



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

## **Disclosure Brochure**

**In Conformance With  
The Investment Advisers Act of 1940 Rule 204-3(A)  
Dated: February 19, 2017**

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This Disclosure Brochure provides information about the qualifications and business practices of Picket Fence Financial, LLC, which should be considered before becoming a client. Please contact Mr. Kirk Kinder if you have any questions about the contents of this brochure.

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator. Additional information about Kirk Kinder is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes

This section identifies specific material changes that were made to the Picket Fence Financial Brochure since the last annual update and provides you with the date of the last annual update and a summary of such changes.

The last annual update of this Disclosure Brochure was on March 23, 2016. Since that time, the material changes made to this Disclosure Brochure appear below:

### *July 2016*

#### Other Financial Industry Activities and Affiliations

- Effective June 15, 2016, Kirk Kinder, President, is no longer an Advisory Representative of the unrelated SEC-registered investment adviser, Tweddell Goldberg, LLC. Kirk Kinder's brochure supplement was also revised to reflect this change.

#### Client Referrals and Other Compensation

- Picket Fence Financial compensates a Solicitor for referring clients that enter into an advisory agreement with Picket Fence Financial for advisory services. Compensation to the Solicitor will be an agreed upon percentage of the Company's advisory fee.

### *February 2017*

#### Advisory Business

- Picket Fence Financial, LLC, offers financial planning, investment management and retirement plan consulting services.
- We offer retirement consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor in meeting its management and fiduciary obligations to the plan under ERISA.
- We revised the amount of assets under management by Picket Fence Financial and disclose the amount of pension plan assets that we advise on.
- We added a section on Individual Retirement Account (IRA) Rollover Considerations where we disclose that we may provide you with recommendations and advice concerning your employer retirement plan or other qualified retirement account. We outline options facing an employee regarding their retirement account and discuss the steps to take before rolling over retirement funds to an IRA for our firm to manage. We discuss that we have an incentive to recommend that you roll your assets to an IRA under our management since we will earn an advisory fee. This is a conflict of interest. We point out that you are under no obligation to complete the IRA rollover or to have your IRA assets managed by us. You should consider your options carefully.

#### Fees, Compensation, & Termination

- The cost for any hourly planning is \$200 per hour. A 3-hour minimum applies to all hourly projects.
- We will bill the plan sponsor for Retirement Plan Consulting Services at a fixed fee, basis points based on a percentage of the Plan assets, or a combination thereof. The exact fee is negotiated in advance of services rendered and is disclosed in the executed written agreement that we sign with the plan sponsor. Fees may be billed quarterly in advance or in arrears.

A copy of our updated Brochure is available to you free of charge and may be requested by contacting us at 410-878-2999 or [Kirk@PicketFenceFinancial.com](mailto:Kirk@PicketFenceFinancial.com).

Additional information about Picket Fence Financial is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The IARD number for Picket Fence Financial is 139262. The SEC's website also provides information about any persons affiliated with Picket Fence Financial who are registered, or are required to be registered, as Advisory Representatives of Picket Fence Financial.

# Table of Contents

<b>Material Changes.....</b>	<b>2</b>
<b>Table of Contents .....</b>	<b>4</b>
<b>Advisory Business .....</b>	<b>6</b>
<i>Mission Statement.....</i>	<i>6</i>
<i>Business Focus.....</i>	<i>6</i>
<b>Financial Planning.....</b>	<b>6</b>
<i>Financial Planning Composition.....</i>	<i>6</i>
<i>Preparing the Financial Plan.....</i>	<i>8</i>
<i>Stage I – Detailed Assessment.....</i>	<i>8</i>
<i>Stage II – Personal Action Plan.....</i>	<i>9</i>
<i>Stage III – On-Target Reviews .....</i>	<i>9</i>
<b>Investment Management Services .....</b>	<b>9</b>
<i>Investment Strategies.....</i>	<i>9</i>
<i>Methods of Analysis.....</i>	<i>10</i>
<i>Sources of Information.....</i>	<i>11</i>
<i>Risk of Loss.....</i>	<i>11</i>
<i>Assets Under Management.....</i>	<i>11</i>
<i>IRA Rollover Considerations .....</i>	<i>11</i>
<b>Retirement Plan Consulting Services.....</b>	<b>13</b>
<b>Fees, Compensation &amp; Termination .....</b>	<b>14</b>
<i>Comprehensive, Annual Retainer.....</i>	<i>14</i>
<i>Hourly Planning Fee.....</i>	<i>15</i>
<i>Termination of Planning Fees.....</i>	<i>15</i>
<i>Portfolio Management Fees.....</i>	<i>15</i>
<i>Deposits and Withdrawals for Investment Management .....</i>	<i>16</i>
<i>Termination Provisions for Investment Management.....</i>	<i>17</i>
<i>Retirement Plan Consulting Services.....</i>	<i>17</i>
<b>Performance-based Fees and Side-By-Side Management.....</b>	<b>18</b>
<b>Types of Clients .....</b>	<b>18</b>
<b>Methods of Analysis, Investment Strategies, and Risk of Loss .....</b>	<b>18</b>
<b>Disciplinary Information .....</b>	<b>19</b>
<b>Other Financial Industry Activities and Affiliations.....</b>	<b>19</b>
<b>Code of Ethics, Participation or Interests in Client Transactions and Personal Trading.....</b>	<b>19</b>
<i>Code of Ethics.....</i>	<i>19</i>
<i>Participation or Interests in Client Transactions .....</i>	<i>20</i>
<i>Personal Trading .....</i>	<i>20</i>
<i>Disaster Recovery and Business Continuity.....</i>	<i>21</i>
<b>Brokerage Practices .....</b>	<b>21</b>

<b>Review of Accounts .....</b>	<b>22</b>
<b>Client Referrals and Other Compensation .....</b>	<b>22</b>
<i>Solicitors .....</i>	<i>22</i>
<i>Other Compensation.....</i>	<i>23</i>
<b>Custody .....</b>	<b>24</b>
<b>Investment Discretion .....</b>	<b>24</b>
<b>Voting Client Securities Proxies.....</b>	<b>25</b>
<b>Financial Information.....</b>	<b>25</b>
<b>Requirements for State-Registered Advisers .....</b>	<b>26</b>
<b>Part 2B of Form ADV: Brochure Supplement .....</b>	<b>26</b>
<b>Business Qualifications .....</b>	<b>26</b>
<i>Education .....</i>	<i>26</i>
<i>Business Experience.....</i>	<i>26</i>
<i>Disciplinary Information .....</i>	<i>27</i>
<i>Other Business Activities.....</i>	<i>27</i>
<i>Additional Compensation.....</i>	<i>27</i>
<i>Supervision .....</i>	<i>28</i>
<i>Requirements for State-Registered Advisers .....</i>	<i>28</i>

# Advisory Business

## Mission Statement

The Mission of Picket Fence Financial is to save its clients from Wall Street by providing objective advice tailored to the need of our client, not sales quotas. We strive to help clients achieve their financial goals, simplify their financial life, and provide peace of mind.

## Business Focus

Picket Fence Financial, LLC, hereinafter referred to as “the Company,” is a “fee-only” registered investment advisor<sup>1</sup> offering financial planning, investment management and retirement plan consulting services. The Company is primarily involved in providing financial planning and investment advisory services<sup>2</sup> to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and/or small businesses that desire a high degree of personalized and professional services. “Fee-only” advisors receive only compensation for advice. As such, the Company is not affiliated with a broker/dealer or an insurance agent and is not compensated to facilitate transactions in connection with the investment advice given to clients. Our planning solutions are geared to provide highly customized and thorough advice. Kirk Kinder is the principal and sole owner of Picket Fence Financial. He began Picket Fence Financial in 2006, and he has been a financial planner since 2002.

# Financial Planning

## Financial Planning Composition

Successful financial planning is achieved by starting with a clear picture of a client’s financial needs and objectives. The financial plans we develop for clients helps us eliminate much of the guesswork in achieving financial independence and security for our clients. For the client, such quality time invested by the Company on the front end solves problems and provides solutions, eliminating future concerns, and cultivates peace of mind.

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<sup>1</sup> The term “registered investment advisor” is not intended to imply Picket Fence Financial, LLC has attained a certain level of skill or training. It is used strictly to reference the fact that Picket Fence Financial LLC is “registered” as an “investment advisor” with the State of Maryland and Florida—and with such other regulatory agencies that may have regulatory jurisdiction over their business practices.

<sup>2</sup> Financial planning services account for 25% of total billings; investment advisor services total 75% of total billings.

Financial planning is an evaluation of the investment and financial options available to a client based upon the client's defined economic criteria and financial goals. Planning includes: (1) attempting to make optimal decisions; (2) projecting the consequences of these decisions for the client in the form of a financial plan; (3) implementing the protocol to achieve the objectives of the plan; and then, (4) comparing future performance against the initial plan.

A financial plan can be broad – a mutually defined review of a client's personal financial life needs; or segmented – review, analysis and evaluation of a core area of financial need. In general, financial planning encompasses one or more of the following areas of concern:

- ◆ Personal – Family records, budgeting, personal liability, estate information and financial goals.
- ◆ Education – Education IRAs, financial aid, state savings plans including 529 plans, grants and general assistance in preparing to meet dependents continuing educational needs through development of an education plan.
- ◆ Taxes & Cash Flow – Understanding the impact of various investments on a client's current income tax and future tax liability.
- ◆ Death & Disability – Cash needs at death, income needs of surviving dependents, estate planning and income analysis.
- ◆ Estate – Reviewing estate-planning documents, including wills and trusts, to determine if a client should seek the assistance of an estate-planning attorney. Reviewing powers of attorney, nursing home and assisted living agreements, living trusts, and Medicare/Medicaid benefits.
- ◆ Retirement – Analysis of current strategies and investment plans to help you achieve retirement goals.
- ◆ Investments – Analysis of investment alternatives and their effect on a client's investment portfolio(s), including a risk and return analysis. Assessment of a client's risk tolerance profile.
- ◆ Insurance – Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

## Preparing the Financial Plan

The Company prepares the financial plan, whether on a retainer or hourly basis, in three stages. These stages are defined as follows:

### *Stage I – Detailed Assessment*

Through the detailed assessment process, the Company learns about the client and what the client wants to achieve. This is accomplished through personal interviews and profile questionnaires<sup>3</sup>, which are designed to address all of the financial planning disciplines discussed above. The client has the opportunity to prioritize objectives and goals and to remove from the process any areas that are not applicable to their circumstances.

The time we invest in the detailed assessment process to listen and cater to the client's desires is critical for developing a strong financial planning foundation. Such time helps to:

- ◆ Define and narrow the client's goals, objectives and investment options;
- ◆ Stimulate creative thinking;
- ◆ Identify areas of greatest concern;
- ◆ Create a unique picture of the client's overall financial personality; and,
- ◆ Provide an effective and efficient way for us to address each client's unique financial needs and objectives.

After the interview process, we will prepare an agenda and conduct a meeting with the client to begin formally documenting goals and objectives. From this meeting, we will draft a report documenting the financial planning process disciplines that the client wishes to address, and detailing the specific objectives under each discipline. Redrafting and meetings can be repeated until the client is completely satisfied with the report. Depending upon the engagement, different levels of financial reporting will be undertaken depending on the services desired.

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<sup>3</sup> The profile questionnaires used by the Company are important tools in gathering information about the client's investment methodology, risk tolerance, income/tax bracket, liquidity, time horizons, etc. If the client elects not to answer the questionnaires or chooses to respond with limited input, it is possible that we could operate in a handicapped capacity. Therefore, if the client desires the most effective and accurate recommendations, the client will make every effort to provide us with detailed personal needs and objectives, along with detailed financial and tax information.



## *Stage II – Personal Action Plan*

We define the financial plan as a road map designed to take the client from where he or she currently is financially, to where he or she wants to be financially. This is the creative portion of the process. There are usually many different ways to accomplish a given goal. The objective, however, is to formulate a plan that the client will be comfortable executing. In some cases, the drafting of the plan reveals the need for us to help the client reconcile the gap between expectations and financial realities. Once a viable plan has been drafted, it is presented to and reviewed with the client. The draft and review process may be repeated until the client is satisfied with the financial plan.

## *Stage III – On-Target Reviews*

A financial plan is of limited value if it is not put into action. Accordingly, we place a premium on implementing<sup>4</sup> and monitoring the plan. The implementation schedule provides the client with a list of tasks and deadlines designed to ensure that the plan is put into action. The following are some examples of implementation: (1) drafting of appropriate estate documents (performed by an estate attorney); (2) purchase of various insurance policies; (3) investment advisory services, including preparation of a Client Investment Policy Statement and Profile and asset allocation strategy (performed by the Company, or another investment adviser/broker-dealer); (4) adoption and monitoring of a personal budget; and (5) ongoing income tax planning. The Company strongly suggests that the overall financial plan be reviewed on not less than an annual basis. Investment advisory services are performed in accordance with the disclosures contained under “Investment Services” below.

## **Investment Management Services**

Our managed portfolios are designed to build long-term wealth while maintaining risk tolerance and loss thresholds levels acceptable to the client. For each client, the Company develops investment strategies that have been pre-determined from the investment parameters outlined in the Client Investment Policy Statement.

### **Investment Strategies**

Portfolio management services primarily utilize equity (stock) and fixed-income (bond) exchange traded funds, index funds and no-load mutual funds that cover all the major

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<sup>4</sup> Implementing the recommendations made in a financial plan often requires consultation or coordination with one or more outside professionals (e.g., attorneys, CPAs, insurance and securities representatives). All information provided by and received from the client will be kept entirely confidential, not only by the Company, but by the outside professionals as well. Such information will be disclosed to third parties only with mutual written consent or as may be permitted or required by law.

asset classes. We have developed eight model portfolio structures that are used as asset allocation guidelines in designing a client's portfolio. Each model consists of a different "target" asset allocation with different asset classes – spreading money among a variety of investments as opposed to investing in just one – creating a more prudent approach to managing risk.

The investment mix for each client is designed to achieve the desired investment return for the client. However, the selected investment vehicles in a client's portfolio are typically diversified into many investments that are common to all client accounts. This is the only common denominator; from that point the composition mix and quantity of investments in any given client account is completely subjective. The company tailors the client's portfolio allocation to the client's need and risk tolerance. The client's need is determined by assessing the amount of money needed to achieve each client goal (retirement, college savings, medical, etc.), by understanding the client's current savings and projected future savings, and by determining the proper asset allocation to possibly provide for that goal. Once the amount needed is determined, the client's risk tolerance must be determined. A risk tolerance questionnaire is used to assess the client's risk profile. Once the needs and risk tolerance of the client is determined, an investment mix can be crafted.

Typical composition mix classifications include stocks, bonds, exchange traded index options, commodity exchange traded notes (ETN), closed-end funds, exchange traded master limited partnerships, unit investment trusts, REITS, commodities and cash. The exact composition and allocation of investments are determined by the client's investment parameters. The client may impose restrictions on the type of securities or specific securities used in the portfolio. The client must inform the Company, orally or in writing, of a desire to limit the type or kind of securities.

## **Methods of Analysis**

Our investment methodology is based on five premises, each of which is devised from modern portfolio theory.

1. Clients are inherently risk-averse.
2. The markets are basically efficient.
3. The focus of attention is shifted away from individual securities analysis to consideration of portfolios as a whole, predicated on explicit risk-reward parameters.
4. For any level of risk that the client is willing to accept, there is a rate of return that should be achieved.
5. A diversified portfolio relies on investments across multiple asset classes to obtain a higher risk-adjusted rate of return.

Managed accounts are disciplined and focused to resist the temptation to react to short-term market fluctuations. We use a fundamental approach that incorporates economic conditions, earnings, industry outlook, politics (as it relates to investments), historical

data, price-earnings ratios, dividends, and general level of interest rates, company management, debt ratios and tax benefits to make our allocation decisions. We do add technical indicators to our analysis to assist us in determining entry and exit points, but our primary focus is on fundamental factors.

### **Sources of Information**

The Company uses analysis and research software developed by Morningstar® that provides insightful analysis, coordinated data, and tools for building and analyzing portfolios of stocks, mutual funds, ETFs, variable annuities, and closed-end funds.

Other sources include general media of domestic, international and governmental newspapers, bulletins, magazines, books and other publications. Material prepared by the investment companies and research releases prepared by others are also utilized.

### **Risk of Loss**

The Company does not represent, warrant or imply that the services or methods of analysis used by the Company can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to major market corrections or crashes. No guarantees can be offered that client's goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by the Company will provide a better return than other investment strategies. Investing in securities involves risk of loss that clients should be prepared to bear.

### **Assets Under Management**

As of January 9, 2017, the Company manages \$19.5 million for Clients on a discretionary basis. Currently, the Company does not manage any money on a non-discretionary basis. Additionally, the Company advises on \$4.3 million in pension plan assets.

### **IRA Rollover Considerations**

As part of our consulting and advisory services, we may provide you with recommendations and advice concerning your employer retirement plan or other qualified retirement account. We may recommend that you withdraw the assets from your employer's retirement plan or other qualified retirement account and roll the assets over to an individual retirement account ("IRA") which we will manage. If you elect to roll the assets to an IRA under our management, we will charge you an asset-based fee as described in Item 5. This practice presents a conflict of interest because our investment advisory representatives have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Furthermore, if you do complete the rollover, you are under no obligation to

have your IRA assets managed by us.

Employers may permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of each.

An employee will typically have four options:

1. Leave the funds in your employer's (former employer's) plan.
2. Roll over the funds to a new employer's retirement plan.
3. Cash out and take a taxable distribution from the plan.
4. Roll the funds into an IRA rollover account.

Each of these options has advantages and disadvantages. Before making a change, we encourage you to speak with your financial advisor, CPA and/or tax attorney.

Before rolling over your retirement funds to an IRA for us to manage, carefully consider the following. NOTE: This list is not exhaustive.

1. Determine whether the investment options in your employer's retirement plan address your needs or whether other types of investments are needed.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services available through an IRA provider and their potential costs.
  - c. It is likely you will not be charged a management fee and will not receive ongoing asset management services unless you elect to have such services. If your plan offers management services, there may be a fee associated with the service that is more or less than our asset management fee.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may offer financial advice, guidance, management, and/or portfolio options at no additional cost.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond 70.5 (70 ½).

6. Your 401k may offer more liability protection than a rollover IRA; each state may vary. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies; however, there can be exceptions. Consult an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses, or a home purchase.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand your options, their features and differences and decide whether a rollover is best for you. If you have questions, contact us at our main number listed on the cover page of this brochure.

## **Retirement Plan Consulting Services**

We offer retirement consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor in meeting its management and fiduciary obligations to the plan under ERISA. Retirement consulting services will consist of general or specific advice, and may include any one or all of the following:

1. Platform Provider Search and Plan Set-up
2. Strategic Planning and Investment Policy Development/Review
3. Plan Review
4. Plan Fee and Cost Review
5. Acting as Third-Party Service Provider Liaison
6. Assessment of Plan Investments and Investment Options
7. Plan Participant Education and Communication
8. Investment Advice to Participant
9. Plan Benchmarking
10. Plan Conversion to New Vendor Platform
11. Assistance in Plan Merger
12. Legislative and Regulatory Updates; Plan Corrections.

The plan sponsor may also engage us to provide a review of executive benefits, for separate compensation.

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

When we perform our agreed upon services, we will not be required to verify the accuracy or consistency of any information received from the plan sponsor.

We will serve in a discretionary ERISA fiduciary capacity with respect to some but not all of the services that we provide, which will be further explained in the written agreement we sign with the plan sponsor. The plan sponsor is always free to seek independent advice about the appropriateness of any recommendations made by us.

## **Fees, Compensation & Termination**

The Company's financial planning fees will be based on the size, complexity, and nature of each client's personal and financial situation and the amount of time it will take to analyze and summarize the plan and perform the services desired by the client for the year.

### **Comprehensive, Annual Retainer**

All comprehensive financial planning services are offered on a fixed fee basis and will range from \$3,000.00 to \$10,000.00 for the initial engagement. Such fee will be fully disclosed up-front in a Financial Planning Contract ("Agreement"), which will include the cost<sup>5</sup> to review your financial information and prepare the comprehensive financial plan. The fee can be paid in one of two ways. One-half the fee will be due at the time the Agreement is signed, with the remaining half due upon completion, or the client can establish a quarterly fee to cover the planning costs.

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<sup>5</sup> Rarely will a fee exceed those costs outlined in the Agreement. However, there can be instances where we did not contract with the client to perform a particular task and therefore merit notifying the client of the additional cost prior to beginning such services.

## **Hourly Planning Fee**

The cost for any hourly planning is \$200 per hour – one-half (1/2) upon execution of the advisory agreement with Adviser and the balance due at the completion of the project, unless otherwise negotiated with the Client. Adviser will provide a “not to exceed” estimate prior to signing the advisory agreement. A 3-hour minimum applies to all projects.

Client is advised that fees for financial planning are strictly for financial planning services. Therefore, Client may pay fees and/or commissions for additional services obtained such as asset management or products purchased such as securities or insurance.

## **Termination of Planning Fees**

Client may terminate comprehensive and hourly advisory services within five (5) business days after entering into the advisory agreement without penalty. After five (5) business days of entering into the advisory agreement, Client may terminate upon Adviser’s receipt of Client’s written notice to terminate. Client will be responsible for any time spent by Adviser in providing the Client advisory services or analyzing the Client’s situation. The client will receive a refund of any unearned, pre-paid advisory fee for planning services.

## **Portfolio Management Fees**

Advisory fees will be charged in advance, on a calendar quarterly basis, upon establishment of the value of the portfolio, based upon the proportion of the number of days remaining in the quarter and, thereafter, quarterly on the first working day of each calendar quarter.

The advisory fees payable upon initial implementation of the account may be paid by Client upon receipt of an invoice from the Company or collected directly from the client’s account provided the client has given the Company written authorization.

Advisory fees for all subsequent periods will be charged to and collected directly from the account early in the quarter and will be based on the value of the portfolio as of the last working day of the previous quarter. Clients will be provided with a fee invoice that identifies the advisory fee, the value of the client’s account and how the fee was calculated. Additionally, clients will be provided with an account statement reflecting the deduction of the advisory fee. If the client’s account does not contain sufficient funds to pay advisory fees, the Company has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees. Clients may reimburse the account for advisory fees paid to the Company, except for ERISA and IRA accounts.

Fees are negotiable and are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds. Advisory fees are in accordance with the following fee schedule:

<b>Account Size Maximum</b>	<b>Annual Fee</b>
\$0 to \$1,000,000	1.00%
\$1,000,001 to \$3,000,000	0.75%
\$3,000,001 to \$5,000,000	0.50%
\$5,000,001 and above	0.25%

Generally, Adviser's minimum account size to obtain asset management services is \$200,000. However, under certain circumstances, the Company may waive the minimum account size requirement and accept accounts less than \$200,000. Such circumstances may include, but not be limited to, (1) additional assets will soon be deposited or (2) Client has other accounts with the Company.

Clients are advised that performance may suffer due to difficulties with diversifying smaller accounts and due to risk controls potentially being compromised. Performance of smaller accounts may vary from the performance of accounts with more dollars invested since fluctuations in the market may affect smaller accounts more.

In addition to the advisory fees above, the client may pay fees for custodial services, account maintenance fees, transaction fees and other fees associated with maintaining the Account. Adviser does not share in any portion of such fees.

Additionally, clients may pay their proportionate share of the fund's management and administrative fees and sales charges as well as the mutual fund adviser's fee of any mutual fund they purchase. Such fees are not shared with Adviser and are compensation to the fund manager. Clients should read the mutual fund prospectus prior to investing.

### **Deposits and Withdrawals for Investment Management**

Clients may make additions to their account or withdrawals from the account, provided the account continues to meet minimum account size requirements. Additional assets of \$10,000 or more deposited into the Account after it is opened will be charged a pro-rata fee based upon the number of days remaining in the then current calendar quarter. Fee adjustments will be made for partial withdrawals greater than \$10,000 but not for account appreciation or depreciation.



## **Termination Provisions for Investment Management**

Clients may terminate the investment advisory services obtained from Adviser, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with Adviser. The client will be responsible for any fees and charges incurred by the client from third parties as a result of maintaining their account such as transaction fees for any securities transactions executed and account maintenance or custodial fees.

Thereafter, the client may terminate investment advisory services with 10-days written notice to the Company. If the client terminates the investment advisory services during a quarter, the client will be charged a pro-rata portion of the advisory fee for the quarter up to the date of termination. Any unearned, pre-paid fees will be refunded to the Client. The Company will attempt to meet with clients at least annually or at the client's request to discuss the client's investment portfolio and to update the client's financial information if any changes have occurred.

## **Retirement Plan Consulting Services**

We will bill the plan sponsor for Retirement Plan Consulting Services at a fixed fee, basis points based on a percentage of the Plan assets, or a combination thereof. The exact fee is negotiated in advance of services rendered and is disclosed in the executed written agreement that we sign with the plan sponsor. Fees may be billed quarterly in advance or in arrears. In special circumstances, other fee-paying arrangements may be negotiated.

The written agreement may be terminated by us or the plan sponsor at any time upon a 30-day prior written notice. Upon termination, if billed in arrears, we will deliver a final billing statement for unbilled work performed prior to termination, and the plan sponsor will have a period of 30 days within which to deliver payment. If agreement termination occurs and we bill in advance, a pro-rated refund will be issued for the unused portion of the billing period.

Our fee schedule is based on the following:

- Fixed Fee – Ranging from \$1,000 to \$15,000 based on scope of services outlined in agreement, complexity, plan size, and other relevant factors.
- Basis Point Fee – Generally ranges from a minimum of 0.20% to a maximum of 0.50%.

## **Performance-based Fees and Side-By-Side Management**

The Company does not have any performance-based fees or side-by-side management. Fees are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds.

## **Types of Clients**

The Company is primarily involved in providing financial planning and investment advisory services<sup>6</sup> to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and/or small businesses that desire a high degree of personalized and professional services.

Generally, Adviser's minimum account size to obtain asset management services is \$200,000. However, under certain circumstances, the Company may waive the minimum account size requirement and accept accounts less than \$200,000. Such circumstances may include, but not be limited to, (1) additional assets will soon be deposited or (2) Client has other accounts with the Company.

Clients are advised that performance may suffer due to difficulties with diversifying smaller accounts and due to risk controls potentially being compromised. Performance of smaller accounts may vary from the performance of accounts with more dollars invested since fluctuations in the market may affect smaller accounts more.

## **Methods of Analysis, Investment Strategies, and Risk of Loss**

This information is contained under the Investment Management Services section on Page 8. However, investing in securities involves risk of loss that clients should be prepared to bear.

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<sup>6</sup> Financial planning services account for 25% of total billings; investment advisor services total 75% of total billings.

## **Disciplinary Information**

The Company has had no disciplinary or legal action taken against the Company. Kirk Kinder, the principal owner and only financial planner, has not had any disciplinary or legal action taken against him.

## **Other Financial Industry Activities and Affiliations**

The Company has custodial and brokerage relations with Shareholders Service Group, Inc., who utilizes the custody and clearing services of Pershing, LLC, a Bank of New York Securities Group Company.

Shareholders Service Group provides custodial and brokerage services including online services for account administrative and operational support. Online services include electronic trading, account forms and applications, trading authorization, accounting and reporting, and other relevant administration and support services.

Shareholders Service Group is located at: 9845 Erma Road, Suite 312, San Diego, CA 92131. Pershing, LLC, located at One Pershing Plaza, Jersey City, NJ 07399, performs custody and clearing services on behalf of Shareholders Service Group.

The Company has arrangements with Shareholders Service Group to waive all charges for access based on total client assets under management. An arrangement with Shareholders Service Group for use of its software, NetExchangePro, allows the Company access to trading and client information and management.

Mr. Kinder owns Picket Fence Tax Service, LLC, a tax preparation firm located in Bel Air, Maryland. He devotes approximately 25% of his time to this activity. Clients in need of tax preparation services may be referred to Picket Fence Tax Service, LLC; however, they are under no obligation to use these services. The fees charged for tax preparation services are in addition to the fees charged by Picket Fence Financial for investment advisory services.

## **Code of Ethics, Participation or Interests in Client Transactions and Personal Trading**

### **Code of Ethics**

The Company has a fiduciary duty to clients to act in the best interest of the Client and always place the Client's interests first and foremost. Adviser takes seriously its

compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as the Company's policies and procedures. Further, the Company strives to handle Clients' non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides Clients with the Company's Privacy Policy. As such, the Company maintains a Code of Ethics for its Advisory Representatives, supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct to comply with applicable securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about Client transactions. Further, Adviser's Code of Ethics establishes Adviser's expectation for business conduct. A copy of our Code of Ethics will be provided to any Client or prospective Client upon request.

### **Participation or Interests in Client Transactions**

Advisory Representatives may buy or sell securities identical to those securities recommended to Clients. Therefore, Advisory Representatives may have an interest or position in certain securities that are also recommended and bought or sold to Clients. Advisory Representatives will not put their interests before a Client's interest. Advisory Representatives may not trade ahead of their Clients or trade in such a way to obtain a better price for themselves than for their Clients. The Company maintains a list of all securities holdings for its associated persons. Further, associated persons are prohibited from trading on non-public information or sharing such information. Clients have the right to decline any investment recommendation. The Company and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable securities regulations.

### **Personal Trading**

The Company has established the following restrictions to ensure its fiduciary responsibilities:

1. Advisory Representatives 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 their affiliation with the Company, unless the information is also available to the investing public on reasonable inquiry. No person shall prefer his or her own interest to that of the advisory Client.
2. The Company emphasizes the unrestricted right of the Client to decline to implement any advice rendered, except in situations where a Third Party Advisory Service is granted discretionary authority in the Client's account.

3. The Company requires that all individuals must act in accordance with all applicable securities regulations governing registered investment advisory practices.

4. Any individual not in observance of the above may be subject to termination.

### **Disaster Recovery and Business Continuity**

For measures to protect against destruction, loss or damage of customer information due to potential hazards such as fire, hurricanes, water damage, or technological failures, the Company has in place a formal contingency and disaster recovery plan ("Plan"). The purpose of the Plan is to provide specific guidelines for the Company and its staff to follow in the event of failure of any critical business capabilities. The full text of the Company's Plan is available upon request.

## **Brokerage Practices**

The Company is not associated with any broker/dealer firm; therefore, clients may choose any broker/dealer and establish an account. However, if asked for a recommendation, the Company will suggest client establish an account with Shareholders Service Group, through which it reasonably believes it will provide best execution. For more information on Shareholders Service Group, please see the section Other Financial Industry Activities and Affiliations above. In seeking best execution, the determinative factor is not the lowest possible commission costs, but whether the transaction represents the best qualitative execution, taking into consideration the full range of services provided including research, execution, commission rates and responsiveness. Accordingly, although the Company will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for account transactions.

All compensation paid to the Company is paid directly by Clients; however, the Custodian with which the Company has a relationship has negotiated discounted rates with various outside vendors. Services such as electronic statements and discounts on research and educational materials may be available to the Company. It is the Company's policy to only accept those products and services that directly enhance the Company's ability to provide quality services to all Clients.

The Company attempts to aggregate orders for clients when possible. When client orders are not aggregated, each client may end up paying a different price for the purchased security. The price paid by a client may be higher or lower than the price paid by other clients depending on market fluctuation. The Company cannot aggregate orders for open-ended mutual funds. Aggregating does not affect the price paid by each client as an open-ended mutual fund only trades once a day at 4 p.m. However, some open-ended mutual funds have investment minimums, and some clients may not have

enough cash to invest due to the minimum. These orders cannot be aggregated to satisfy the minimum investment. Other times the company may not aggregate orders if the Company is using limit orders for thinly traded securities or securities with wide bid and ask prices.

## **Review of Accounts**

Reviews are conducted at least quarterly on accounts and attempted to be conducted with Clients at least annually. Clients may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Levels of reviews will vary depending on Client needs at the time of review as well as changes in the financial status or position (tax status or otherwise), financial goals, current market conditions, performance standards, suitability changes, and age, among other things. Generally, Advisory Representatives will monitor for changes or shifts in the economy, changes in the management of a mutual fund or company in which client assets are invested, and market shifts and corrections. Clients are advised that they should notify their Advisory Representative promptly of any changes to the Client's financial goals, objectives or financial situation as such changes may require Advisory Representative to review the Client's portfolio and make recommendations for changes.

## **Client Referrals and Other Compensation**

### **Solicitors**

The Company has entered into an arrangement with an individual ("Solicitor") whereby the Solicitor will refer clients who may be a candidate for investment advisory services to the Company. In return, the Company will agree to compensate the Solicitor for the referral. Compensation to the Solicitor is dependent on the client entering into an advisory agreement with the Company for advisory services.

Compensation to solicitor will be an agreed upon percentage of the Company's advisory fee. Company's referral program is in compliance with securities regulations. The solicitation/referral fee is paid pursuant to a written agreement retained by both the Company and the Solicitor. The Solicitor will be required to provide the client with a copy of Company's Form ADV Part 2 and a Solicitor Disclosure brochure prior to or at the time of entering into any investment advisory contract with the Company. Solicitor is not permitted to offer clients any investment advice on behalf of the Company. Clients' advisory fee will not be increased as a result of compensation being shared with Solicitor.

## Other Compensation

Clients are cautioned to consider their options carefully when the Company and its Investment Advisor Representatives (“RA”) suggests the need for outside consultations and coordination (e.g., attorneys, CPAs, insurance and securities representatives) to implement certain aspects of financial planning services.

Even though the Company is a fee-only investment advisor who does not earn commissions for the sale or implementation of any financial products, nor share in any fees earned by attorneys or CPAs when implementing an estate or tax plan those entities to which the Company refers business can. As a result, this creates incentive on the part of the Company and the RA to refer client business to only those entities that, in turn, refer potential clients to the Company. This can eliminate the possibility for the client to be referred to someone who may provide better services at lower cost.

Consequently, the objectivity of the advice rendered by the Company could therefore be subjective and disadvantage the client. Therefore, to ensure clients understand the full relationship of the Company to any related parties that the Company may refer business, as well as the choices clients have in receiving investment services and/or financial planning, the following disclosures are provided:

- ◆ The Company will suggest the custodial/brokerage services of Shareholders Services Group.
- ◆ Investments involve risk and some investment decisions will result in losses. Clients understand that we cannot guarantee that their investment objectives will be achieved.
- ◆ Clients are under no obligation to have any related parties that the Company recommends prepare planning documents (i.e., estate, insurance, tax, etc.). Clients are free to choose anyone to implement the recommendations made in their financial plan.
- ◆ The related parties that the Company will have perform certain aspects of the financial planning services for clients may be registered representatives of a broker/dealer and/or licensed representatives of insurance companies – they may receive the normal commissions associated with such transactions. This happens when the client has a relationship with a registered representative or insurance agent previously, or when the Company works with an insurance agent to implement the insurance portion of a financial plan.
- ◆ The Company is a fee-only investment advisory firm – no officer, director, or employee will receive commissions associated with the recommendations made from a financial plan.
- ◆ The Company does not receive any economic benefit from referring clients to another professional without first notifying the client of such possibilities. The

Company acts completely in a fiduciary capacity – the interests of the client are first and foremost.

Notwithstanding such potential conflicts of interest, the Company strives to serve the best interest of the client; as well as, ensuring such disclosure is being properly made to clients in compliance with the Investment Advisor Act of 1940, Rule 275.206.

## **Custody**

With the exception of the deduction of advisory fees from your account, the Company does not have custody of your funds or securities. Clients will receive account statements from Shareholders Service Group and should carefully review those statements. Clients who receive our quarterly performance reports should compare these reports with the statements received by Shareholders Service Group.

## **Investment Discretion**

The Company offers asset management services on a discretionary basis. Advisory Representatives will gather information on a Client's financial history, goals, objectives, and financial concerns and assist Client in developing an asset allocation strategy. All information gathered from Client is confidential. Client will establish an Account and deposit cash, cash equivalents and securities and engage an Advisory Representative to manage the Account. Based on Client's investment objectives, risk tolerance, and financial situation, Client's Advisory Representative will manage the Account on a continuous basis. Advisory Representatives will not contact Clients to discuss recommendations for changes within the Client's Account or obtain the Client's prior authorization for any buy, sell or exchange. The Company does not have the authority to set the commission rates paid by the Client or the custodian used by the client.

The Company will make every effort to discuss investment ideas and changes with the client before implementation, but it is not required.

Clients may grant the Company authorization to manage client's account on a discretionary basis. Client will grant such authority to the Company by execution of the client agreement. Clients may terminate discretionary authorization at any time upon receipt of written notice by the Company. Additionally, the client is advised that:

1. Client may set parameters with respect to when account should be rebalanced and set trading restrictions or limitations.
2. The Client may require consent to establish any mutual fund, variable annuity, or brokerage account.



For additional information regarding investment discretion and procedures, please refer to the section on Investment Management Services and Brokerage Practices.

## **Voting Client Securities Proxies**

The Company is hereby expressly precluded from voting proxies. Clients understand and agree that the client retains the right to vote all proxies, which are solicited for securities held in the managed accounts. Any proxy solicitations received at the Company's place of business will be immediately forwarded to the client for their evaluation and decision.

The client will receive proxies and other solicitations from Shareholders Service Group or the client's brokerage. Occasionally, the investment company will send proxies and solicitations to the client directly. If clients have questions regarding the proxies, the clients can contact the Company to discuss their questions. This can be done through phone, email, fax, or in person.

## **Financial Information**

Not applicable.

# Requirements for State-Registered Advisers

## Part 2B of Form ADV: Brochure Supplement

The following supplement to Form ADV contains information pertaining to the Educational Background and Business of Experience of all advisers at Picket Fence Financial. This supplement also discusses any disciplinary information against the Company or any personnel of the Company, other business activities and additional compensation, and supervision of Company personnel.

### Business Qualifications

Kirk Kinder is the principal financial planner and portfolio manager at Picket Fence Financial, LLC. He is directly responsible for the leadership and direction of the Company and any of its Advisory Representatives.

#### Education

Masters of Science, Personal Financial Planning  
College for Financial Planning, May 2010

Certified Financial Planner<sup>TM</sup> Designation  
College for Financial Planning, 2003

Bachelor of Science, Government  
United States Coast Guard Academy, May 1994  
FINRA Exam Series 65, 2002

#### Business Experience

12/2005 – Present Picket Fence Financial, an investment advisor. Position: President and Advisory Representative

01/2015 – Present Picket Fence Tax Service, LLC. Position: Owner

03/2016 – 06/2016 Tweddell Goldberg, LLC, an investment advisor. Position: Advisory Representative.

08/2002 – 12/2005 Financial Guidance Group, Inc., an investment advisor. Position: Financial Advisor/Advisory Representative.

01/2002 – 05/2002 Jackson Hewitt Tax Services, a tax preparation firm. Position: Tax Manager.

03/2000 – 01/2002 The Motley Fool, an online financial services company. Position: Member Services Director.

05/1994 – 03/2000 United States Coast Guard. Position: Military Officer.

Kirk Kinder has been a financial planner since 2002 and began working in the financial field in 2000 at the Motley Fool. Prior to that, Mr. Kinder was a military officer for the United States Coast Guard. Mr. Kinder is a member of the National Association of Personal Financial Advisors (NAPFA), an association of fee-only planners. Kirk, who was born in 1970, lives in Bel Air, Maryland, with his wife Michele and daughters, Caroline and Shayla.

The Certified Financial Planner<sup>TM</sup> Designation is maintained by the Certified Financial Planner Board of Standards, Inc. Those individuals who have been authorized to use the CFP® designation in the United States have met rigorous professional standards and have agreed to adhere to the principles of integrity, objectivity, competence, fairness, confidentiality, professionalism, and diligence when dealing with clients. To become certified, individuals must hold at least a bachelor's degree and meet an educational requirement focused on the topics of investment management, tax planning, retirement planning, estate planning, and insurances. After satisfying the educational requirement, each certificant must pass the CFP® Certification Examination, a 10-hour exam covering the educational requirement topics. The Certified Financial Planner Board of Standards also requires all certificants to have 3 years of relevant personal financial planning experience. The Certified Financial Planner Board of Standards also requires all certificants to adhere to the CFP® Board's Code of Ethics and Professional Responsibility, Rules of Conduct, and Financial Planning Practice Standards. More information can be found on the CFP® certification at [www.cfp.net](http://www.cfp.net).

### **Disciplinary Information**

Mr. Kinder has had no disciplinary or legal action taken against him.

### **Other Business Activities**

Mr. Kinder owns Picket Fence Tax Service, LLC, a tax preparation firm located in Bel Air, Maryland. He devotes approximately 25% of his time to this activity. Clients in need of tax preparation services may be referred to Picket Fence Tax Service, LLC; however, they are under no obligation to use these services. The fees charged for tax preparation services are in addition to the fees charged by Picket Fence Financial for investment advisory services.

### **Additional Compensation**

None.

## **Supervision**

The Company has established, maintains, and enforces written supervisory guidelines to reasonably supervise the activities of an Investment Advisory Representative and any associated persons to achieve compliance with the Maryland Securities Act and the Rules and Regulations promulgated thereunder.

## **Requirements for State-Registered Advisers**

Not applicable.