

# **L.M. Kohn & Company Advisory Brochure**

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Cincinnati, OH 45242  
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December 1, 2016

## **Part 2A of Form ADV**

This Brochure provides information about the qualifications and business practices of L.M. Kohn & Company [LMK]. If you have any questions about the contents of this Brochure, please contact us at 513-792-0301 or [comment@lmkohn.com](mailto:comment@lmkohn.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

LMK is a Registered Investment Adviser firm. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

(Cover Page – Item 1)

## Material Changes (Item 2)

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### Annual Update

The Material Changes section of this brochure will be updated at least annually or when material changes occur since the previous release of the Firm Brochure.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

The entire brochure is available on our website, [www.lmkohn.com](http://www.lmkohn.com), under Form ADV/Privacy Notice. If you do not have access to the internet and would like to receive a complete copy of the brochure, please contact Andrew Kohn, Compliance Manager, at 513-792-0301 or [compliance@lmkohn.com](mailto:compliance@lmkohn.com). **If you would like to receive future updates by email instead of by mail, please send your request and email address to [compliance@lmkohn.com](mailto:compliance@lmkohn.com).**

### Material Changes since 05/24/2016.

None

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Education and Business Standards of the Investment Advisor Representatives are listed separately for each branch office. Clients will receive the supplement for their Investment Advisor Representative. The entire brochure is available on our website, [www.lmkohn.com](http://www.lmkohn.com), under Form ADV/Privacy Notice. If you do not have access to the internet and would like to receive a complete copy of the brochure, please contact Kristin Hobbs, Manager of Advisory Relations at 513-792-0301 or [kristinh@lmkohn.com](mailto:kristinh@lmkohn.com).

#001 ..... 10151 Carver Rd. Suite 100  
 ..... Cincinnati, OH 45242  
 ..... Doing Business As: L.M. Kohn & Company

#005 ..... 2794 Mack Rd.  
 ..... Fairfield, OH 45014  
 ..... Doing Business As: Lighthouse Agency Inc.

#009 ..... Towers of Kenwood, 8044 Montgomery Rd., Suite 700  
 ..... Cincinnati, OH 45236  
 ..... Doing Business As: Planning Works, LLC

#015 ..... 102 Union St.  
 ..... Norfolk, MA 02056  
 ..... Doing Business As: Retirement Educators

#019 ..... 2133 Luray Ave.  
 ..... Cincinnati, OH 45206  
 ..... Doing Business As: Pension Corporation of America

#023 ..... 1954 Evelyn Byrd Ave.  
 ..... Harrisonburg, VA 22801  
 ..... Doing Business As: Loomis Wealth Management, LLC

#024 ..... 9078 Union Centre Blvd., Suite 350  
 ..... West Chester, OH 45069  
 ..... Doing Business As: Kohn Wealth Management Advisors, LLC

#025 ..... 521 Barret Ave.  
..... Louisville, KY 40204  
..... Doing Business As: Green & Halliburton, Inc.

#028 ..... 1450 W. Long Lake Rd., Suite 150  
..... Troy, MI 48098  
..... Doing Business As: D.B. French & Company, LLC.

#028 ..... 1450 W. Long Lake Rd., Suite 150  
..... Troy, MI 48098  
..... Doing Business As: WealthLink

#028 ..... 1450 W. Long Lake Rd., Suite 150  
..... Troy, MI 48098  
..... Doing Business As: Maendel Wealth, Inc.

#028 ..... 1450 W. Long Lake Rd., Suite 150  
..... Troy, MI 48098  
..... Doing Business As: Pilot Money Management

#028 ..... 1450 W. Long Lake Rd., Suite 150  
..... Troy, MI 48098  
..... Doing Business As: Turner Investment Services, LLC.

#028 ..... 2205 Trautner Drive Suite 201  
..... Saginaw, MI 48604  
..... Doing Business As: Tanke Financial Group, LLC

#KY030 ..... 4350 Brownsboro Rd. Suite 110  
..... Louisville, KY 40207  
..... Doing Business As: Aldyn Capital LLC

#001 ..... 4965 U.S. Highway 42 Suite 1000 .....  
..... Louisville, KY 40222  
..... Doing Business As: Carpenter Wealth Management

#001 ..... 625 East Drinker Street  
..... Dunmore, PA 18512  
..... Doing Business As: 1st Financial Services, Inc.

#001 ..... 6200 West 9<sup>th</sup> St. Unit 3  
..... Greeley, CO 80634  
..... Doing Business As: L.M. Kohn & Company

#001 ..... 300 Congress Suite 104  
..... Quincy, MA 02169  
..... Doing Business As: Butler Benefit Brokers, Inc.

- #001 ..... 3710 N. Ridgewood Suite D  
..... Wichita, KS 67220  
..... Doing Business As: Preferred Pension Solutions
  
- #001 ..... 210 East Drinker Street.  
..... Dunmore, PA 18512  
..... Doing Business As: Conway Financial Group
  
- #001 ..... 10871 Yankee St.  
..... Centerville, OH 45458  
..... Doing Business As: Private Wealth & Retirement Services, Inc.
  
- #001 ..... 7333 Paragon Rd. #230  
..... Dayton, OH 45459  
..... Doing Business As: Vision Financial Partners
  
- # 001 ..... 70 West 40<sup>th</sup> St. 8<sup>th</sup> Floor  
..... New York, NY 10018  
..... Doing Business As: Gelman Pension Consulting Inc.
  
- #001 ..... 1000 N. Magnolia Ave.  
..... Orlando, FL 32803  
..... Doing Business As: L.M. Kohn & Company
  
- #001 ..... 323 W. 2<sup>nd</sup> St.  
..... Cedar Falls, IA 50613  
..... Doing Business As: Financial Designs, LLC
  
- #001 ..... 171 Londonderry Turnpike  
..... Hooksett, NH 03106  
..... Doing Business As: CGI Financial Services
  
- #001 ..... 2970 Peachtree Road #350  
..... Atlanta, GA 30305  
..... Doing Business As: Retirement Plan Services Company
  
- #001 ..... One West Court Square, Suite 750  
..... Decatur, GA 30030  
..... Doing Business As: Art Rosser Financial Services Group
  
- #001 ..... 9200 Montgomery Rd. Suite 9A  
..... Cincinnati, OH 45242  
..... Doing Business As: SureVest Financial, Inc.
  
- #001 ..... 300 E. Bremer Ave. Suite 220  
..... Waverly, IA 50677  
..... Doing Business As: Paradigm Benefits, LLC

#001 ..... 34 North Fort Thomas Ave.  
..... Fort Thomas, KY 41075  
..... Doing Business As: Citizens Financial Services

#001 ..... 14806 Floyd  
..... Overland Park, KS 66223  
..... Doing Business As: A. Turner Financial

#001 ..... 4243 Dunwoody Club Dr., Suite 204  
..... Dunwoody, GA 30350  
..... Doing Business As: L.M. Kohn & Company

#001 ..... 300 Church St.  
..... LaGrange, GA 30240  
..... Doing Business As: Charter Investment Services

#OH031 ..... 17601 W. 130<sup>th</sup> Street  
..... North Royalton, OH 44133  
..... Doing Business As: Healy Financial Services

#OH031 ..... 17601 W. 130<sup>th</sup> Street  
..... North Royalton, OH 44133  
..... Doing Business As: King Financial Inc.

#OH031 ..... 17601 W. 130<sup>th</sup> Street  
..... North Royalton, OH 44133  
..... Doing Business As: Pinzone Financial Services

#MO032 ..... 12412 Powerscourt Dr. Suite 150  
..... St. Louis, MO 63131  
..... Doing Business As: Millennium Financial



## Advisory Business (Item 4)

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### Firm Description

L. M. Kohn & Company (LMK) was founded in 1990 by Larry M. Kohn. The firm is registered with the SEC (Securities and Exchange Commission) as a Broker/Dealer with 110 registered reps and as a Registered Investment Adviser with 64 Investment Adviser Representatives. Some of our investment adviser representatives do business under separate names other than L.M. Kohn & Company, for purposes of marketing themselves and their services. They are not separately registered as investment advisers or broker-dealers. All agreements are with, and fees are paid to, L.M. Kohn & Company.

LMK provides personal financial planning and investment management to individuals, families and their related entities, trusts and estates, not for profit organizations, and family businesses. LMK works with clients to define financial objectives and to develop strategies for reaching those objectives, some of which may include: identification of financial problems, cash flow and budget management, tax planning, risk exposure review, investment management, education funding, retirement planning, estate planning, charitable goals, special needs planning, family business succession issues, fringe benefits, and/or other issues specific to the client. LMK also offers services to small businesses relating to the design, structure, implementation and administration of employee benefit plans.

As a securities broker-dealer, the firm sells products or services in addition to investment advisory services. These products and services include but are not limited to equity securities (exchange-listed securities, securities traded over-the-counter, foreign issues, etc.), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, mutual fund shares, etc.), United States governmental securities, and options contracts on securities. Investment advice is also provided in investments such as CMOs, Mortgage-backed securities, U.S. Government Territory (for example Guam and the Virgin Islands) investments, as well as interest rate and index options. No referral fees are paid or received for advisory accounts. No benefits are received from custodians/broker-dealers based on client securities transactions (“soft dollar benefits”).

Assets under the direct management of LMK are held by independent custodians, including RBC Correspondent Services, a division of RBC Capital Markets, LLC, or others, in the client’s name. LMK does not act as a custodian of client assets, although we may at times be considered by the SEC to technically have “custody” over certain types of accounts held at independent custodians.

We may recommend other professionals (e.g., lawyers, accountants, insurance agents, real estate agents, etc.) at the request of the client. Other professionals are engaged directly by the client on an as-needed basis even when recommended by the advisor. Conflicts of interest will be disclosed to the client and managed in the best interest of the client.

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### Principal Owners

Larry M. Kohn is a Director and President.

Carl R. Hollister is a Director, Executive Vice President, Chief Compliance Officer, and Chief Operating Officer.

Terrence Donnellon is a Director and Secretary. He is also separately employed as an attorney by Donnellon, Donnellon and Miller (DD&M), a law firm. Clients of LMK may be referred to DD&M and vice versa. However, no referral fees of any kind will be paid by either party for said referrals.

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## **Types of Advisory Services**

The primary type of advisory service offered by LMK is investment management and financial planning. In performing its services, LMK is not required to verify any information received from the client or from the client's other professionals. Each client is advised that it remains his/her responsibility to promptly notify LMK when there is any change in his/her financial situation and/or financial objectives for the purpose of reviewing, evaluating, or revising previous recommendations and/or services.

The following are typical investment planning arrangements offered to clients:

### **Investment Management Services**

This service includes financial planning, implementation, and ongoing asset management/monitoring services. This service may include identification of financial problems, cash flow and budget management, tax planning, risk exposure review, investment management, education funding, retirement planning, estate planning, charitable goals, small business planning issues, fringe benefits, special needs planning or other issues specific to the client. The engagement also includes implementation of recommendations accepted by client, unlimited telephone support, meetings as required, on-going financial planning services, reminders of the specific courses of action that need to be taken, and quarterly, semi-annual or annual written portfolio reviews as negotiated with each client. More frequent reviews may occur but are not necessarily communicated to the client unless significant changes are recommended.

### **FEE BASED PROGRAMS OFFERED THROUGH RBC CORRESPONDENT SERVICES:**

In a discretionary account, the customer gives the Portfolio Manager the authorization to make purchases and sales in the account without first obtaining the customer's permission. In a non-discretionary account, the portfolio manager must obtain the customer's permission to make purchases and sales. LMK advisory accounts may be non-discretionary or discretionary, as described in each advisory agreement.

### **ADVISOR:**

Customized, professional investment advice developing an asset allocation strategy suited to the client's needs. The Advisor Program allows the IAR to provide the client with customized, professional investment advice. The IAR develops an asset allocation strategy suited to the client's needs. This non-discretionary platform offers access to a wide variety of securities, no sales charges or transaction fees, complimentary Investment Account Access (Visa Gold Debit Card/Rewards Program) as well as free check writing.

### **UNBUNDLED MANAGED ACCOUNT SOLUTIONS (uMAS):**

An unbundled, managed account platform that offers an A La Carte offering list with quarterly performance reporting and flexible billing options as well as comprehensive portfolio management tools. These tools are chosen after the client and Financial Consultant review and execute the LMK RIA Agreement. Reports will include market commentary, summary reports, objective comparison statistics, asset allocation market values, cash flows, and portfolio evaluation. Outside Money Manager Portfolios may also be included in the reporting. The uMAS program also allows the IAR to provide the client with customized, professional investment advice. The IAR develops an asset allocation strategy suited to the client's needs. uMAS accounts may be non-discretionary or discretionary, as described in each advisory agreement.

## **RESOURCE II**

This program provides participants discretionary investment management services. The portfolio management services feature a select group of independent investment advisors which RBC Correspondent Services has previously reviewed as sub advisors in the program through a due diligence screening process. LMK will review the client's advisory needs, as well as other objectives and risk tolerances, and assist the client in selecting an appropriate advisor(s) from the group.

On occasion, either RBC Correspondent Services or LMK may suggest to a client that he or she replace an existing independent investment advisor with another. However, any change in independent advisor must be approved by the client. LMK and RBC Correspondent Services do not have discretion to change an independent advisor.

### **TOTAL STRATEGY ACCOUNT (TSA):**

A customized investment management program that allows for multiple money managers, mutual funds and exchange traded fund (ETF's) all in one account. The TSA platform provides a disciplined automatic rebalancing process across all investment in the client's portfolio. For taxable accounts, tax efficiency is improved by monitoring "wash sales" and short term gain exposure. This account platform provides consolidated in-depth reporting.

### **WEALTHBRIDGE PORTFOLIOS, LLC MANAGED BY ALDYN CAPITAL, LLC**

WealthBridge Portfolios, LLC are risk-based portfolios managed by Aldyn Capital, LLC. Aldyn Capital (Manager) has discretion in selecting the investments for the portfolios. WealthBridge Portfolios, LLC consist of seven risk-based model portfolios generally using Exchange Traded funds (ETF) as the investment vehicle. There may be circumstances where other types of investments may be utilized to obtain exposure to an asset class not available in an ETF or for other reasons. The risk tolerance for each investor will be determined using Riskalyze analysis software with investors selecting their acceptable level of risk and the corresponding WealthBridge portfolio. As a discretionary manager, Aldyn Capital may reduce the level of risk across portfolios for periods of time if manager feels more conservative investments are appropriate.

### **"Wrap" Program**

LMK offers a program whereby our investment adviser representative will manage clients' assets within a brokerage account for a single fee that includes portfolio management services, reporting and transaction costs. Under this program, we offer investment advice designed to assist clients with professional management of their investments for a convenient single "wrap fee." In a discretionary account, the customer gives the Portfolio Manager the authorization to make purchases and sales in the account without first obtaining the customer's permission. "Wrap" accounts may be non-discretionary or discretionary, as described in each advisory agreement. More information about the program is available in our Wrap Fee Brochure.

### **Model Portfolios**

For qualified clients, a small number of IAR's may recommend a predetermined model portfolio. When recommending a model portfolio, the Advisor takes into consideration suitability issues such as risk tolerance, investment objective, etc., however, it is disclosed to the client that the actual investment transactions in the portfolio are strictly governed by the model and not chosen by the advisor. These transactions do not take into consideration client tax sensitivity, time horizon, or other suitability considerations. The IAR has no control over the realized capital gains or losses (short term or long term) produced by the portfolio which may affect the customer's tax liabilities.

Depending on the model type, the IAR receives the information regarding portfolio changes either from email alerts, newsletters, or quarterly updates, therefore, the trades performed by the IAR will not be priced the same as the trades performed by the model. Past performance of the model does not guarantee future results. The investment

return and principal value of the investment when sold or redeemed may be worth more or less than the original cost.

Descriptions of the portfolio models offered by Investment Advisory Representative are located in the brochure supplement of that Advisor.

### **Financial Planning**

This service includes financial planning only. No implementation services or ongoing asset management services are provided. Financial planning may include identification of financial problems, cash flow and budget management, tax planning, risk exposure review, investment management, education funding, retirement planning, estate planning, charitable goals, small business planning issues, fringe benefits, special needs planning or other issues specific to the client. A written evaluation of the client's current situation and their goals is provided to the client.

At LMK, advisory services are tailored to the individual needs of clients. Client goals and objectives are clarified in meetings and via correspondence, and are used to determine the course of action for each individual client. The goals and objectives for each client are documented in our client relationship management system and in client files, either in hard copy or in electronic files.

Clients may impose restrictions on investing in certain securities or types of securities. This must be done in writing and be signed by the client, LMK and the separate account manager if applicable. Agreements may not be assigned without client consent.

In general, the financial plan will address any or all of the following areas of concern:

**PERSONAL:** Family records, budgeting, personal liability, estate information and financial goals.

**TAX & CASH FLOW:** Income tax and spending analysis and planning for the past, current and future years. LMK will illustrate the impact of various investments on a client's current income tax and future tax liability.

**DEATH AND DISABILITY:** Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.

**RETIREMENT:** Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.

**INVESTMENTS:** Analysis of investment alternatives and their effect on a client's portfolio.

LMK gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes toward risk. Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client, and a written report is prepared. Should a client choose to implement the recommendations contained in the plan, LMK suggests the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of the financial plan recommendations is entirely at the client's discretion.

Flat or hourly fees may be charged for LMK's Financial Planning services. Each Financial Plan will be unique and different for each client. Clients may choose to execute brokerage or insurance recommendations through the associated persons of LMK in their separate capacity as registered representatives of LMK, and independent insurance agents of various agencies.

Under these circumstances, these individuals will receive separate, yet customary commission compensation in this capacity. If LMK clients do not choose to implement recommendations through LMK, the firm may or may not be compensated for its Financial Planning service.

In addition, it is LMK's hope that these Financial Planning clients will opt to contract with LMK for money management services. However, Financial Planning clients are free to use any adviser they choose.

### **Money Manager Search and Monitoring**

LMK IAR's do currently recommend outside investment advisers to some clients. Based on a client's individual circumstances and needs, LMK will determine which independent adviser's portfolio management is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client, tax issues relevant to the client, and the investment philosophy of the independent advisor. Clients should refer to the independent adviser's document for a full description of the services offered. LMK will meet with the client on a regular basis, or as determined by the client, to review the account. LMK currently has such arrangements with: Asset Management, Bowling Portfolio, CLS Investment, Crawford Investment Counsel, CornerCap Investment Counsel, Fort Washington Investment Advisors, Mench Financial, Minneapolis Portfolio Mgmt., Optimal Capital Advisors LLC, Saratoga Capital Mgmt., SEI Investments, Snow Capital Management LLC., and State Street Global (which is exempt from the minimum fee rule). Such third party manager arrangements are contracted separately and their advisory fees charged to clients separately from LMK advisory fees. None of the above mentioned advisers are affiliated with LMK by ownership or by any control relationship.

If LMK believes that a particular independent adviser is performing inadequately, or if LMK believes that a different manager is more suitable for a client's particular needs, then LMK may suggest that the client contract with a different adviser.

### **Fiduciary and Consulting Services**

This service is to aid plan sponsors in achieving compliant and successful retirement plan services. These objectives may include:

- Design and adopt an Investment Policy Statement (IPS)
- Implement a mutual fund platform
- 404(a) 404(c) and 408(b)2 protection and compliance support
- Create and execute an indemnification program for fiduciaries
- Maintain and update a Fiduciary File
- Review plan documents for compliance and latest updates

### **Special Projects**

Projects may be undertaken that are not described in other types of agreements, including implementation of Financial Planning recommendations, periodic investment portfolio review, assistance with tax planning, employee benefit plan administration or other services specifically requested by the client.

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### **Tailored Relationships**

At LMK, advisory services are tailored to the individual needs of clients. Client goals and objectives are clarified in meetings and via correspondence, and are used to determine the course of action for each individual client. The goals and objectives for each client are documented on the New Account form or the Customer Acknowledgment form and in client files, either in hard copy or in electronic files. Agreements may not be assigned without client consent.

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## Managed Assets

LMK manages assets on either a discretionary or nondiscretionary basis. We have approximately \$252,802,650 in client assets managed on a discretionary basis and \$549,796,725 in client assets managed on a non-discretionary basis. Together, these assets represent approximately 1404 client households.

## Fees and Compensation (Item 5)

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### Description

The specific manner in which fees are charged by LMK is established in a client's written Advisory Services Agreement with LMK.

### PRIMARY FEE SCHEDULE FOR LMK ADVISORY SERVICES

Asset Based Fee that can be charged by the Registered Representative - Range: 0.25% - 2.5% annually based on assets/services rendered. Advisory fees are charged on a quarterly basis in arrears\* and will be invoiced to the client. Accounts on the program are subject to a \$500.00 minimum annual advisory fee. Any fee that a Third Party Administrator charges in addition to the Registered Representative's fee will be indicated on the LM Kohn agreement.

\*RBC Based Platforms can be charged in advance.

### FEE SCHEDULE FOR RESOURCE II ACCOUNT PLATFORM OFFERED THROUGH RBC CORRESPONDENT SERVICES

Asset Based Fee - charged on a quarterly basis at the beginning of each quarter.

\$100,000 - \$1,000,000	1.60% to 3.0%
\$1,000,001 - \$10,000,000	1.45% to 2.40%
Above \$10,000,001	Negotiable

### FEE SCHEDULE FOR ADVISOR AND TOTAL STRATEGY ACCOUNT PLATFORMS OFFERED THROUGH RBC CORRESPONDENT SERVICES

Asset Based Fee - charged on a quarterly basis at the beginning of each quarter.

\$25,000 - \$250,000	0.55% to 2.75%
\$250,001 - \$1,000,000	0.55% to 2.75%
\$1,000,001 - \$3,000,000	0.45% to 2.00%
\$3,000,001 - \$5,000,000	0.30% to 2.00%
\$5,000,001 - \$10,000,000	0.20% to 2.00%
Above \$10,000,001	Negotiable

**\*Clients electing to utilize the Tax Management Services option, will be assessed an additional 10 basis point fee.**

### **FEE SCHEDULE FOR UNBUNDLED MANAGED ACCOUNT SOLUTIONS (uMAS) OFFERED THROUGH RBC CORRESPONDENT SERVICES**

Asset Based Fee - Range: 0.25% - 2.5% annually based on assets/services rendered. Advisory fees are charged in advance on a quarterly basis and will be invoiced to the client. Accounts on the program are subject to a \$500.00 minimum annual advisory fee.

Clients will be invoiced in advance per calendar quarter based upon the month end values (market value and fair market value in the absence of market value, plus any credit balance or minus any debit balance on a time weighted basis for all % asset based fees), of the client's account during the previous quarter. Fee adjustment transactions will be placed in the account the following quarter. For this service, LMK generally recommends a minimum initial investment of at least \$100,000. However, under certain circumstances, smaller accounts will be accepted.

Non-WRAP program accounts under the UMAS or brokerage platform will have agency commissions charged to cover execution and order processing costs not to exceed \$35.00 per transaction. This will include both fixed income and equity transactions.

Investnet offers Advisors and Clients with a range of investment advisory tools for use by Advisors with their Clients through its Private Wealth Management Programs. Investnet also offers to Advisors and Clients a platform for SMA (Separately Managed Account) or UMA (Unified Managed Account) with Third Party Managers, whereby Investnet provides only administrative and technology services. Investnet fees paid by the client are listed on the client's *Statement of Investment Selection* as the Sponsor Fee. Advisor determines for each client which services and Programs of Investnet to utilize and this may include the utilization of services of other third-party service providers in conjunction with the Programs. Investnet, L.M. Kohn or other affiliated parties may receive 12b-1 fees from mutual funds in which Clients invest. Fees charged with respect to mutual funds will be credited with the amount of any distribution or Rule 12b-1 fees Investnet receives.

Asset Based Fee - annually based on assets/services rendered. Advisory fees are charged on a quarterly basis in advance and will be invoiced to the client. Investnet fees paid by the client are listed on the client's *Statement of Investment Selection* as the Sponsor Fee. Accounts will be prorated for all deposits and withdrawals in the amount of \$10,000.00.

### **ALTERNATIVE FEE SCHEDULE**

First \$100,000 (\$0-100,000) = 1.0%
Next \$150,000 (\$100,001-250,000) = 0.80%
Next \$250,000 (\$250,001 - 500,000) = 0.70%
Next \$500,000 (\$500,001 - 1,000,000) = 0.5%
Next \$1,500,000 (\$1,000,001 - \$2,500,000) = 0.35%
\$2,500,001 and above = 0.20%

**PRIMARY FEE SCHEDULE FOR WEALTHBRIDGE PORTFOLIOS, LLC MANAGED BY ALDYN CAPITAL, LLC.** The associated fees listed below are expressed as an annual percentage of assets invested charged quarterly in advance.

WealthBridge Portfolios, LLC Pricing Table					
Minimums	\$125.00		\$125.00		
Investment	Advisor Fee	Envestnet	RBC/Custody	Min.Total Fee	Dollars
\$50,000	0.500%	0.250%	0.250%	1.000%	\$500.00
\$60,000	0.500%	0.208%	0.208%	0.917%	\$550.00
\$65,000	0.500%	0.192%	0.192%	0.885%	\$575.00
\$70,000	0.500%	0.179%	0.179%	0.857%	\$600.00
\$80,000	0.500%	0.156%	0.156%	0.813%	\$650.00
\$90,000	0.500%	0.139%	0.139%	0.778%	\$700.00
\$100,000	0.500%	0.125%	0.125%	0.750%	\$750.00
\$110,000	0.500%	0.114%	0.114%	0.727%	\$800.00
\$120,000	0.500%	0.104%	0.104%	0.708%	\$850.00
\$125,000	0.500%	0.100%	0.100%	0.700%	\$875.00
\$130,000	0.500%	0.100%	0.100%	0.700%	\$910.00
\$140,000	0.500%	0.100%	0.100%	0.700%	\$980.00
\$150,000	0.500%	0.100%	0.100%	0.700%	\$1,050.00
\$250,000	0.500%	0.100%	0.100%	0.700%	\$1,750.00
\$500,000	0.500%	0.100%	0.100%	0.700%	\$3,500.00
\$1,000,000	0.500%	0.100%	0.100%	0.700%	\$7,000.00

**PRIMARY FEE SCHEDULE FOR MODEL PORTFOLIO HELD AT FIDELITY (Douglas Osborn)**

Asset Based Fee - Range: 0.25% - 2.5% annually based on assets/services rendered. Advisory fees are charged on a quarterly basis in advance and will be invoiced to the client. Accounts on the program are subject to a \$500.00 minimum annual advisory fee.

**FEE SCHEDULES FOR ACCOUNTS HELD AT TD AMERITRADE**

Asset Based Fee - Range: 0.25% - 2.5% annually based on assets/services rendered. Advisory fees are charged on a quarterly basis in arrears during the first month of each calendar quarter (January, April, July, and October) and are based on a percentage of the Average Daily Balance for the portfolio. The first billing cycle begins on the account inception date and is prorated based on the number of days in the calendar quarter. Accumulated values are calculated each day of the period. The accumulation is then divided by the total number of days the assets units balance was non-zero in the period. The average asset balances are summed to obtain an Average Daily Balance for the portfolio.



As documented on the advisory agreement, the advisor and client may choose the Wrap Fee Program (to charge a single fee that includes portfolio management services, reporting and transaction costs) or to have the transaction costs billed separately to the account. The transaction costs include but may not be limited to Equity Trades - \$7.95 per trade and Mutual Fund Trades - \$19.99 per trade.

### **ALTERNATIVES -**

**Flat Fee** - As an alternative, clients may also elect to receive advisory services for an annual flat fee which will be billed quarterly in arrears ranging from \$200 to \$6000 per year depending on the nature of the advisory services provided and the client's financial circumstances.

**Financial Plan** - The fee amount for a written financial plan may be based on an hourly rate not to exceed \$250.00 per hour, or based on a negotiated set fee amount stated in the Advisory Agreement. Whichever method is chosen, the total fee for a written financial plan may not exceed \$3,500.00 within a 12 month period.

**Fiduciary and Consulting Services** – Fees for Fiduciary and Consulting Services are negotiated on a case by case scenario and are based on the estimated time and work involved for the services that are being provided. The fee for these services may be an annual flat fee not to exceed \$50,000 within a 12 month period or an asset based fee range of 0.25% - 2.5% annually. Fees may be billed monthly, quarterly or annually.

**WRAP FEES** – “Wrap Fee” arrangements wherein the broker or dealer may recommend retention of LMK or retention of another investment adviser, pay LMK's and/or another adviser's investment advisory fee on behalf of the client, monitor and evaluate LMK's and/or another adviser's performance, execute the client's portfolio transactions without commission charge, and provide custodial services for the client's assets, or provide any combination of these or other services, all for a single fee paid by the client to the broker dealer. In evaluating such an arrangement, a client should recognize that brokerage commissions for the execution of transactions in the client's account are not negotiated by LMK and/or another investment adviser. Transactions are effected “net” i.e., without commission, and a portion of the wrap fee is generally considered as being in lieu of commissions.

Trades are generally expected to be executed only with the broker dealer with whom the client has entered into the wrap fee arrangement, so that the advisory firm may not be free to seek best price and execution by placing transactions with other broker dealers. Our experience indicates that certain broker dealers under clients' wrap fee agreements generally can offer best price for transactions in listed equity securities. But no assurance can be given that such will continue to be the case with those or other broker dealers which offer wrap fee arrangements, nor with respect to transactions in other types of securities. Accordingly, the client may wish to satisfy himself that the broker dealer offering the “wrap fee” arrangement can provide adequate price and execution of most or all transactions. The client should also consider that depending upon the level of the wrap fee charged by the broker dealer, the amount of the portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately; particularly if LMK and/or another investment adviser were free to negotiate commissions and seek best price and execution of transactions for the client's account. Fees are paid quarterly, in advance. The wrap fee paid to LMK is listed below. LMK will quote an exact percentage to each client based on both the nature (whether equity, balanced, or fixed income) and total dollar value of that account. Clients will be invoiced quarterly in advance or in arrears depending on their specific agreement. All “wrapped” fees are negotiable between LMK and the participating client.

Resource II Wrap-fee program participants should reference RBC Correspondent Services Schedule H wrap-fee disclosure document for further information regarding fees for each separate program.

L.M. Kohn & Company Wrap-fee program participants must be provided with a copy of the L.M. Kohn & Company Wrap Fee brochure.

**MONEY MANAGER SEARCH AND MONITORING** - Contractually, LMK may be paid by the independent adviser for whom it solicits, based on a percentage of the client's managed assets (ranging from 0.3% to 1.0%), which is in addition to the independent investment adviser's annual management fee, depending on the size of the account. LMK may also, at its discretion, charge management fees ranging from 1% to 3%, from which LMK is responsible for payment to the underlying manager. In other cases, Third Party Manager Arrangements are contracted separately and their advisory fees charged to clients separately from LMK advisory fees. The management fee is disclosed in the independent investment adviser's disclosure document (Part II of Form ADV or other disclosure document in lieu of part II).

**COMMISSIONS AND FEES OFFSET BY COMMISSIONS** - Some RBC Platforms or the standard LMK Advisory Services Agreement allow for the charging of commissions in addition to advisory fees for non WRAP accounts. Generally, it is LMK's policy to not charge commissions in addition to advisory fees; however, in a limited amount of cases, we do allow a small number of IAR's to charge commissions for execution in addition to fees. These commissions may include a specified amount to cover execution and processing costs, a specified amount per transaction not to exceed \$35.00 per transaction. There will be no principal transactions in any L.M. Kohn & Company advisory account. Additionally there will be no agency cross transactions with any advisory account. All fixed income transactions will be executed on an agency basis and will be bought or sold at the best prevailing price based on liquidity and quantity. For sales of fixed income securities TRAQs (FINRA MARKET DATA) and EMMA (MSRB trade reporting) will be utilized for price and quantity comparisons as well as the use of bona fide Brokers Broker in obtaining bids on securities for sale. In such circumstances, the agreement has clear disclosures that commissions will be charged in addition to fees. The client must initial next to these disclosures to verify that they are aware that commissions will be charged. LMK urges clients to have a clear understanding of the estimated number of transactions that the advisor intends to recommend for the client on an annual basis and how the commissions will impact the expenses of these transactions before initialing and signing this agreement.

If an advisory client executes recommended securities transactions through associated persons of LMK in their separate capacities as registered representatives of a broker dealer, these individuals will earn commissions that are separate and distinct from fees charged for advisory services. In some instances, depending on the size of the transaction, advisory fees will be discounted, at LMK's discretion, for commissions earned. Commission will not be credited against future advisory fees.

**FEES FOR ERISA COVERED PLANS** Pursuant to the Employee Retirement Income and Securities Act (ERISA), and regulations under the Internal Revenue Code of 1986 (the "Code"), our firm is subject to specific duties and obligations. ERISA section 408(b)(2) requires covered service providers to ERISA plans to disclose information regarding their services and compensation received for such services to responsible plan fiduciaries. This final regulation establishes specific disclosure obligations for covered service providers to ensure that responsible plan fiduciaries are provided with the required information they need to make more informed decisions when selecting and monitoring service providers for their plans. The 408(b)(2) regulation amends a prohibited transaction rule under ERISA and the Internal Revenue Code (the "Code"), that states that it is a prohibited transaction for a "covered plan" to enter into an arrangement with a covered service provider unless the arrangement is reasonable and the compensation being received by the service provider is reasonable.

**GENERAL INFORMATION ON FEES** - In certain circumstances, all fees and/or account minimums may be negotiable. However, clients participating in any of the RBC Correspondent Services wrap-fee programs should refer to the Schedule H of the particular program for further information.

The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of funds of an advisory client (SEC Rule 205(a)(1)).

A client agreement may be cancelled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

All fees paid to LMK for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described on each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of LMK. In that case, the client would not receive the services provided by LMK which are designed, among other things, to assist the client in determining which mutual funds or funds are most appropriate to each client's financial condition and objectives.

Accordingly, the client should review both the fees charged by the funds and the fees charged by LMK to fully understand the total amount of fees to be paid by the client and to evaluate the advisory services being provided.

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### **Fee Billing**

LMK will generally bill its fees on a quarterly basis in arrears\*. Clients may elect to be billed directly for fees or to authorize LMK to directly debit fees from client accounts. Since advisory fees deducted from a tax-sheltered retirement account are not tax deductible, clients should consult their accountant to determine whether paying fees from non-qualified funds will result in beneficial tax deductions. It is LMK's policy that performance reporting be calculated net of fees, however, when fees are paid from outside funds, this is not possible. In other words, when fees are not debited directly from the account, the reported performance will be higher than when fees are debited directly from the account.

Management fees shall be calculated based on the market value at the end of the period, adjusted for in quarter deposits. Accounts initiated or terminated during a quarterly billing period will be charged a prorated fee. Clients are entitled to immediately terminate their Advisory Services Agreement with LMK upon written notice to LMK of such termination. Upon termination of any account, unpaid fees will be due and payable. LMK does not require payment of fees in advance. Special Projects services are billed for services rendered.

\* RBC Based Platforms can be charged in advance. Model Portfolios held at Fidelity are charged in advance.

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### **Other Fees**

LMK's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to LMK's fee, and LMK shall not receive any portion of these commissions, fees, and costs.

Please see the section entitled "Brokerage Practices" on page 19 for more information.

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### **Past due Accounts and Termination of Agreement**

LMK reserves the right to stop work on any account that is more than 60 days overdue. In addition, LMK reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate to providing proper financial advice, per the judgment of LMK. Clients may terminate their agreement at any time by providing written notice. Terminating clients will receive an itemized bill for work completed.

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### **Compensation for Sales of Investment Products**

Unless specifically disclosed on the Advisory Agreement, LMK does not normally sell securities that pay a commission. Mutual funds, index funds and exchange-traded funds of all types charge their shareholders various advisory fees and expenses associated with the establishment and operation of the funds. Each fund's prospectus describes these fees and expenses, which generally include a management fee, shareholder servicing, portfolio

transaction costs, other fund expenses, and sometimes a distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge. These separate mutual fund fees are disclosed in each fund's current prospectus, which is available from the mutual fund and, upon request, from us.

Consequently, for any type of mutual fund investment, it is important to understand that investors are directly, and indirectly, paying two levels of advisory fees and expenses: one layer of fees at the fund level and one layer of advisory fees and expenses to LMK or RBC. Generally speaking, most mutual funds may be purchased directly, without using our services and incurring our advisory fees. Many mutual funds also pay shareholder servicing fees (12b-1 fees) to brokerage firms, and their registered representatives, in consideration of their services to the fund's shareholders. LMK registered representatives may receive this type of compensation with respect to clients who invest in these funds. Unless specifically disclosed on the Advisory Agreement, no load mutual funds or mutual fund A shares are purchased for advisory clients without fees, however LMK representatives may be credited with 12b-1 fees only if there is not an institutional share class offered in that specific fund family. Clients have the option of purchasing investment products that are recommended by LMK through other brokers or agents not affiliated with LMK.

The payment of 12b-1 fees may represent a conflict of interest by providing an incentive to the LMK representative or firm to purchase mutual funds that pay these fees. LMK representatives will discuss with the client the rationale for purchasing a mutual fund with 12b-1 fees prior to the purchase and the final decision remains with the client.

## **Performance-Based Fees (Item 6)**

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### **Sharing of Capital Gains**

LMK does not use a performance-based fee structure. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client. However, the nature of asset-based fees allows LMK to participate in the growth of the client's wealth. This also means that our fees can decline when the client's portfolio declines in value.

## **Types of Clients (Item 7)**

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### **Description**

LMK generally provides investment advice to individuals, high net worth individuals, families, trusts, qualified retirement plans, not for profit organizations, estates and businesses. Advice may extend to entities related to the client such as small businesses and charitable organizations, including foundations and endowments. Client relationships vary in scope and length of service.

LMK does not impose a minimum dollar value of assets or other condition for opening or maintaining an account, however, as described in Item 5 (Fees and Compensation) accounts on the program are subject to a \$500.00 minimum annual advisory fee which may result in a fee higher than the stated fee schedule.

The L. M. Kohn & Company Wrap Fee program may not be available for all investors depending on the amount of activity in the account.

## Methods of Analysis, Investment Strategies and Risk of Loss (Item 8)

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### Methods of Analysis

Security analysis methods at LMK use a combination of methods including fundamental analysis, the valuation method and technical analysis. The main sources of information include Morningstar reports, fund prospectuses, S&P reports, Thompson Reuters Stock Reports, financial newspapers and magazines, research materials prepared by others, filings with the Securities and Exchange Commission, and annual reports. Employees of LMK also attend on- and off-site visits with fund and portfolio managers, conference calls, and industry conferences. We believe these resources for information are reliable and we regularly depend on them for making our investment decisions; however, we are not responsible for the accuracy or completeness of this information.

Fundamental analysis is a technique that attempts to determine a security's value by focusing on the economic well-being of a financial entity as opposed to only its price movements. When conducting fundamental analysis, we will review a company's financial statements and consider factors including, but not limited to, whether the company's revenue is growing, if the company is profitable, if the company is in a strong enough position to beat its competitors in the future, and if the company is able to repay its debts. Because it can take a long time for a company's value to be reflected in the market, the risk associated with this method of analysis is that a gain is not realized until the stock's market price rises to the company's true value.

The valuation method is a technique used to calculate a theoretical value for a security in order to estimate potential future market prices. When utilizing the valuation method, we will review such things as a security's earnings per share, price to earnings, and growth rate.

We also utilize technical analysis to evaluate potential investments. Unlike fundamental analysis, technical analysis does not analyze the company's value, instead analyzes the stock's price movement in the market. Charting is a form of technical analysis in which the various technical factors are diagrammed in order to illustrate patterns. Technical analysis studies the supply and demand in the market in an attempt to determine what direction, or trend, will continue in the future. However, there are risks involved with this method, including the risk that the trends will change unpredictably, which is why we use a combination of methods and sources.

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### Investment Strategies

We may use passively-managed index and exchange-traded funds when appropriate for the client and actively-managed funds, stocks, options, certificate of deposits and individual government, corporate, or municipal bonds where there are opportunities to make a difference by security selection. We may recommend implementing one or more investment strategies including: long-term purchases (held at least a year), short term purchases (held less than a year), active trading (held less than 30 days), short sales (selling of a security that the seller does not own, based on the assumption that the seller will be able to buy the stock at a lower amount than the price at which the seller sold short), margin transactions (purchase of a security on credit extended by a securities company), and option writing (selling an option).

The investment strategy for a specific client is based upon the objectives, income needs, and tax situation stated by the client during consultations. The client may change these objectives at any time. Each client portfolio is constructed solely for that client.

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### Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach keeps the risk of loss in mind. However, as with all investments, clients face investment risks including the following: Loss of Principal Risk, Interest-rate Risk, Market Risk, Inflation Risk, Currency Risk, Reinvestment Risk, Business Risk, Liquidity Risk, and Financial Risk.

## Disciplinary Information (Item 9)

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### Legal and Disciplinary

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of LMK or the integrity of LMK's management. There have been no legal or disciplinary events involving LMK or its management. Disciplinary events and disclosures for individual IAR's are described in the Brochure Supplement (Part 2b).

## Other Financial Industry Activities and Affiliations (Item 10)

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### Affiliations

LMK is registered as a securities broker-dealer and recommends to its advisory clients clearing through either RBC Correspondent Services (RBC), a division of RBC Capital Markets, LLC or TD Ameritrade, based on the electronic linkage available, the competitive commission structure and the services available. However, clients may elect to use the custodial and brokerage services of any licensed broker or trust company provided a satisfactory computer link can be established. LMK intends to continually review other custodial and transactional service providers to insure that its clients receive competitive commission rates and high quality execution. These relationships do not constitute a conflict of interest. LMK may receive minimal benefit from ticket charges from trades placed from RBC but not TD Ameritrade. LMK does not have any relationships with futures or commodity entities. LMK IAR's do currently recommend outside investment advisors to some clients. LMK has associations with other investment advisers, accounting firms, law firms, pension consultants and insurance companies and agencies.

#### RBC Capital Markets Disclosure:

As required by the Securities and Exchange Commission (SEC), we are providing you with notice that RBC Correspondent Services (RBC CS) is a division of RBC Capital Markets, LLC (RBC CM) without admitting or denying any of the allegations. It is alleged by the Chicago Board Options Exchange ("CBOE") that RBC CM violated Exchange Rule 4.2 and Regulation SHO Rule 204 by failing to properly close out fail-to-deliver positions in seven sampled securities and failed to supervise its associated persons to assure compliance with the aforementioned rules. On April 11th, 2016, RBC CM was censured and fined \$75,000. It is alleged by FINRA that RBC CM violated FINRA rule 2010 and 2081 when mediating a dispute with a claimant by including a "term or condition" that the claimant will not oppose expungement on a settlement agreement. It is also alleged that RBC CM violated NASD rule 3010(A) and FINRA rules 3110(A), 2010 and 2081 by failing to establish, maintain and enforce a supervisory system, including written procedures, which were reasonably designed to ensure compliance. On June 10, 2016, RBC CM was censured and fined \$125,000 and will undertake the adoption and implementation of supervisory systems and written procedures reasonably designed to achieve compliance with the requirements of FINRA rule 2081.

It is alleged by FINRA that RBC CM failed to identify and apply sales charge discounts to eligible customer transactions in Unit Investment Trusts (UITs). This resulted in approximately 4,399 eligible transactions paying an excess sales charge amount of approximately \$502,088.88. In addition, it is alleged that RBC CM failed to effectively inform and train registered representatives and supervisors to ensure the proper procedures were followed and applicable sales charge discounts were applied. On April 4, 2016; RBC CM was censured and fined \$225,000 and ordered to pay \$502,088.88 plus interest in restitution to customers. It is alleged by FINRA that RBC CM failed to amend, or timely amend, the forms U4 for registered representatives to report unsatisfied tax liens and civil judgments. In addition, it is alleged that RBC CM failed to establish and maintain a supervisory system and written supervisory procedure reasonably designed to ensure sufficient inquiry and disclosure of reportable unsatisfied liens and judgments in instances in which a garnishment notice was sent. On March 1, 2016; RBC CM was censured and fined \$300,000 and required to provide FINRA a written certification that the systems, policies and procedures are now reasonably designed to ensure compliance with the applicable laws.

FINRA alleged that RBC CM violated various FINRA, NASD and MSRB rules by failing to report orders in an accurate or timely manner or to correct rejected orders transmitted to the Order Audit Trail System (OATS), FINRA/NASDAQ Trade Reporting Facility (FNTRF) and the Trade Reporting and Compliance Engine (TRACE). It also alleged that the RBC CM purchased and sold municipal securities for its own account at an aggregate price, taking into consideration all relevant factors, that was not considered to be fair and reasonable. Lastly, it is alleged that the RBC CM did not have a supervisory system reasonable designed to achieve compliance with the minimum requirements pertaining to TRACE eligible securities. On December 12/2012 RBC CM was censured and fined \$62,500 and required to revise its written supervisory procedures relating to the registration of TRACE e-eligible securities within 90 days. RBC CM will provide you with a new Disclosure Document without charge, upon request to your Financial Advisor.

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### **Activities**

In addition to LMK, some IAR's are associated with other activities. These activities are described in the Brochure Supplement (Part 2b), and are separate and distinct from the advisory services we provide. Clients should be aware that the receipt of additional compensation by these IAR's creates a conflict of interest that may impair the objectivity of these individuals when making advisory recommendations. LMK and our IAR's endeavor at all time to put the interest of the client first as part of our fiduciary duty as a registered investment adviser: we take the following steps to address this conflict:

- We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our IAR's to earn compensation from advisory clients in addition to our advisory fees.
- We disclose to clients that they are not obligated to purchase recommended investment products from our advisors or affiliated companies.
- We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance.
- Our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances.
- We require that our advisors seek prior approval of any outside employment activity so that we may ensure that any conflicts of interest in such activities are properly addressed.
- We monitor these outside business activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- We educate our advisors regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advices provided to clients.

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

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### **Code of Ethics**

LMK has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedure, among other things. All supervised persons at LMK must acknowledge the terms of the Code of Ethics annually, or as amended. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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### **Participation or Interest in Client Transactions**

LMK and its employees may at times buy or sell securities that are also held by clients. Employees may not trade

their own securities ahead of client trades, however, block trades may contain client and employee trades in the same block. Employees comply with the provisions of the LMK Code of Ethics. These procedures are designed to ensure that the personal securities transactions, activities and interests of the employees of LMK will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

The Chief Compliance Officer of LMK is Carl R. Hollister. He is assisted in this role by Andrew Kohn. All employee trades are reviewed by either Carl R. Hollister, Andrew Kohn or Kristin Hobbs. Carl Hollister's personal trades are reviewed by Andrew Kohn or Kristin Hobbs. Andrew Kohn and Kristin Hobbs may have client accounts. The personal trading reviews ensure that the personal trading of employees is not based on inside information and that clients of the firm receive preferential treatment. The trades are not of a significant enough value to affect the securities markets.

## **Brokerage Practices (Item 12)**

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### **Selecting Brokerage Firms**

LMK recommends to some of its advisory clients the brokerage services of L.M. Kohn & Company, clearing through RBC Correspondent Services (RBC), a division of RBC Capital Markets, LLC, member NYSE/FINRA/SIPC. All LMK investment advisory representatives (IAR's) are Registered Representatives of L.M. Kohn & Company. LMK currently recommends RBC based on the electronic linkage available, the competitive commission structure, and the services available. However, clients may elect to use the custodial and brokerage services of any licensed broker or trust company provided a satisfactory computer link can be established. LMK intends to continually review other custodial and transactional service providers to insure that its clients receive competitive commission rates and high quality execution. This relationship does not constitute a conflict of interest. The commission structure is so minimal that LMK receives no benefit from trades processed.

Securities traded through RBC for investment advisory clients are not charged fees per trade unless the advisory contract between the IAR and the client clearly states that commissions will be charged. Sometimes trades are bunched so that multiple clients are making a purchase or sale of the same security. These shares are purchased/sold at the average cost per trade executed that day. In the event the total number of shares in the original order is not executed that day, the actual number of shares purchased/sold is pro-rated on an equitable basis, reserving the right to use round lots for practical purposes.

For clients that are invested in mutual funds, in addition to the fees that LMK charges for investment advisory services, there are additional advisory charges levied by the mutual fund group. No load mutual funds or mutual fund A shares are purchased for clients without fees, however LMK representatives may be credited with 12b-1 fees.

As of August 2012, LMK also participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. LMK receives some benefits from TD Ameritrade through our participation in the program. We may recommend TD Ameritrade to our clients for custody and clearing services. There is no direct link between our firm's participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): duplicate client confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no



transactions fees and to certain Institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to LMK by third party vendors.

Some of the products and services made available by TD Ameritrade through the program may benefit LMK, but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by LMK or our advisors through the participation in the program do not depend on the amount of brokerage transaction directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by LMK or our advisors in and of itself creates a potential conflict of interest and may indirectly influence our recommendations of TD Ameritrade for custody and clearing services.

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### **Research and Other Soft Dollar Benefits**

LMK does not receive soft dollar benefits from the custodians to whom we recommend clients.

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### **Brokerage for Client Referrals**

Dorfman Abrams Music LLC, refers clients to RBC Wealth Management and LMK receives referral fees for those referrals.

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### **Directed Brokerage**

For convenience and cost, LMK and TD Ameritrade recommends to its advisory clients the brokerage services of L.M. Kohn & Company, clearing through RBC Correspondent Services (RBC), a division of RBC Capital Markets, LLC, member NYSE/FINRA/SIPC. Although RBC and L.M. Kohn & Company are the recommended service providers, clients are not required to use either firm. Other alternatives may result in a lower cost to the client.

Trades in mutual funds do not garner any client benefit. However, when more than one account is trading a particular stock or ETF on the same day, block trading may be used to get identical pricing on the trades. If a client elects to use their own broker dealer for trades, it may result in a higher cost because the trades will not be aggregated to achieve best price.

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## **Review of Accounts (Item 13)**

### **Periodic Reviews**

LMK conducts regular, periodic (but not less than annually) formal reviews of its client's portfolios. Additional reviews may be triggered by prevailing market conditions and changes in client circumstances. LMK also conducts regular, periodic (but not less than quarterly) reviews of its asset allocation policy. Reviews may also be triggered by market conditions. All reviews are conducted by IAR's, using client risk profiles, suitability and diversification as a guide. Trade reviews are done daily.

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### **Review Triggers**

Account reviews for clients are performed more frequently when market conditions dictate, or when a client's objectives change. A review may be triggered by client request, changes in market condition, new information about an investment, changes in tax laws, or other important changes.

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### **Regular Reports**

LMK IAR's provide Investment Advisory clients periodic (but not less than quarterly) reports. In addition, all clients also receive monthly or quarterly brokerage account statements from their custodian. They have the option of receiving these reports in a printed or on-line format. We encourage clients to compare the two reports for accuracy.

## **Client Referrals and Other Compensation (Item 14)**

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### **Incoming Referrals**

LMK has been fortunate to receive many client referrals over the years. The referrals have come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other sources. The firm does not pay for referrals.

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### **Referrals to Other Professionals**

LMK does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## **Custody (Item 15)**

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### **Account Statements**

All assets are held at banks, broker dealers or other qualified custodians, who provide account statements directly to clients at their address of record at least quarterly. LMK urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

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### **Statements Provided by LMK**

LMK IAR's provide Investment Advisory clients periodic (but not less than quarterly) reports. In addition, all clients also receive monthly or quarterly brokerage account statements from their custodian. They have the option of receiving these reports in a printed or on-line format. We encourage clients to compare the two reports for accuracy.

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### **SEC "Custody"**

According to a recent ruling by the SEC, investment advisers are deemed to have "custody" of client funds if certain conditions are met. From time to time, LMK may be technically considered to have "custody" of certain types of accounts, such as when a staff member acts as a trustee of an unrelated trust and LMK acts as the investment adviser to that trust. In this case, the SEC requires an annual surprise audit of those "custodied" accounts by an independent CPA firm.

## **Investment Discretion (Item 16)**

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### **Discretionary Authority for Trading**

In a discretionary account, the customer gives the Portfolio Manager the authorization to make purchases and sales in the account without first obtaining the customer's permission. In a non-discretionary account, the portfolio manager must obtain the customer's permission to make purchases and sales.

LMK receives discretionary authority in writing from clients at the outset of an advisory relationship in the investment management agreement. Choosing discretionary authority grants us the ability to determine, without obtaining the client's specific consent, the securities to be bought or sold for the portfolio, the amount of securities to be bought or sold, and in most cases, the broker-dealer to be used and the commission rate to be paid. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the account, by considering the size of the account, and the risk tolerance.

Also, client's may sign an agreement with the custodian which generally includes a limited power of attorney granting LMK authority to direct and implement the investment and reinvestment of the assets within the account, but not to direct the assets outside of the account.

When selecting securities and determining amounts, LMK observes any investment policies, limitations and restrictions provided to us in writing. For registered investment companies, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

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## **Voting Client Securities (Item 17)**

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### **Proxy Votes**

As a matter of firm policy and practice, LMK does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. LMK may provide advice to clients regarding the clients voting of proxies. If you want advice in voting proxies please contact Carl R. Hollister at 513-792-0301 or [comment@lmkohn.com](mailto:comment@lmkohn.com).

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## **Financial Information (Item 18)**

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### **Financial Condition**

LMK does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because LMK does not serve as a custodian for client funds or securities, other than as described above, and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance.

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## **Business Continuity Plan (19)**

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### **General**

LMK has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

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### **Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, fire, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

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### **Alternate Offices**

Alternate work locations are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

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### **Loss of Key Personnel**

LMK has provisions in place for loss of key personnel as part of the Business Continuity Plan.

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## **Information Security Program (20)**

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### **Information Security**

LMK maintains an information security program to reduce the risk that personal and confidential information may be breached.

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## **Privacy Notice**

We are an independent registered investment advisor, committed to safeguarding the confidential information of our clients. Respect for our client's privacy is critical to the way we do business. Our privacy promise derives from basic principles of trust, ethics and integrity.

The full version of our Privacy Notice is sent to clients within 30 days of signing a New Account form or Customer Acknowledgement form and annually thereafter. Clients may request a copy in advance to signing if they wish. Additionally, the full version of our Privacy Notice is available on our website, [www.lmkohn.com](http://www.lmkohn.com), under Form ADV/Privacy Notice.

## **Brochure Supplement (Part 2B of Form ADV)**

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### **Education and Business Standards**

#### Financial Planning and Investment Advisor Qualifications

LMK requires that any employee whose function involves determining or giving investment advice to clients must:

1. Hold the Series 6 or Series 7 Securities License. As of 1/1/2006, any registered representative interested in becoming an IAR must first pass the Series 65 or equivalent. A current Certified Financial Planner, CFP® designation may be considered an equivalent to the Series 65 provided that the IAR's home state and states where the IAR conducts business recognize it as such.
2. Subscribe to the Code of Ethics of LMK.
3. Be properly licensed for all advisory activities in which they are engaged.
4. Any material changes, i.e. address changes, disciplinary actions or customer complaints; that occur after an IAR has been registered must be submitted to Larry Kohn or Carl Hollister so that the information may be updated accordingly. Any IAR who is contemplating servicing a client in a state other than the state(s) they are approved in must contact LMK PRIOR TO entering into any kind of agreement.

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### **Professional Certifications**

Investment Advisor Representatives have earned certifications and credentials that are required to be explained in further detail.

#### **CERTIFIED FINANCIAL PLANNER**

CERTIFIED FINANCIAL PLANNER, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board"). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree

from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

#### **OTHER BUSINESS ACTIVITIES:**

LMK is also a registered Broker Dealer, and the officers and other employees of LMK are registered as representatives of the firm. LMK clears all securities transactions through RBC CS on a fully disclosed basis and has engaged RBC CS as its carrying Broker Dealer. Additionally, these persons may be insurance agents or brokers for one or more insurance companies. In their separate capacity as registered representatives of LMK or as insurance agents, these individuals will be able to implement recommended securities or insurance transactions for advisory clients for separate and typical compensation. Clients are not obligated to use these individuals in their separate capacity as independent insurance agents for the implementation of any recommendations.

#001.....171 Londonderry Turnpike  
..... Hooksett, NH 03106  
.....Doing Business As: CGI Retirement Services

**RYAN L. MCLAUGHLIN, born 1977**

**Education:**

- Graduated from the University of New Hampshire in 1999 with a BA in Sociology.

**Employment:**

- Sales Representative with Metlife Securities from 9/99 to 6/00.
- Sales and Marketing Representative with Putnam Investments from 5/00 to 2/03.
- Independent Contractor with the Dawn Chambers Agency from 3/03 to 9/03.
- Account Executive with Cronin & Gervino from 10/03 to Present.
- Registered Representative with L.M. Kohn & Company from 3/04 to Present.
- Registered Advisory Representative with L.M. Kohn & Company from 1/05 to Present.

**FINRA Series 6, 7, 24, 63, 65 Exams.**

**Disciplinary Information: None**

**Other Business Activities:**

Ryan McLaughlin, an associated person of LMK that determines general client advice is an employee of CGI Retirement Services, LLC. (CGI), an insurance and employee benefits firm. Clients of LMK may be referred to (CGI) and vice versa. However, no referral fees of any kind will be paid by either party for said referrals.

Ryan McLaughlin, an associated person of LMK that determines general client advice is also is associated with personal real estate rentals.

**MATTHEW GENNETTI, born 6/5/1991**

**Education:**

- Graduated from Saint Anselm College

**Employment:**

- Student at Bow Memorial School from 08/01- 06/05.
- Student at Bow High School from 08/05 – 06/09.
- Employee of Amoskeag Beverages from 06/09 – 06/09.
- Cashier at Hannaford Supermarkets from 07/07 – 01/10.
- Student at Saint Anselm College from 08/09 – 05/13.

**MATTHEW GENNETTI (continued):**

- Sales Intern at Boston Partners Financial Group from 01/13 – 05/13.
- Member Service Representative Bellwether Community Credit Union from 03/10 – 08/13.
- Registered Representative with L.M. Kohn & Company from 09/13 to Present.
- Registered Advisory Representative with L.M. Kohn & Company from 09/13 to Present.

**FINRA Series 6, 63, & 65 Exams.**

**Disciplinary Information: None**

**Other Business Activities:**

Matthew Gennetti, an associated person of LMK, offers clerical support, provides general client advice and services, and is an employee of CGI Retirement Services, LLS. (CGI), an insurance and employee benefits firm. Clients of LMK may be referred to (CGI) and vice versa. However, no referral fees of any kind will be paid by either party for said referrals.