab Bank ("Schwab Bank") through the Sweep Program. Schwab Bank is an FDIC-insured depository institution that is a Schwab affiliate. The Sweep Program is a required feature of the Program. If the Deposit Account balances exceed the Cash Allocation for a client's investment strategy, the excess over the rebalancing parameter will be used to purchase securities as part of rebalancing. If clients request cash withdrawals from their accounts, this likely will require the sale of ETF positions in their accounts to bring their Cash Allocation in line with the target allocation for their chosen investment strategy. If those clients have taxable accounts, those sales may generate capital gains (or losses) for tax purposes. In accordance with an agreement with CS&Co, Schwab Bank has agreed to pay an interest rate to depositors participating in the Sweep Program that will be determined by reference to an index.

**Other Investment Adviser as Consultant:** Gordon Asset Management, LLC has engaged Gibraltar Financial, LLC in a consulting capacity. In the service agreement between Gordon Asset Management, LLC and Gibraltar Financial, LLC, Glenn Moore will be assisting Gordon Asset Management, LLC with administrative, operational and technology support. Glenn Moore is currently affiliated with Gibraltar Financial, LLC, a North Carolina state registered investment adviser. Mr. Moore may also serve on the Gordon Asset Management, LLC Investment Committee. Mr. Moore is subject to the Code of Ethics, Policies and Procedures and Compliance Manual related to the role with Gordon Asset Management, LLC and is subject to the same standards currently in place with Gibraltar Financial, LLC. Any potential conflicts of interests will be fully disclosed to the clients of Gordon Asset Management, LLC and the clients of Gibraltar Financial, LLC. In his role, Mr. Moore will be compensated on a monthly flat fee.

**Client Obligations.** In performing its services, Gordon Asset Management, LLC shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify Gordon Asset Management, LLC if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Gordon Asset Management, LLC's previous recommendations and/or services.

**Disclosure Statement.** A copy of Gordon Asset Management, LLC's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the Financial Advisory' Agreement.

- C. Gordon Asset Management, LLC shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). Gordon Asset Management, LLC shall allocate each client's investment assets consistent with their designated investment objective(s). Clients may, at any time, impose restrictions, in writing, on Gordon Asset Management, LLC's services.
- D. Gordon Asset Management, LLC does not participate in a wrap fee program.
- E. As of March 22, 2019, Gordon Asset Management, LLC had \$675,268,473 in assets under management on a discretionary basis and \$49,676,279 in assets under management on a non-discretionary basis.

## **Item 5 - Fees and Compensation**

- A. The client can determine to engage Gordon Asset Management, LLC to provide discretionary and/or non-discretionary investment advisory services on a negotiable fee-only basis.

### **FEES FOR INVESTMENT MANAGEMENT SERVICES (for All Clients Exclusive of ERISA Participant Directed 401(k) Daily Valuation Plans)**

If the client determines to engage Gordon Asset Management, LLC to provide discretionary and/or non-discretionary investment advisory services on a fee-only basis, Gordon Asset Management, LLC's negotiable annual investment advisory fee is generally based upon a percentage (%) of the market value of the assets placed under Gordon Asset Management, LLC's management (between: 0.40% and 1.25%) as follows:

Recommendations with Agent Authority: \$4,000 minimum.

Assets Under Management	Annual Fee (as a % of assets)
First \$500,000	1.25%
Next \$1,000,000	0.80%
Next \$1,000,000	0.60%
Next \$2,500,000	0.50%
Next \$5,000,000	0.40%

### **Fee Dispersion**

Gordon Asset Management, LLC's investment advisory fee is negotiable at its discretion, depending upon objective and subjective factors including but not limited to: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professional(s) rendering the service(s); prior relationships with Gordon Asset Management, LLC and/or its representatives, competition, and negotiations with the client. As a result of these factors, similarly situated clients could pay different fees, the services to be provided by Gordon Asset Management, LLC to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above. **Gordon Asset Management, LLC's Chief Compliance Officer, Joseph Gordon, remains available to address any questions that a client or prospective client may have regarding the above fee determination.**

### **Fees for Financial Planning and Business Planning Services:**

To the extent it is specifically requested to do so, Gordon Asset Management, LLC may provide its clients with a broad range of financial analysis and consulting services (including non-investment related matters) on a stand-alone separate fee basis.

Gordon Asset Management, LLC's standard fee for preparing a financial plan is listed below but may be higher based on the complexity of the client's individual circumstances. Normally, the fee is payable in advance, and the plan is prepared and completed within 60 days. Fees and terms for financial planning services are NEGOTIABLE and may be limited in scope to a specific goal or objective, for example, hypothetical retirement projections based on expected rates of return, projected wealth accumulation based on certain interest or return assumptions, etc. If a prospective client simply wants investment management services, there is no fee charged under this section.

Minimum fee for Business Owners: \$5,000  
(wealth management and business consulting) due to added complexity of analyzing business issues

Minimum fee for Financial Planning for High Net Worth: \$3,500

Minimum fee for Financial Planning per executive, if Corporate Sponsored program: \$2,500

Some services can be priced a la carte as per Agreement

## **SCHWAB INTELLIGENT PORTFOLIOS**

When consistent with a client's investment objectives, Gordon Asset Management, LLC may provide portfolio management services through an automated, online investment management platform. Through the Program, Gordon Asset Management, LLC offers clients a range of investment strategies it has constructed and manages each consisting of a portfolio of exchange traded funds ("ETFs") and a cash allocation. Gordon Asset Management, LLC's investment management fee for Program accounts shall be based upon a percentage (%) of the market value of the assets placed under Gordon Asset Management, LLC's management (between 0.50% and 1.00%) as follows:

<u>Account size</u>	<u>Fee charged at</u>
Amounts from \$5,000 up to \$100,000	1.25%
Amounts in excess of \$100,000 up to \$150,000	0.80%
Amounts in excess of \$150,000 up to \$ 250,000	0.60%

As described above, clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co as part of the Program. Schwab does receive other revenues in connection with the Portfolios. Specifically, Schwab Bank® earns interest revenue on the cash in Program accounts. Also, Schwab affiliates can earn revenue from the underlying assets in Program accounts. This revenue comes from managing Schwab ETFs™ and providing services relating to third-party ETFs that Gordon Asset Management, LLC may select for the portfolios. Finally, Schwab may receive payments from the trading firms and exchanges where ETF trades are routed for execution.

As described in *Item 4 Advisory Business*, clients do not pay fees to SWIA or brokerage commissions or other fees to CS&Co as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure. Brokerage arrangements are further described below in *Item 12 Brokerage Practices*.

### **Fees for Other Consultations:**

For those clients who do not require the continuous management services of Gordon Asset Management, LLC, fees may be charged at hourly rates ranging from \$150 to \$400 per hour, depending on the scope of services requested as noted below. These charges are invoiced as incurred. For large projects or at a client's request, Gordon Asset Management, LLC may provide the client with an estimate prior to beginning work, or may enter into a fixed fee arrangement, with a retainer required upfront.

Joseph M. Gordon	\$400/hr
All others	\$150/hr

Hourly consulting engagement is subject to a minimum of \$1,000.

For plan level fiduciary services under ERISA Section 404(a), Gordon Asset Management, LLC provides plan level investment advice under the following schedule:

For plans with less than \$10,000,000 in assets, services are priced according to the service level. The base fee for plan-level fiduciary services is 0.25% on assets subject to a \$3,000 minimum.

Fees for base plan-level fiduciary services and limited non-fiduciary services are as follows:

Total Included Assets (as defined above)	Annualized Fee (as percentage of assets)	Minimum fee for services
\$0 - 5MM	0.30%	\$4,000
\$5MM - 10MM	0.25%	\$12,000

Fees for comprehensive fiduciary and non-fiduciary services are as follows:

Total Included Assets (as defined above)	Annualized Fee (as percentage of assets)	Subject to a minimum fee for services
\$0 - 5MM	0.40%	\$4,000
\$5MM - 10MM	0.30%	\$12,000
\$10MM - 50MM	Flat	\$25,000

For plans with assets in excess of \$5,000,000, fees are quoted on a flat-dollar basis.

Depending on the scope of services offered Gordon Asset Management may charge a lower fee. There may be legacy accounts that pay a comparable fee, under an arrangement that is no longer offered. New accounts are offered the preceding fee schedule.

Gordon Asset Management, LLC works closely with recordkeepers and third-party administration firms ("TPA") to capture and collect 100% of all revenue sharing paid by the mutual funds to the custodian, less any handling fees, if applicable, which by law, must reduce the investment management fees charged by Gordon Asset Management, LLC as per the 1997 Frost DOL Advisory Opinion.

Gordon Asset Management, LLC may build in a relationship management fee for services related to investment advisory services to plan level relationships for qualified retirement plans. This relationship management fee is paid to an investment advisor representative/solicitor, where applicable, licensed as Series 65, under applicable state law, at the following schedule:

- .10% - .25% of assets to \$2,000,000
- .05% – .15 % of assets to \$5,000,000
- .05% – .10% of assets to \$10,000,000
- .05% of assets greater than \$10,000,000

The relationship management fee for services may also be charged as a flat annual fee. It may also include participant level education meetings pursuant to Department of Labor Interpretive Bulletin 96-1. Relationship management fees are subject to negotiation.

Gordon Asset Management, LLC has negotiated lower fees for certain clients, such as employees / participants of retirement plans under its management.

Clients may elect to have Gordon Asset Management, LLC's advisory fees deducted from their custodial account. Both Gordon Asset Management, LLC's Investment Advisory Agreement and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of Gordon Asset Management, LLC's investment advisory fee and to directly remit that management fee to Gordon Asset Management, LLC in compliance with regulatory procedures. In the limited event that Gordon Asset Management, LLC bills the client directly, payment is due upon receipt of Gordon Asset Management, LLC's invoice. Except as noted above, Gordon Asset Management, LLC shall deduct fees and/or bill clients either quarterly or monthly in advance, based upon the market value of the assets on the last business day of the previous month or quarter. Most clients authorize Gordon Asset Management, LLC to instruct the custodian to deduct fees automatically from their accounts, but clients may request that Gordon Asset Management, LLC send quarterly invoices to be paid by check.

As discussed below, unless the client directs otherwise or an individual client's circumstances require, Gordon Asset Management, LLC shall generally recommend that Schwab or TD Ameritrade serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab and TD Ameritrade charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). Clients will incur, in addition to Gordon Asset Management, LLC's investment management fee, brokerage commissions and/or transaction fees, and, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

If a client terminates the investment management agreement with Gordon Asset Management, LLC in the middle of a billing period, Gordon Asset Management, LLC will refund management fees to the client for an amount that is pro-rated based on the terms of the executed investment advisory agreement.

The Financial Advisory Agreement between Gordon Asset Management, LLC and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Financial Advisory Agreement. Upon termination, Gordon Asset Management, LLC shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

When feasible Gordon Asset Management, LLC will prorate the fees on all contributions and withdrawals from the accounts under their management.

Neither Gordon Asset Management, LLC, nor its representatives, accepts compensation from the sale of securities or other investment products.



## **Item 6 - Performance Based Fees and Side-by-Side Management**

Neither Gordon Asset Management, LLC, nor any supervised person of Gordon Asset Management, LLC, accepts performance-based fees.

## **Item 7 - Types of Clients**

Gordon Asset Management, LLC primarily provides customized investment management services to high-net-worth individuals and associated trusts, estates, pension and profit sharing plans, and other legal entities. Gordon Asset Management, LLC does not have a minimum account size, but minimum fees will apply.

Gordon Asset Management, LLC, in its sole discretion, may charge a lesser investment advisory fee, waive or modify its account minimum or minimum fee, and/or a charge a flat fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competitive pricing, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **Please Also Note:** If you maintain less than \$400,000 of assets under Gordon Asset Management, LLC's management, and are subject to the \$4,000 minimum fee, you will pay a higher percentage quarterly fee than the 1% referenced in the fee schedule at Item 5 above. **ANY QUESTIONS:** Gordon Asset Management, LLC's Chief Compliance Officer, Joseph Gordon, remains available to address any questions that a client or prospective client may have regarding advisory fees.

Participation in the Schwab Intelligent Portfolios Program requires a minimum investment of \$5,000

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

Gordon Asset Management, LLC uses a combination of qualitative and quantitative asset allocation strategies in its asset management program. Gordon Asset Management, LLC seeks to construct efficient portfolios with optimal risk/return combinations, employing strategic asset allocation as the core and tactical asset allocation based on macroeconomic and geopolitical decision making. Gordon Asset Management, LLC constructs these portfolios and plan menus using many types of securities, including any of the following: open-end funds, closed-end funds, inverse ETF's, institutional separate account managers, hedge funds, hedge fund of funds, stocks and bonds. Gordon Asset Management, LLC co-manages Collective Investment Trusts.

In Gordon Asset Management, LLC's investment programs, portfolios are generally constructed by diversifying capital across many asset classes to achieve a lower risk portfolio and still target a client's desired rate of return over a given investment time horizon. Investments are made for each client based on the individual profile established in the interview with the

client including, but not limited to, factors such as risk tolerance, concern about inflation, investment time horizon, other assets, age, income and other factors. Gordon Asset Management, LLC uses these investment profiles to construct a diversified portfolio taking into account all factors provided to enhance return and minimize risk. Gordon Asset Management, LLC reviews performance factors for each manager in each respective asset class and recommends or makes changes (as applicable) from time to time.

Asset management services generally include: (a) return performance reports as measured against appropriate market indexes, (b) updated research on investment managers and fund management including risk measurements, expense ratios, portfolio turnover, portfolio weighting, and individual security research, (c) rebalancing of accounts and change in selection of fund managers where applicable, and (d) monitoring performance versus other investment managers to maintain an optimal efficient portfolio. Over 10,000 funds and 1,200 separate account managers are screened on various performance criteria each quarter and fund managers may be replaced if, for example, managers fail to perform in the top 50% of their respective peer group over 3, 5, and 10 year periods, or some mutually agreed upon criteria.

Please Note: Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Gordon Asset Management, LLC) will be profitable or equal any specific performance level(s).

Gordon Asset Management, LLC's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis Gordon Asset Management, LLC must have access to current/new market information. Gordon Asset Management, LLC has no control over the dissemination rate of market information; therefore, unbeknownst to Gordon Asset Management, LLC, certain analyses may be compiled with outdated market information, severely limiting the value of Gordon Asset Management, LLC's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Gordon Asset Management, LLC's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer-term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter-term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer-term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short-term investment strategy and substantially higher transaction costs than a longer-term investment strategy.

Gordon Asset Management, LLC primarily invests for relatively long time horizons, often for a year or more. However, market developments could cause Gordon Asset Management, LLC to sell securities more quickly. Currently, Gordon Asset Management, LLC allocates investment management assets of its client accounts primarily among individual equity securities (stock), debt (bonds), exchange traded funds (ETFs) and/or various no-load open and closed end mutual funds on a discretionary basis in accordance with the investment objectives of the client.

### **Risks Specific to the Schwab Institutional Intelligent Portfolios Program**

#### **ETF General Risks**

ETFs in which the strategy may invest involve certain inherent risks generally associated with investments in a portfolio of securities, including the risk that the general level of security prices may decline, thereby adversely affecting the value of each unit of the ETF. Moreover, an ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of securities held. ETFs in which the strategies invest have their own fees and expenses as set forth in the ETF prospectuses. ETFs may have exposure to derivative instruments, such as futures contracts, forward contracts, options, and swaps. There is a risk that a derivative may not perform as expected. The main risk with derivatives is that some types can amplify a gain or loss, potentially earning or losing substantially more money than the actual cost of the derivative, or that the counterparty may fail to honor its contract terms, causing a loss for the ETF. Use of these instruments may also involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk, and the risk that an ETF could not close out a position when it would be most advantageous to do so. Some ETFs available, including Schwab ETFs™, are less than 10 years old. Accordingly, there is limited data available to use when assessing the investment risk of some of these ETFs. As a result, one or more of the following may occur: (i) poor liquidity in or limited availability of the ETFs, or (ii) lack of market depth causing the ETFs to trade at excessive premiums or discounts.

#### **Investment Strategy Risks**

There are risks associated with the long-term core strategic holdings for each of the investment strategies. The more aggressive the investment strategy selected, the more likely the portfolio will contain larger weights in riskier asset classes, such as equities.

Gordon Asset Management, LLC allocates investment management assets directed to Program, on a discretionary basis, among one or more of its asset allocation programs (i.e. Aggressive, Moderately Aggressive, Moderate, and Conservative) as designated through the Program's investment risk analysis process. Gordon Asset Management, LLC's asset allocation strategies have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as Gordon Asset Management, LLC's asset allocation programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is applicable to Gordon Asset Management, LLC's management of client assets:

1. Initial Interview – at the opening of the account, Gordon Asset Management, LLC, through its designated representatives, shall obtain from the client information sufficient to determine the client’s financial situation and investment objectives;
2. Individual Treatment - the account is managed on the basis of the client’s financial situation and investment objectives;
3. Quarterly Notice – at least quarterly, Gordon Asset Management, LLC shall notify the client to advise Gordon Asset Management, LLC whether the client’s financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
4. Annual Contact – at least annually, Gordon Asset Management, LLC shall contact the client to determine whether the client’s financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
5. Consultation Available –Gordon Asset Management, LLC shall be reasonably available to consult with the client relative to the status of the account;
6. Quarterly Report – the client shall be provided with a quarterly report for the account for the preceding period;
7. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct Gordon Asset Management, LLC not to purchase certain securities;
8. No Pooling – the client’s beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account;
9. Separate Account - a separate account is maintained for the client with the Custodian;
10. Ownership – each client retains indicia of ownership of the account (e.g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

Gordon Asset Management, LLC believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided under the Program; and (2) the fees charged by other investment advisers offering similar services/programs. However, Gordon Asset Management, LLC’s annual investment advisory fee may be higher than that charged by other investment advisers offering similar Programs. In addition to Gordon Asset Management, LLC’s annual investment management fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses). Please Note: Gordon Asset Management, LLC’s investment programs may involve above-average portfolio risk.

## **Item 9 - Disciplinary Information**

Gordon Asset Management, LLC has not been involved in any legal or disciplinary events in the past 10 years that would be material to a client’s evaluation of the company or its personnel.

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

Gordon Asset Management, LLC receives client referrals from a number of sources, including (but not limited to) accountants, attorneys, and insurance agents. These relationships are fully

disclosed to the client. If solicitor fees are to be paid, all parties will sign off on the arrangement in writing. Gordon Asset Management, LLC also participates in the institutional advisor program offered by TD Ameritrade Institutional. Please refer to the section on Brokerage Practices for more information.

- A. Neither, Gordon Asset Management, LLC, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.\
- B. Neither Gordon Asset Management, LLC, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Gordon Asset Management, LLC may serve as a sub-advisor for one or more other investment advisors. See Item 4B disclosure regarding Collective Investment Trusts.

**Strategic Financial Management, Inc.** (“SFM”) is a corporate insurance brokerage and employee benefit consulting firm. Those clients using implementation services may obtain insurance products through this brokerage facility such as annuities, life insurance, disability income, and other group related products including self-funding. SFM is 100% owned by Joseph M. Gordon.

**Conflict of Interest:** The recommendation by representatives that a client purchase insurance commission products through SFM presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client’s need. No client is under any obligation to purchase any commission products through SFM. Clients are reminded that they may purchase insurance products recommended by or through other non-affiliated insurance agents or insurance companies. Gordon Asset Management, LLC’s Chief Compliance Officer, Joseph M. Gordon, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

**Other Adviser and Consulting Arrangement.** Gordon Asset Management, LLC has engaged Gibraltar Financial, LLC in a consulting capacity. In the service agreement between Gordon Asset Management, LLC and Gibraltar Financial, LLC, Glenn Moore will be assisting Gordon Asset Management, LLC with administrative, operational and technology support. Glenn Moore is currently affiliated with Gibraltar Financial, LLC, a North Carolina state registered investment adviser. Mr. Moore may also serve on the Gordon Asset Management, LLC Investment Committee. Mr. Moore is subject to the Code of Ethics, Policies and Procedures and Compliance Manual related to the role with Gordon Asset Management, LLC and is subject to the same standards currently in place with Gibraltar Financial, LLC. Any potential conflicts of interests will be fully disclosed to the clients of Gordon Asset Management, LLC and the clients of Gibraltar Financial, LLC. In his role, Mr. Moore will be compensated on a monthly flat fee.

- D. Gordon Asset Management, LLC does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. Gordon Asset Management, LLC maintains an investment policy relative to personal securities transactions. This investment policy is part of Gordon Asset Management, LLC's overall Code of Ethics, which serves to establish a standard of business conduct for all of Gordon Asset Management, LLC's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Gordon Asset Management, LLC also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Gordon Asset Management, LLC or any person associated with Gordon Asset Management, LLC.

Neither Gordon Asset Management, LLC nor any related person of Gordon Asset Management, LLC recommends, buys, or sells for client accounts, securities in which Gordon Asset Management, LLC or any related person of Gordon Asset Management, LLC has a material financial interest.

- B. Gordon Asset Management, LLC and/or representatives of Gordon Asset Management, LLC may buy or sell securities that are also recommended to clients. This practice may create a situation where Gordon Asset Management, LLC and/or representatives of Gordon Asset Management, LLC are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Gordon Asset Management, LLC did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Gordon Asset Management, LLC's clients) and other potentially abusive practices.

Gordon Asset Management, LLC has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Gordon Asset Management, LLC's "Access Persons." Gordon Asset Management, LLC's securities transaction policy requires that an Access Person of Gordon Asset Management, LLC must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Gordon Asset Management, LLC selects; provided, however that at any time that Gordon Asset Management, LLC has only one Access Person, he or she shall not be required to submit any securities report described above.

## Item 12 - Brokerage Practices

- A. In the event the client requests Gordon Asset Management, LLC recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Gordon Asset Management, LLC to use a specific broker-dealer/custodian), Gordon Asset Management, LLC generally recommends that investment management accounts be maintained at Schwab and/or TD Ameritrade. Prior to engaging Gordon Asset Management, LLC to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Gordon Asset Management, LLC setting forth the terms and conditions under which Gordon Asset Management, LLC shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Gordon Asset Management, LLC considers in recommending Schwab and/or TD Ameritrade (or any other broker-dealer/custodian to clients) include historical relationship with Gordon Asset Management, LLC, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Gordon Asset Management, LLC's clients shall comply with Gordon Asset Management, LLC's duty to obtain best execution, a client may pay a commission that is higher than the commission that another qualified broker-dealer might charge to effect the same transaction where Gordon Asset Management, LLC determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Gordon Asset Management, LLC will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Gordon Asset Management, LLC's investment management fee. Gordon Asset Management, LLC's best price execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

### **1. Non-Soft Dollar Research and Additional Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Gordon Asset Management, LLC can receive from Schwab and/or TD Ameritrade (or another broker-dealer/custodian, investment platform, independent investment manager, and/or product/fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Gordon Asset Management, LLC to better monitor and service client accounts maintained at such institutions. The support services that Gordon Asset Management, LLC may obtain could include: investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis travel and attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products

used by Gordon Asset Management, LLC in furtherance of its investment advisory business operations.

Certain of the support services and/or products that may be received may assist Gordon Asset Management, LLC in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Gordon Asset Management, LLC to manage and further develop its business enterprise.

Gordon Asset Management, LLC's clients do not pay more for investment transactions effected and/or assets maintained at Schwab and/or TD Ameritrade as a result of this arrangement. There is no corresponding commitment made by Gordon Asset Management, LLC to Schwab and/or TD Ameritrade or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as a result of the above arrangement.

**Gordon Asset Management, LLC's Chief Compliance Officer, Joseph Gordon, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest created by these arrangements.**

- 2. TD Ameritrade Referrals.** As disclosed above, Gordon Asset Management, LLC participates in TD Ameritrade, Inc.'s institutional customer program (AdvisorDirect<sup>®</sup>) and may recommend TD Ameritrade, Inc. to clients for custody and brokerage services. There is no direct link between Gordon Asset Management LLC's participation in the program and the investment advice it provides to its clients, although Gordon Asset Management receives economic benefits through its participation in the program that are typically not available to TD Ameritrade, Inc. retail investors. TD Ameritrade, Inc. may also have paid for business consulting and professional services received by Gordon Asset Management, LLC or related persons. Some of the products and services made available by TD Ameritrade, Inc., through the program, may benefit Gordon Asset Management, LLC, but may not benefit its client accounts. These products or services may assist Gordon Asset Management, LLC in managing and administering client accounts, including accounts not maintained at TD Ameritrade, Inc. Other services made available by TD Ameritrade, Inc. are intended to help Gordon Asset Management, LLC manage and further develop its business enterprise. The benefits received by Gordon Asset Management, LLC or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade, Inc. As part of its fiduciary duties to clients, Gordon Asset Management, LLC endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Gordon Asset Management, LLC or its related persons, in and of itself, creates a potential conflict of interest and may indirectly influence Gordon Asset Management, LLC's choice of TD Ameritrade, Inc. for custody and brokerage services.

Gordon Asset Management, LLC does not believe that clients whose accounts are held by TD Ameritrade, Inc. or Charles Schwab & Co. bear any additional costs in connection with Gordon Asset Management, LLC's receipt of the products and services. Furthermore, provision of these products and services is not contingent upon Gordon Asset Management,



LLC formally committing any specific amount of business to either custodian. Gordon Asset Management, LLC's receipt of these products and services creates a conflict of interest in connection with Gordon Asset Management, LLC's recommendation of a custodian. This would be the case with many custodians, not just TD Ameritrade, Inc. and Charles Schwab & Co. Also, some of the products and services listed above benefit clients whose accounts are held by other custodians, which could create a conflict of interest between the clients at TD Ameritrade, Inc. or Charles Schwab & Co., who are indirectly paying for the products and services, and the clients at other custodians who may benefit from the products and services.

TD Ameritrade, Inc. and Charles Schwab & Co. do NOT pay for Gordon Asset Management, LLC employees' travel and accommodation costs in connection with industry conferences.

As a standard practice, Charles Schwab & Co. reimburses clients for trade errors that result in a loss under \$100, regardless of whether the error is caused by Charles Schwab & Co. or Gordon Asset Management, LLC. TD Ameritrade, Inc. does not cover any trade error costs caused by Gordon Asset Management, LLC. Pershing.

Gordon Asset Management, LLC may receive client referrals from TD Ameritrade, Inc. As noted previously, Gordon Asset Management, LLC participates in the institutional advisor program offered by TD Ameritrade, Inc., which may create a conflict of interest for our clients. All decisions about custodians are made with our clients, based on their best interest. All fees and conflicts associated with the custodian referral program are disclosed to the client by TD Ameritrade, through their AdvisorDirect<sup>®</sup> Disclosure Brochure, TD Ameritrade Institutional's Form ADV, Part 2. Gordon Asset Management, LLC does not participate in the Charles Schwab & Co. referral program.

### **The Selection of Trading Counterparties:**

Gordon Asset Management, LLC can typically trade accounts held at TD Ameritrade, Inc., or Charles Schwab & Co. using other broker/dealers. However, both TD Ameritrade, Inc. and Charles Schwab & Co. may charge clients trade-away fees, which Gordon Asset Management, LLC believes outweigh any benefits from trading stocks, mutual funds, or ETFs with other brokers. Some separate account managers used by Gordon Asset Management, LLC will trade away when seeking best execution for the client. These costs are carefully weighed and the client is made aware of the cost prior to any transaction.

For clients who elect to have their accounts held by firms other than TD Ameritrade, Inc. or Charles Schwab & Co., Gordon Asset Management, LLC's approach is generally to trade stocks, mutual funds, closed-end funds and ETF's with the chosen custodian.

### **Best Execution Reviews:**

On a periodic basis, Gordon Asset Management, LLC's Chief Compliance Officer and other senior executives evaluate the pricing and services offered by TD Ameritrade, Inc., Charles Schwab & Co., Pershing, LLC, and other trading counterparties. Gordon Asset Management, LLC has sought to make a good-faith determination that both TD Ameritrade, Inc. and Charles Schwab & Co. provide clients with good services at competitive prices

### **Directed Brokerage**

Gordon Asset Management, LLC recommends that its clients utilize the brokerage and custodial services provided by Schwab and TD Ameritrade. Gordon Asset Management, LLC does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Gordon Asset Management, LLC will not seek better execution services or prices from other broker-dealers or be able to “batch” the client’s transactions for execution through other broker-dealers with orders for other accounts managed by Gordon Asset Management, LLC. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event the client directs Gordon Asset Management, LLC to effect securities transactions for the client’s accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Gordon Asset Management, LLC. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**Gordon Asset Management, LLC’s Chief Compliance Officer, Joseph Gordon, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

### **Aggregated Trades:**

Gordon Asset Management, LLC will periodically aggregate client equity trades, in an effort to ensure best execution and the fair treatment of all clients. Clients participating in a bunched order receive the same average price and incur trading costs that are the same as would be paid if they were trading individually. If an order is partially filled, clients will have their orders fully filled on a randomized basis. Gordon Asset Management, LLC will seek to complete any unfilled client orders on the next trading day.

### **Client Referrals:**

Gordon Asset Management, LLC does not compensate Charles Schwab & Co. for referring client accounts. However, Gordon Asset Management, LLC does compensate TD Ameritrade, Inc. for referrals received through their AdvisorDirect program. Please see below under “Client Referrals and Other Compensation” for more details on the AdvisorDirect program.

### **Schwab Institutional Intelligent Portfolio and Schwab Services**

In addition to portfolio management and other services, the Program includes the brokerage services of CS&Co, a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to use CS&Co

as custodian/broker to enroll in the Program, the client decides whether to do so and opens an account with CS&Co by entering into an account agreement directly with CS&Co. Gordon Asset Management, LLC does not open the account for the client. If the client does not wish to place his or her assets with CS&Co, then Gordon Asset Management, LLC cannot manage the client's account through the Program. As described in the Program Disclosure Brochure, SWIA may aggregate purchase and sale orders for ETFs across accounts enrolled in the Program, including both accounts for Gordon Asset Management, LLC's clients and accounts for clients of other independent investment advisory firms using the Program.

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms. Through Schwab Advisor Services, CS&Co provides Gordon Asset Management, LLC and our clients, both those enrolled in the Program and clients not enrolled in the Program, with access to its institutional brokerage services – trading, custody, reporting and related services – many of which are not typically available to CS&Co retail customers. CS&Co also makes available various support services. Some of those services help with the management or administration of clients' accounts while others help with the management and growth of business. CS&Co's support services described below are generally available on an unsolicited basis and at no charge. The availability of CS&Co's products and services is not based on Gordon Asset Management, LLC giving particular investment advice, such as buying particular securities for clients. Here is a more detailed description of CS&Co's support services:

CS&Co's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which Gordon Asset Management, LLC might not otherwise have access or that would require a significantly higher minimum initial investment by clients. CS&Co's services described in this paragraph generally benefit the client and the client's account.

CS&Co also makes available to us other products and services that are beneficial to the Firm but may not directly benefit the client or its account. These products and services assist in managing and administering clients' accounts. They include investment research, both Schwab's own and that of third parties. Gordon Asset Management, LLC may use this research to service all or some substantial number of clients' accounts, including accounts not maintained at CS&Co.

In addition to investment research, CS&Co also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

CS&Co also offers other services intended to help manage and further develop Gordon Asset Management, LLC's business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

CS&Co may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. CS&Co may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. CS&Co may also provide other benefits such as occasional business entertainment of personnel.

The availability of services from CS&Co benefits Gordon Asset Management, LLC because the Firm does not have to produce or purchase them. Gordon Asset Management, LLC does not have to pay for these services, and they are not contingent upon a commitment to any specific amount of business to CS&Co in trading commissions or assets in custody. With respect to the Program, as described above under *Item 4 Advisory Business*, Gordon Asset Management, LLC does not pay SWIA fees for its services in connection with the Program so long as \$100 Million in client assets is maintained in accounts at CS&Co that are *not* enrolled in the Program. In light of the arrangements with Schwab, Gordon Asset Management, LLC may have an incentive to recommend that clients maintain their accounts with CS&Co based on the Firm's interest in receiving Schwab's services that benefit business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. Gordon Asset Management, LLC believes, however, that the selection of CS&Co as custodian and broker is in the best interests of clients. It is primarily supported by the scope, quality and price of CS&Co's services and not Schwab's services that benefit only the Firm. Gordon Asset Management, LLC has adopted policies and procedures designed to ensure that the use of Schwab's services is appropriate for each client.

Gordon Asset Management, LLC's Chief Compliance Officer, Joseph Gordon, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

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

- A. Accounts under Gordon Asset Management, LLC's management are monitored on an ongoing basis by the Investment Policy Committee members and the Chief Compliance Officer. The Investment Policy Committee members review each account in detail on at least an annual basis, as well as in connection with each client meeting. On a periodic basis, the Investment Policy Committee members and the Chief Compliance Officer review client accounts. All investment supervisory clients are advised that it remains their responsibility to advise Gordon Asset Management, LLC of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review investment objectives and account performance with Gordon Asset Management, LLC on an annual basis.

- B. Gordon Asset Management, LLC may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, and client request.
- C. Clients should receive account statements, directly from their chosen custodian, on at least a quarterly basis. Gordon Asset Management, LLC supplements these custodial statements with performance reports on a quarterly basis, and also provides interim reports during client meetings, or as requested.

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

As referenced in Item 12.A.1 above, Gordon Asset Management, LLC can receive economic benefits from Schwab and/or TD Ameritrade including support services or products without cost (and/or at a discount). Gordon Asset Management, LLC's clients do not pay more for investment transactions effected and/or assets maintained at Schwab and/or TD Ameritrade as a result of these arrangements. There is no corresponding commitment made by Gordon Asset Management, LLC to Schwab, TD Ameritrade or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as a result of the above arrangement.

**Gordon Asset Management, LLC's Chief Compliance Officer, Joseph Gordon, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest created by these arrangements.**

If a client is introduced to Gordon Asset Management, LLC by either an unaffiliated or an affiliated solicitor, Gordon Asset Management, LLC may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. This solicitor payment may increase the fee the client otherwise would have paid Gordon Asset Management, LLC if dealing directly. If the client is introduced to Gordon Asset Management, LLC by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of their solicitor relationship, and shall provide each prospective client with a copy of Gordon Asset Management, LLC's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between Gordon Asset Management, LLC and the solicitor, including the compensation to be received by the solicitor from Gordon Asset Management, LLC.

Gordon Asset Management, LLC may receive client referrals from TD Ameritrade, Inc. through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, Gordon Asset Management, LLC may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade, Inc. of the assets in, and trades placed for, client accounts maintained with TD Ameritrade, Inc. TD Ameritrade, Inc. is a discount broker-dealer independent of and unaffiliated with Gordon Asset Management, LLC and there is no employee or agency relationship between them. TD Ameritrade, Inc. has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment

management services or financial planning services to independent investment advisors. TD Ameritrade, Inc. does not supervise Gordon Asset Management, LLC and has no responsibility for Gordon Asset Management, LLC's management of client portfolios or Gordon Asset Management, LLC's other advice or services. Gordon Asset Management, LLC pays TD Ameritrade, Inc. an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to Gordon Asset Management, LLC ("Solicitation Fee"). Gordon Asset Management, LLC will also pay TD Ameritrade, Inc. the Solicitation Fee on any advisory fees received by Gordon Asset Management, LLC from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired Gordon Asset Management, LLC on the recommendation of such referred client. Gordon Asset Management, LLC will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade, Inc. to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, Inc., please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

Gordon Asset Management, LLC's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade, Inc. will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade, Inc. and whose client accounts are profitable to TD Ameritrade, Inc. Consequently, in order to obtain client referrals from TD Ameritrade, Inc., Gordon Asset Management, LLC may have an incentive to recommend to clients that the assets under management by Gordon Asset Management, LLC be held in custody with TD Ameritrade, Inc. and to place transactions for client accounts with TD Ameritrade, Inc. In addition, Gordon Asset Management, LLC has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade, Inc. or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Gordon Asset Management, LLC's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

## **Item 15 - Custody**

Gordon Asset Management, LLC shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. In addition, Gordon Asset Management, LLC is deemed to have custody of client assets as per Rule 206(4)-2, and maintains custody in accordance with the Rule requirements. Client assets are maintained with qualified custodians. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for the client accounts.

Please Note: To the extent that Gordon Asset Management, LLC provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by The Welch Group with the account statements received from the account custodian. The account custodian does not verify the accuracy of Gordon Asset Management, LLC's advisory fee calculation.

**Please Also Note: Custody Situations:** Gordon Asset Management, LLC engages in other practices and/or services on behalf of its clients that require disclosure at the Custody section of Part I of Form ADV, which practices and/or services are subject to an annual surprise CPA examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940. **ANY QUESTIONS: Gordon Asset Management, LLC's Chief Compliance Officer, Joseph Gordon, remains available to address any questions a client or prospective client may have regarding custody.**

## **Item 16 - Investment Discretion**

Gordon Asset Management, LLC has investment discretion over some clients' accounts. Clients grant Gordon Asset Management, LLC trading discretion through the execution of Gordon Asset Management, LLC's investment advisory agreement.

Clients who have granted discretion can place reasonable restrictions on Gordon Asset Management, LLC's investment discretion. For example, some clients have asked Gordon Asset Management, LLC not to buy securities issued by companies in certain industries, or not to sell certain securities where the client has a particularly low tax basis.

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

Gordon Asset Management, LLC does not vote proxies. All proxies and other solicitations are mailed directly to the client from the custodian or transfer agent.

As described in the Program Disclosure Brochure, clients enrolled in the Program designate SWIA to vote proxies for the ETFs held in their accounts. Gordon Asset Management, LLC has directed SWIA to process proxy votes and corporate actions through and in accordance with the policies and recommendations of a third party proxy voting service provider retained by SWIA for this purpose. Additional information about this arrangement is available in the Program Disclosure Brochure. Clients who do not wish to designate SWIA to vote proxies may retain the ability to vote proxies themselves by signing a special CS&Co form available from us.

## **Item 18 - Financial Information**

- A. Gordon Asset Management, LLC does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Gordon Asset Management, LLC is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Gordon Asset Management, LLC has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: Gordon Asset Management, LLC's Chief Compliance Officer, Joseph Gordon, remains available to address any questions a client or prospective client may have regarding the above disclosures and arrangements.**