

Uniform Application for Investment Adviser Registration

Name of Investment Adviser: INTERACTIVE CAPITAL MANAGEMENT COMPANY				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code Telephone Number
14090 Southwest Freeway #300	Sugar Land	TX	77478	(713) 521-9525

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)
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Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

1. A. Advisory Services and Fees. (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

<input type="checkbox"/>	(1)	Provides investment supervisory services	_____	%
<input checked="" type="checkbox"/>	(2)	Manages investment advisory accounts not involving investment supervisory services	60	%
<input checked="" type="checkbox"/>	(3)	Furnishes investment advice through consultations not included in either service described above	15	%
<input type="checkbox"/>	(4)	Issues periodicals about securities by subscription	_____	%
<input type="checkbox"/>	(5)	Issues special reports about securities not included in any service described above	_____	%
<input type="checkbox"/>	(6)	Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities	_____	%
<input checked="" type="checkbox"/>	(7)	On more than an occasional basis, furnishes advice to clients on matters not involving securities	25	%
<input type="checkbox"/>	(8)	Provides a timing service	_____	%
<input type="checkbox"/>	(9)	Furnishes advice about securities in any manner not described above	_____	%

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? Yes No

C. Applicant offers investment advisory services for: (check all that apply)

<input checked="" type="checkbox"/>	(1)	A percentage of assets under management	<input type="checkbox"/>	(4)	Subscription fees
<input checked="" type="checkbox"/>	(2)	Hourly charges	<input type="checkbox"/>	(5)	Commissions
<input checked="" type="checkbox"/>	(3)	Fixed fees (not including subscription fees)	<input type="checkbox"/>	(6)	Other

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of Clients — Applicant generally provides investment advice to: (check those that apply)

<input checked="" type="checkbox"/>	A.	Individuals	<input checked="" type="checkbox"/>	E.	Trusts, estates, or charitable organizations
<input type="checkbox"/>	B.	Banks or thrift institutions	<input checked="" type="checkbox"/>	F.	Corporations or business entities other than those listed above
<input type="checkbox"/>	C.	Investment companies	<input type="checkbox"/>	G.	Other (describe on Schedule F)
<input checked="" type="checkbox"/>	D.	Pension and profit sharing plans			

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- A. Equity securities H. United States government securities
- (1) exchange-listed securities
- (2) securities traded over-the-counter I. Options contracts on:
- (3) foreign issuers (1) securities
- B. Warrants (2) commodities
- C. Corporate debt securities (other than commercial paper) J. Futures contracts on:
- D. Commercial paper (1) tangibles
- E. Certificates of deposit (2) intangibles
- F. Municipal securities K. Interests in partnerships investing in:
- G. Investment company securities: (1) real estate
- (1) variable life insurance (2) oil and gas interests
- (2) variable annuities (3) other (explain on Schedule F)
- (3) mutual fund shares L. Other (explain on Schedule F)

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- (1) Charting (4) Cyclical
- (2) Fundamental (5) Other (explain on Schedule F)
- (3) Technical

B. The main sources of information applicant uses include: (check those that apply)

- (1) Financial newspapers and magazines (5) Timing services
- (2) Inspections of corporate activities (6) Annual reports, prospectuses, filings with the Securities and Exchange Commission
- (3) Research materials prepared by others (7) Company press releases
- (4) Corporate rating services (8) Other (explain on Schedule F)

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- (1) Long term purchases (5) Margin transactions
(securities held at least a year)
- (2) Short term purchases (6) Option writing, including covered options, uncovered
(securities sold within a year) options, or spreading strategies
- (3) Trading (securities sold within 30 days) (7) Other (explain on Schedule F)
- (4) Short sales

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

● name	● formal education after high school
● year of birth	● business background for the preceding five years

7. Other Business Activities. (check those that apply)

A. Applicant is actively engaged in a business other than giving investment advice.

B. Applicant sells products or services other than investment advice to clients.

C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

A. Applicant is registered (or has an application pending) as a securities broker-dealer.

B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.

C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:

<input type="checkbox"/> (1) broker-dealer	<input type="checkbox"/> (7) accounting firm
<input type="checkbox"/> (2) investment company	<input type="checkbox"/> (8) law firm
<input type="checkbox"/> (3) other investment adviser	<input type="checkbox"/> (9) insurance company or agency
<input type="checkbox"/> (4) financial planning firm	<input type="checkbox"/> (10) pension consultant
<input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant	<input type="checkbox"/> (11) real estate broker or dealer
<input type="checkbox"/> (6) banking or thrift institution	<input type="checkbox"/> (12) entity that creates or packages limited partnerships

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? Yes No

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? Yes No
-

(If yes, describe on Schedule F.)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Advisor's relationship with a client typically begins with a written engagement agreement to prepare a written financial plan. After delivery of the financial plan, the client at his/her option may engage the subsequent services of the advisor to review and update the written financial plan, either quarterly, semi-annually, or annually. The review could include all the factors contained in the original written plan, changes in the client's circumstances and goals and, if applicable, factors added as a result of changes in the tax laws. Reviews include analysis of investment performance and recommendations. Reviewers could include (1) Curtis A. Smith, CFP(R), or (2) an account manager who would be an employee of applicant with academic and/or business background in finance/investments. Reviewer would be assigned 75 or fewer accounts and instructed to check asset allocation percentages within the total portfolio, depending on investment account investment objectives, and to check performance of bond & equity mutual funds against broadly based stock and bond market indexes.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Client may engage the advisor for review and updating of his/her original plan. This review and update may be prepared quarterly, semi-annually, or annually. Their report may be comprised of the information regularly provided clients or a variation of this information as agreed upon by client and the applicant. In either case, current financial information relevant to the client's situation, needs or objectives will be provided.

Clients with investment supervisory services receive a statement of account, together with an individual listing of security performance within the account for the quarter on a calendar quarterly basis, or an annual basis if agreed upon.

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

12. Investment or Brokerage Discretion.

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
- | | | |
|--|--------------------------|-------------------------------------|
| (1) securities to be bought or sold? | Yes | No |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | Yes | No |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (3) broker or dealer to be used? | Yes | No |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (4) commission rates paid? | Yes | No |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

- B. Does applicant or a related person suggest brokers to clients? Yes No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? Yes No
- B. directly or indirectly compensates any person for client referrals? Yes No

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? Yes No

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: INTERACTIVE CAPITAL MANAGEMENT COMPANY	IRS Empl. Ident. No.: 76-0348837
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Item of Form (identify)	Answer
1D	<p>Registrant ("ICMC") is a fee-only financial planning and investment management firm. ICMC renders comprehensive (or focused) financial planning and other related financial advisory services to individuals primarily for whom it also delivers investment management services. ICMC provides investment supervisory services for most individual clients such that ICMC considers the individual financial planning needs of the clients in making investment recommendations. ICMC services include:</p> <p><u>Comprehensive Financial Planning Service</u></p> <p>This is a comprehensive financial planning and investment advisory service designed to enable clients to achieve their life goals. This service includes:</p> <p>Financial Plan</p> <ul style="list-style-type: none"> • Goal Setting and Goal Achievement • Cash Management Planning • Income Tax Review (Note: Since the Registrant is not a Tax Attorney, Certified Public Accountant or Enrolled Agent, the firm cannot offer accounting or specific tax advice. The income tax review is intended to identify planning opportunities in conjunction with the comprehensive plan. Any suggestions made should be discussed with a tax advisor prior to implementation) • Investment Review, Management and Asset Allocation for Enhanced Returns • Insurance, Risk Analysis and Risk Reduction <ul style="list-style-type: none"> • Property and Casualty • Excess Liability • Health and Disability • Long Term Care • Life Insurance • Retirement Planning • College Expense Funding and Planning • Estate Plan Review (Note: Since the registrant is not an attorney and cannot offer legal advice or prepare legal documents, the estate plan review is intended to help identify gaps and/or planning opportunities only. Any suggestions made should be discussed with an attorney prior to implementation.) • Asset Protection Analysis • Elder Care Planning • Working with Client's tax advisor, attorneys, and insurance professionals to ensure integration of the Client's Financial Plan. (Note: Initial reviews/planning include an analysis of the Client's existing situation and specific recommendations for improvement).

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: INTERACTIVE CAPITAL MANAGEMENT COMPANY	IRS Empl. Ident. No.: 76-0348837
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Item of Form (identify)	Answer
	<p>Investment Plan</p> <ul style="list-style-type: none"> • Investment Policy Design • Tailored asset allocation • Specific investment recommendations • Implementation and maintenance support <ul style="list-style-type: none"> • Account establishment and/or account transfer assistance • Asset allocation and transaction recommendations • Quarterly reports <p>Note: Investment services are provided on a non-discretionary basis only. No transactions will be made without the Client's prior approval.</p> <p><u>Ongoing Implementation and Coordination of the Financial Plan</u></p> <p>The Comprehensive Financial Planning Service includes ongoing support for implementation, review and updating the Client's Financial Plan and Investment Plan.</p> <ul style="list-style-type: none"> • Unlimited support to the Client for any areas covered by the Client's plans. • By updating and returning requested information to the Registrant, Client triggers a review of one (or more) of the plan areas, ensuring the ongoing update and integration of the Client's Financial and Investment Plans. If the Client fails to update and return the requested information, the Registrant will not have the information necessary to fulfill this part of the service. • Quarterly, or annual investment reports to clients, as Client's individual agreement states. <p>Comprehensive Financial Planning does not include:</p> <ul style="list-style-type: none"> • Tax Preparation • Tax Advice • Legal Counsel • Discretionary Asset Management • Buy recommendations on individual stock securities based upon past or anticipated future performance. However, tax-based individual stock sales and stock option strategies recommendations are provided). • Business Planning

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: INTERACTIVE CAPITAL MANAGEMENT COMPANY	IRS Empl. Ident. No.: 76-0348837
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Item of Form (identify)	Answer
	<p><u>Legal Pad Financial Plan</u></p> <p>This service is for those beginning or requiring coaching regarding their financial journey. The firm will provide recommendations for cash flow management, investments, retirement planning, insurance needs, education planning, as well as specific issues or areas of concern requested by Client. Recommendations will be verbal and if necessary, written on a legal pad for Client. Registrant will work with Client to coordinate the implementation of recommendations in the plan.</p> <p><u>The following listed services are available only to those existing Clients with an executed advisory agreement with Registrant dated prior to January 1, 2006.</u></p> <p>Financial and Consulting Services</p> <p>This service is provided for clients seeking:</p> <ul style="list-style-type: none"> • Advice on specific financial issues • Coaching assistance in addressing a particular financial topic • Validation for an approach the Client is considering in dealing with a particular issue <p>Employee Stock Option Strategies</p> <p>This service is for those seeking assistance in determining how to manage the myriad financial decisions associated with nonqualified (also known as nonstatutory), restricted stock, share appreciation rights, and incentive stock options granted by an employer.</p> <p>Investment Plan Design</p> <p>This service is for the Client who desires professional assistance in developing an Investment Plan, but who does not desire the implementation and monitoring assistance associated with the comprehensive financial planning service. This service includes:</p> <ul style="list-style-type: none"> • Financial goal establishment • Investment policy design • Tailored asset allocation • Specific investment recommendations

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: INTERACTIVE CAPITAL MANAGEMENT COMPANY	IRS Empl. Ident. No.: 76-0348837
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Item of Form (identify)	Answer
	<p>Investment Management Service</p> <p>This service is for those Clients who want assistance in designing, implementing and monitoring an Investment Plan. This service includes:</p> <ul style="list-style-type: none"> • Financial goal establishment • Investment policy design • Tailored asset allocation • Specific investment recommendations • Implementation and plan maintenance support • Unlimited support to the Client for the Investment Plan (Note: Issues outside the scope of the Investment Plan may be handled as part of the Financial Consulting Service). • Account establishment and/or account transfer assistance • Ongoing portfolio monitoring • Asset Allocation and transaction recommendations • Quarterly reports <p>(Note: Investment management services are provided on a non-discretionary basis only. No transactions will be made without the Client's prior approval).</p> <p align="center"><u>Interactive Capital Management Fees and Compensation</u></p> <p>Interactive Capital Management is a fee-only financial and investment management firm. Our mission is to eliminate all conflicts of interest between Registrant ("ICMC") and the Client. ICMC does not take mutual fund commissions or 12b-1 fees in relation to any product recommended.</p> <p>Comprehensive Financial Planning Service:</p> <p>Initial comprehensive financial planning fees vary depending on the complexity of the engagement. ICMC reserves the right to tailor fees to the engagement. A fixed fee of 25% is due upon execution of the advisory agreement and is for the initial quarter of financial planning activity. The balance will be due each quarter thereafter in advance on the first of the month in 25% increments.</p> <p>Ongoing Implementation and Coordination of the Financial Plan</p> <p>This service begins upon completion of the initial comprehensive financial plan. There are two services ICMC offers to Clients.</p>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: INTERACTIVE CAPITAL MANAGEMENT COMPANY	IRS Empl. Ident. No.: 76-0348837
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Item of Form (identify)	Answer										
	<p>Fixed Fee Retainer: This service addresses all issues of the financial plan on an annual or as-needed basis. Estate planning, executive compensation and stock options, elder care planning and insurance planning are addressed on a two-year rotational basis. This service includes investment management of the Client's portfolio.</p> <p>Investment Advisory Agreement for Mutual Fund Accounts: This service is for investment management of the Client's portfolio only. It does not provide for updating any portion of the Client's comprehensive financial plan on an ongoing basis.</p> <p>Fees for this service are based on the quarter-end value of the Client's accounts. The schedule for this service is as follows:</p> <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Value of the Account</th> <th style="text-align: right;">Advisor's Annual Fee</th> </tr> </thead> <tbody> <tr> <td>Amount between \$ 0 and \$ 1,000,000</td> <td style="text-align: right;">1.00%</td> </tr> <tr> <td>Amount between \$1,000,001 and \$ 2,000,000</td> <td style="text-align: right;">0.75%</td> </tr> <tr> <td>Amount between \$ 2,000,001 and \$ 4,000,000</td> <td style="text-align: right;">0.50%</td> </tr> <tr> <td>Amount over \$ 4,000,001</td> <td style="text-align: right;">0.25%</td> </tr> </tbody> </table> <p>Note: These fees are "stepped," i.e. the rate of 1.00% applies to the first \$1,000,000; the .75% rate applies to the value of the portfolio between \$ 1,000,001 and \$ 2,000,000, etc.</p> <p>Portfolio value includes: money market funds, certificates of deposit, mutual funds, annuities, individual securities, Section 529 college savings plans, IRAs, and defined contribution retirement plans, including employer 401K plans where possible. The portfolio value does not include: bank accounts, savings bonds, insurance cash value, net value of vested stock options, real estate properties, Client's residence and/or other homes, or defined benefit retirement plans. Portfolio value is based upon closing prices on the last business day of the calendar quarter.</p> <p>These fees are in addition to the operating expenses every mutual fund incurs, which expenses are paid by the fund's shareholders. Although some mutual funds utilized by Registrant charge 12b-1 fees to advisory Clients through their mutual funds, Clients should know Registrant does not receive or accept 12b-1 fees as additional compensation from the mutual fund or any brokerage firm.</p> <p>This quarterly fixed fee is cancelable anytime without restriction. Fees are due quarterly in advance and a pro-rata refund will be paid to Client if cancelled within any quarter.</p>	Value of the Account	Advisor's Annual Fee	Amount between \$ 0 and \$ 1,000,000	1.00%	Amount between \$1,000,001 and \$ 2,000,000	0.75%	Amount between \$ 2,000,001 and \$ 4,000,000	0.50%	Amount over \$ 4,000,001	0.25%
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Amount between \$ 0 and \$ 1,000,000	1.00%										
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Item of Form (identify)	Answer																								
	<p><u>Legal Pad Financial Plan</u></p> <p>This service is provided for a minimum flat fee of \$ 1,200 per year. This fee may increase as complexity warrants. Fees are paid quarterly in advance upon the commencement of the project. Registrant will meet with Client one time per year to review the planning and progress achieved by Client. Client is responsible for all investment transactions and establishing investment accounts, unless Client accepts a higher fee for Registrant performing these tasks.</p> <p><u>The following listed services are available only to those existing Clients with an executed advisory agreement with Registrant dated prior to January 1, 2006.</u></p> <p>Financial and Consulting Services</p> <p>Fees for this service are charged on an hourly basis, which includes \$ 140 for professional CFP®, \$ 120 for Para planner services, and \$ 40 for administrative assistant services.</p> <p>Investment Management Services</p> <p>Fees for this service are a percentage of the market value of assets under management:</p> <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Portion of Portfolio Rate</th> <th style="text-align: left;">Quarterly Rate</th> <th style="text-align: left;">Equivalent Annual</th> </tr> </thead> <tbody> <tr> <td>\$0 to \$ 500,000</td> <td>0.2500%</td> <td>1.00%</td> </tr> <tr> <td>\$500,000 to \$1,000,000</td> <td>0.2250%</td> <td>0.90%</td> </tr> <tr> <td>\$1,000,001 to \$2,000,000</td> <td>0.2125%</td> <td>0.85%</td> </tr> <tr> <td>\$2,000,001 to \$3,000,000</td> <td>0.1875%</td> <td>0.75%</td> </tr> <tr> <td>\$3,000,001 to \$ 4,500,000</td> <td>0.1625%</td> <td>0.65%</td> </tr> <tr> <td>\$4,500,001 to \$5,000,000</td> <td>0.1375%</td> <td>0.55%</td> </tr> <tr> <td style="text-align: center;">> \$ 5,000,001</td> <td colspan="2" style="text-align: center;">Negotiable</td> </tr> </tbody> </table> <p>Note: These fees are “stepped,” i.e. the rate of 1.00% applies to the first \$500,000; the .90% rate applies to the value of the portfolio between \$ 500,000 and \$ 1,000,000, etc.</p>	Portion of Portfolio Rate	Quarterly Rate	Equivalent Annual	\$0 to \$ 500,000	0.2500%	1.00%	\$500,000 to \$1,000,000	0.2250%	0.90%	\$1,000,001 to \$2,000,000	0.2125%	0.85%	\$2,000,001 to \$3,000,000	0.1875%	0.75%	\$3,000,001 to \$ 4,500,000	0.1625%	0.65%	\$4,500,001 to \$5,000,000	0.1375%	0.55%	> \$ 5,000,001	Negotiable	
Portion of Portfolio Rate	Quarterly Rate	Equivalent Annual																							
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: INTERACTIVE CAPITAL MANAGEMENT COMPANY	IRS Empl. Ident. No.: 76-0348837
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Item of Form (identify)	Answer
	<p>Portfolio value includes: money market funds, certificates of deposit, mutual funds, annuities, individual securities, Section 529 college savings plans, IRAs, and defined contribution retirement plans, including employer 401K plans where possible. The portfolio value does not include: bank accounts, savings bonds, insurance cash value, net value of vested stock options, real estate properties, Client's residence and/or other homes, or defined benefit retirement plans. Portfolio value is based upon closing prices on the last business day of the calendar quarter.</p> <p>These fees are in addition to the operating expenses every mutual fund incurs, which expenses are paid by the fund's shareholders. Although some mutual funds utilized by Registrant charge 12b-1 fees to advisory Clients through their mutual funds, Clients should know Registrant does not receive or accept 12b-1 fees as additional compensation from the mutual fund or any brokerage firm.</p> <p>Other Fee-Related Issues</p> <p style="text-align: center;">Agreement Termination and Fee Refunds</p> <p>The Client agreement between the Registrant and the Client will continue in effect until terminated by either party by written notice. The Registrant may terminate the Client Agreement at any time without cause. The Client may terminate the agreement within 5 business days of signing the agreement and receive a full reimbursement of any fees paid. After five days, the Client will be billed the Registrant's for time spent working on the plan at the firm's hourly rate with a minimum fee of \$ 560. Advance billings are refundable on a pro-rata basis if the agreement is cancelled by either party according to its terms. A Client may get a refund by asking for one in writing and they will receive any unused portion of their fee.</p> <p style="text-align: center;">Fee Deduction For Comprehensive Financial Planning Services</p> <p>The Registrant recommends Comprehensive Financial Planning Clients to establish a money market account with TD Ameritrade so Client fees may be deducted from that account after invoices are issued at the end of the reporting period. Client has the option to pay the fees directly to ICMC noting that interest charges could accrue if not paid within ten (10) days of the date of the billing. Unless the Client directs otherwise, Registrant shall generally recommend all investment management accounts be maintained at TD Ameritrade. Prior to engaging Registrant to provide investment management services, the Client will be required to enter into a formal Client Agreement with Registrant setting forth the terms and conditions under which Registrant shall manage the Client's assets.</p>

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	<p>Both the Registrant's Client Agreement and the custodian's custodial/clearing agreement may authorize the custodian to debit the amount of the Registrant's investment management fee and to directly remit that management fee to the Registrant in accordance with required SEC procedures.</p> <p style="text-align: center;">Billing Frequency</p> <p>For Comprehensive Financial Planning and Investment Management Clients with their permission, fees are deducted from their money market fund on a quarterly basis at the beginning of the quarter. Financial Consulting Service Clients are billed monthly in arrears and/or at the completion of the engagement. Investment Management Clients with agreements prior to January 1, 2006 can elect to pay statements personally. Investment Management fees are payable in arrears for clients whose tenure with Registrant dates prior to September 3, 1992. If after September 3, 1992, fees are paid in advance.</p> <p style="text-align: center;">Travel</p> <p>Clients may be charged for travel expenses incurred by the Registrant when traveling for the benefit of the Client. Clients will be provided an estimate of cost in advance. If several Clients are located in close proximity, the travel expense may be shared pro-rata.</p> <p style="text-align: center;">Fund Fees, Brokerage Fees & Custodial Fees</p> <p>Registrant intends to recommend that its Clients primarily allocate their investment management assets among various individual debt and equity securities, and no-load mutual funds, on a non-discretionary basis, in accordance with the investment objectives of each Client. As discussed above, unless the Client directs otherwise, Registrant shall generally recommend that TD Ameritrade or Vanguard serve as the broker-dealer/custodian for Client investment management assets. Depending on the type of investment, TD Ameritrade or Vanguard may charge a transaction fee for affecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity/debt securities transactions). In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, the Client will also incur, relative to all mutual fund purchases, charges imposed at the mutual fund level (i.e. management fees and other fund expenses).</p>

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	<p>Factors which the Registrant considers in recommending TD Ameritrade or Vanguard (or any other broker-dealer/custodian) to Clients include TD Ameritrade or Vanguard's respective financial strength, reputation, execution, pricing, research, and service. TD Ameritrade and Vanguard enable Registrant to obtain many no-load mutual funds without transaction charges and other no-load and load waived funds at nominal transaction charges. TD Ameritrade and Vanguard charge transaction fee rates which are generally considered discounted from customary retail brokerage transaction fee rates. The transaction fees charged by TD Ameritrade and Vanguard may be higher or lower than those charged by other broker-dealers. The Registrant will not receive any portion of the transaction fees charged to its Clients.</p> <p>In return for effecting securities transactions through TD Ameritrade or Vanguard or other designated broker-dealer/custodian, Registrant may receive certain investment research products and/or services which assist the Registrant in its investment decision-making process for the Client, all of which transactions shall be in accordance with Section 28(e) of the Securities Exchange Act of 1934. The transaction fees charged by TD Ameritrade or Vanguard or other designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. Although the transaction fees paid by Registrant's Clients shall comply with the Registrant's duty to obtain best execution, a Client may pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the transaction fee is reasonable in relation to the value of the brokerage and research services received. 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 broker-dealer services, including the value of research provided, execution capability, transaction fee rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible transaction fee rate for Client account transactions. Although the investment research products and/or services that may be obtained by Registrant will generally be used to service all of Registrant's Clients, a transaction fee paid by a specific Client may be used to pay for research that is not used in managing that specific Client's account.</p>

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	<p>Fund Fees. The fee that the Registrant charges is separate and distinct from the fees charged by mutual funds or exchange traded funds to their shareholders. The fund's fees and expenses are described in the fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee which range from 0.0% to 2.0%. If the fund also imposes sales charges, a Client may pay an initial or deferred sales charge, although the Registrant does not typically recommend funds with sales charges. If the fund imposes a transaction fee (0.0% to 1.0%), a Client may pay an initial fee to get into the fund. A Client may invest in a mutual fund directly, without the services of the Registrant. Accordingly, the Client should review both the fees charged by the funds and the fees charged by the Registrant to fully understand the total amount of fees to be paid.</p> <p>Custodian Fees. Clients may be charged fees by custodian of the investments, e.g. an annual fee for an IRA, a low balance fee, or other fees in accordance with the policies of the particular custodian. In most instances, these fees are \$ 25 or less. The Registrant does not require the use of a particular custodian other than for the money market account of Comprehensive or Investment Management Clients.</p> <p>Brokerage Fees. Clients may incur transaction fees associated with the purchase of individual stocks, exchange traded funds, and/or mutual funds. In most instances, these fees are \$ 40 or less. These fees are set by the brokerage firm used for the transaction and are paid by the Client. Note: The Registrant does not require the use of a particular broker.</p> <p style="text-align: center;">Performance-Based Fees</p> <p>The Registrant does not charge performance-based fees.</p> <p style="text-align: center;">Fee Schedule and Minimum Fees</p> <p>Client fees are based upon the fee schedule in effect at the time the Client Agreement is signed. Clients who engaged the Registrant prior to the date of this disclosure form may continue to be charged the fee schedule and fee minimums in the disclosure form in effect at the time they signed their Client Agreement.</p> <p>Clients may be charged a fee less than ICMC's standard fee schedule. ICMC reserves the right to provide courtesy discounts to extended family members who may not qualify under our normal standard or for Investment Management accounts in excess of \$ 2,000,000.</p>

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2	<p>Other Client Agreement Issues</p> <p>Registrant's Clients are advised to promptly notify the Registrant if there are ever any changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon Registrant's management services.</p> <p>Neither the Registrant nor the Client may assign the Client Agreement without the prior written consent of the other party. Transactions that do not result in a change of actual control or management of the Registrant shall not be considered an assignment.</p> <p>A copy of Registrant's written disclosure statement as set forth on Part II of Form ADV shall be provided to each Client prior to, or contemporaneously with, the execution of the Client Agreement. Any Client who has not received a copy of Registrant's written disclosure statement at least 48 hours prior to executing the Client Agreement shall have five (5) business days subsequent to executing the agreement to terminate the Registrant's services without penalty.</p>
3	<p><u>Types of Clients</u></p> <p>Services are provided to individuals, families, partnerships, closely held businesses, trusts and qualified retirement plans.</p>
4	<p><u>Types of Investments</u></p> <p>The Registrant believes no-load mutual funds represent the best alternative for creating and maintaining a broadly diversified portfolio for long-term success. Registrant believes in the core asset class approach to investment portfolio construction. For the core asset classes, index mutual funds and/or exchange traded funds may be utilized. Satellite asset classes are those less followed and analyzed and may be utilized as warranted.</p>
4	<p><u>Methods of Analysis, Investment Strategies and Risk of Loss</u></p> <p>Registrant ("ICMC") believes in a broadly diversified portfolio. ICMC practices integrated asset allocation and believes that asset allocation --- the way a Client's portfolio holdings are divided among stocks, bonds and cash equivalents --- is an important determinant of the investment results over time. ICMC uses eight (8) asset classes overall, and adheres to the following categorization:</p>

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	<p>U.S. Stocks (small, mid and large cap) Real Estate Foreign (Non-U.S. small, mid and large cap) Foreign Bonds (Non-U. S.) U. S. Bonds (short, intermediate and long-term)Cash Equivalents Special Situations (sectors) Commodity-Linked Assets</p> <p>ICMC defines U.S. Stocks, Foreign Stocks, U.S. Bonds and Cash Equivalents as strategic asset classes. Generally, these asset classes will maintain a majority exposure in client’s portfolios. ICMC defines Real Estate, Special Situations, Foreign Bonds and Commodity-Linked Assets as tactical asset classes. These asset classes will have a minority exposure in Client portfolios. Tactical asset classes may be increased when economic conditions favor one or more of these asset classes.</p> <p>Long Term Asset Allocation</p> <p>Understanding the Client’s willingness to accept risk leads to the development of a tailored asset allocation that attempts to match risk tolerance. Generally, the more asset classes that can be added to a portfolio, the less risky the overall portfolio. This is because different asset classes react differently to the current state of the economy. While some asset classes are performing poorly at a particular point in time, others may be performing very well; thus, reducing the overall portfolio volatility.</p> <p>After the portfolio is fully invested according to the client’s investment policy, ICMC monitors the portfolio and periodically rebalances the portfolio to the agreed upon original asset allocation tenets. ICMC's approach to rebalancing is not one that typically results in many significant adjustments over short periods of time. Rather, rebalancing changes tend to be gradual and often occur only once, or twice each year.</p>

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5&6	<p>Risk/Return</p> <p>Suitability of a particular investment vehicle is driven by the tradeoff between risk and return.</p> <ul style="list-style-type: none"> • The greatest risk to one’s wealth in the short-term is market volatility. To minimize this impact for Clients, the Registrant ensures that funds needed in the short-term are segregated from the long-term portfolio (where the greatest market risk exists) and placed in an appropriate investment with greater principal security. • The greatest risk to one’s wealth in the long-term is inflation. To outpace the negative effects of inflation and taxes, history shows that one must have some equity (stock) holdings in the long-term portfolio. Despite the possibility of large price volatility in any particular year, the longer one holds equities the greater the likelihood of positive returns. It is because of this principle and the fact that equities outpace the returns of fixed income investments over time that the long-term portfolio is usually equity-heavy. • While historical returns may not be the best predictor of the future, it is the best information available upon which informed decisions can be made. <p>Basic Investing Tenets</p> <ul style="list-style-type: none"> • Saving, investing, and speculating are completely different – know which you are doing and why. • Recognize the trade-off between unplanned, short-term “needs” and achieving your life goals. • Establish an investment policy in keeping with your willingness to accept portfolio volatility. • Adhere to an asset allocation that supports your investment policy. • Avoid falling into the trap of chasing the latest, greatest investment – it’s probably too late to enjoy the big run-up, and it is likely to be one of the worst investments next year. • Limit the speculative portion of your long-term portfolio to a small percentage or to that above the amount needed to fund your goals. • Minimize costs – transactions and taxes. <p>Education and Business Background</p> <p>Interactive Capital Management Company is a Sub S Corporation, registered in the State of Texas. The President and sole shareholder of the corporation is Curtis A. Smith, CFP®, born in 1951.</p>

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7	<p>Education: Texas Tech University, School of Business Administration, Lubbock, TX. Double major in Personnel Management and Marketing. Awarded Bachelor of Business Administration (BBA) for each major, May, 1974.</p> <p>College for Financial Planning, Denver, Colorado. Completed requirements for and awarded confirmation as Certified Financial Planner (CFP®), June, 1984.</p> <p>Business Background:</p> <p>Since September 1991, Curtis has been President of Interactive Capital Management. Mr. Smith has been in the field of financial planning since 1980.</p> <p>Curtis is a member of:</p> <ul style="list-style-type: none"> • NAPFA: National Association of Personal Financial Advisors, one of 1800 advisors nationwide recognized as fee-only. • Houston Estate and Financial Forum • Financial Planning Association – National and Houston Chapter • Financial Planning Association – Houston Chapter Palliative Care <p>Other Business Activity Other Than Giving Investment Advice</p> <p>Interactive Capital Management devotes 100% of its time to its principal business which is providing comprehensive financial planning services. ICMC generally provides investment advisory services as they relate to that principal business.</p> <p>ICMC's sole shareholder, Curtis A. Smith, CFP® is a licensed life and health counselor in the State of Texas. This license allows the firm to provide evaluation of insurance products which is included in the Comprehensive Financial Planning Service and Legal Pad Financial Plan.</p>
8	<p>Arrangements Material to Investment Advisory Business</p> <p>The registrant recommends the use of discount and online brokers to Clients in order to minimize transaction costs. Both the services provided by the broker and the fees that the broker charges are considered before making a recommendation to the Client.</p>

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9	<p>The “arrangement” ICMC maintains with TD Ameritrade Institutional (a division of TD Ameritrade) is that ICMC generally recommends its Clients custody assets and execute trades with TD Ameritrade Institutional. TD Ameritrade will execute transactions as directed by ICMC. TD Ameritrade will not give investment advice to ICMC Clients. ICMC is not affiliated with, or controlled by, or employed by TD Ameritrade Institutional, and TD Ameritrade Institutional has not approved, recommended, or endorsed ICMC. TD Ameritrade has no duty to supervise or monitor trading by ICMC in Clients’ accounts. ICMC recommends TD Ameritrade because of TD Ameritrade’s overall business emphasis to work effectively with fee-only financial advisors such as ICMC via their Institutional Group. Among others, major benefits that accrue to ICMC Clients include access to capital markets, asset pricing, custody services, asset protection insurance and other related account-protection insurance, and “institutional” transaction fee arrangements.</p> <p>ICMC also recommends the Vanguard Group to Clients. If the Vanguard Group is utilized, Client agrees to provide ICMC with the user name and password and agrees that Registrant can use the access information material to provide services to Client.</p> <p>Participation or Interest in Client Transactions and Personal Trading</p> <p>The registrant does not have a proprietary or pecuniary interest in any investment product recommended. The Registrant is not an officer, director, partner (general or limited) in any security recommended to Clients.</p> <p>Employees of the Registrant may buy or sell securities identical to those recommended to Clients for their personal account. From a philosophical perspective, ICMC believes that the same securities recommended to Clients should be owned by related persons of ICMC, albeit in proportions consistent with each Client’s risk reward profile. ICMC’s investment recommendations to Clients generally consist mainly of investments in regulated investment companies (mutual funds).</p> <p>It is the expressed policy of the Registrant that no person employed by the Registrant may purchase or sell any security prior to a transaction being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory Clients.</p>

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10	<p>The registrant (or any related persons) may have an interest or position in a certain security that may also be recommended to a Client. As these situations may present a conflict of interest, the Registrant has established the following restrictions in order to ensure its fiduciary responsibilities:</p> <ol style="list-style-type: none"> 1. A director, officer, or employee of the Registrant shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of ICMC shall prefer his own interest to that of any advisory Client. 2. The Registrant maintains a list of all security holdings for itself, and anyone associated with the advisory practice with access to advisory recommendations. These holdings are reviewed on a quarterly basis by the president of the firm. 3. The Registrant requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisors. 4. The Registrant will not block personal trades with those Clients to ensure that Clients are not disadvantaged by this practice. 5. Any individual not in observance of the above may be subject to termination. <p>Registrant maintains a Code of Ethics for employees. Each employee is required to review the Code of Ethics annually and sign receipt accordingly. Clients of Registrant may request a copy of the Code of Ethics at no cost by requesting this document in writing to the Registrant.</p> <p>Conditions for Managing Accounts</p> <p>ICMC generally does not have a minimum account size, but usually imposes a minimum annual fee for services of \$ 1,200. Exceptions to this minimum fee include extensions of service for parties related to existing clients where ICMC believes the economies of scale are such that charging a lower fee for the incremental work is beneficial to both ICMC and the Client.</p>
12&13	<p>Investment or Brokerage Discretion & Additional Compensation</p> <p>The registrant does not take custody of Client funds. Nonetheless, if Client does send Registrant checks for investment, these are forwarded to TD Ameritrade or the appropriate custody agent within three business days. Registrant does not accept stock certificates; therefore Client is responsible for custody of stock certificates.</p>

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	<p>If Client authorizes, ICMC does vote mutual fund proxies only. ICMC does not vote individual stock proxies. Client authorizes TD Ameritrade to mail proxies from mutual funds to Registrant. Only Clients with TD Ameritrade accounts authorize this service. If Client's accounts are not with TD Ameritrade, Client will receive and vote proxies.</p> <p>ICMC has proxy voting policies and procedures. This is provided to Client upon request to Registrant.</p> <p>The Registrant does not take discretionary control over Client Accounts. While the Registrant will allow the Client to execute a limited power of attorney permitting the Registrant to execute trades on his/her behalf at TD Ameritrade or Vanguard, no trades are made without the expressed prior approval of the Client.</p> <p>The Registrant participates in programs for independent advisors offered by TD Ameritrade and the Vanguard Group. These broker/dealers and fund families and their services will be recommended to advisory clients when consistent with the Registrant's fiduciary duty to the Client.</p> <p>The Client should independently evaluate these brokers before opening an account. The factors considered by the Registrant when making this recommendation are the broker's ability to provide professional services, the Registrant's experience with the broker, the broker's reputation, and the broker's financial strength, among other factors. The Registrant does not require the use of any of these firms – the Client may use the broker of his/her choice. Nonetheless, if Client desires investment management services, without TD Ameritrade or Vanguard accounts, this service cannot be implemented.</p> <p style="text-align: center;">Research and Other Soft Dollar Benefits</p> <p>Although not a material consideration when determining whether to recommend that a Client utilize the services of TD Ameritrade or Vanguard, Registrant may receive computer software and services from TD Ameritrade or Vanguard, without cost, which allow Registrant to better monitor and service Client accounts maintained at TD Ameritrade and Vanguard. Registrant may receive the software and support without cost because Registrant renders investment management services to Clients that maintain accounts at TD Ameritrade and Vanguard, whose aggregate total assets at TD Ameritrade or Vanguard may exceed the established minimum required for an investment manager to receive software and support without cost.</p>

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	<p>As a participant in the TD Ameritrade and Vanguard programs for independent investment advisors, the Registrant receives economic benefits it would not receive if it did not provide advice to Clients. These benefits include: receipt of duplicate confirmations and bundled duplicate statements, access to a trading desk serving program participants exclusively, ability to have investment advisory fees deducted directly from Client accounts, access to an electronic communication network for Client order entry and account information, receipt of compliance information, discounts on reference products, an assigned service team, and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to Advisor investors. The benefits received through participation in such programs do not depend upon the amount of transactions directed to, or amount of assets custodied by these firms. As a result of these benefits, the Registrant uses these institutions as the “default” custodians when the Client does not have a brokerage relationship that he/she wishes to maintain.</p> <p>Periodically ICMC receives complimentary economic and investment research from mutual funds pertaining to the current investment outlook or strategy being used by the mutual fund. Additionally, ICMC is afforded access to mutual fund managers, analysts or other representatives in the form of face-to-face meetings or telephone conference calls.</p> <p>At the present time ICMC receives a discount on Morningstar’s CD-based Principia Plus via a special pricing arrangement. Otherwise, ICMC maintains and pays for research services apart from TD Ameritrade offerings. It is anticipated that ICMC may from time to time take advantage of group discount offers made available through TD Ameritrade if the direct cost to ICMC is less than an identical service acquired by ICMC outside of TD Ameritrade.</p> <p>ICMC does not participate in contests, nor accept indirect compensation or material gifts that could unduly influence ICMC’s investment decisions.</p> <p style="text-align: center;">Brokerage for Client Referrals</p> <p>To avoid a possible conflict of interest, the Registrant does not participate in Client referral programs offered by various brokerage firms, as there could be pressure to keep the Client with the referring firm even if it is not in the Client’s best interest.</p>

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	<p style="text-align: center;">Directed Brokerage</p> <p>The Registrant emphasizes the unrestricted right of the Client to select and choose any broker/dealer they wish. As the Registrant does not have the discretion to determine the broker/dealer to be used, Clients must direct the Registrant as to the broker/dealer or fund companies to be used for transactions in advisory accounts. If the Client does not have a preference, the Registrant will typically use one of the firms listed above because of the established relationship, the ability to receive Client information electronically, and the lower fees charged by these institutions in relation to what a full-service broker might charge. While these transaction costs and fees may not be as a low as some online and deep-discount brokers, these institutions meet the Registrant's criteria for professional, cost-effective service.</p> <p style="text-align: center;">Commissions & Blocking Trades</p> <p>The Registrant's financial planning practice, due to the nature of its business and Client needs, does not include "blocking" trades, negotiating transaction fees with broker/dealers or obtaining volume discounts, nor necessarily obtaining the best price. This practice could result in higher transaction charges on transactions than might be achieved at other brokerage firms.</p> <p style="text-align: center;">Referrals</p> <p>The Registrant is listed on the NAPFA (National Association of Personal Financial Advisers) consumer referral website. By doing so, the firm's logo and images of our professional staff are included with the biographical information. The only restriction regarding ongoing listing is continued membership in NAPFA.</p> <p>The Registrant is listed on the Financial Planning Association's consumer referral web site. The firm has elected to utilize the Financial Planning Association's Premium listing for an annual \$99 fee per professional payable to the Financial Planning Association. By doing so, the firm's logo and images of our professional staff are included with the biographical information. The only restriction regarding ongoing listing is continued membership in the Financial Planning Association.</p> <p>Typically, the Registrant receives most referrals from NAPFA, and secondarily from current Clients and other allied professionals, such as CPAs and Attorneys.</p>

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