



May 15<sup>th</sup>, 2020 – Form CRS

## Robert Gordon & Associates, Inc.

We are registered as an Investment Advisor with the SEC (Securities & Exchange Commission).

Brokerage and investment advisory services and fees are different. This is important for retail investors to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisors, and investing.

### What investment services and advice can you provide me?

Robert Gordon & Associates, Inc. (RGA) employs CERTIFIED FINANCIAL PLANNER™ Professionals to deliver investment advisory services to retail investors and operates under a fiduciary standard with all relationships. The two services we offer to retail clients are Comprehensive Financial Planning and Professional Asset Management.

**Comprehensive Financial Planning** is the road map that looks at where you've been, where you are now, what financial goals and milestones you are trying to achieve, and maps out specific steps to get there. The comprehensive financial plan analyzes your current insurance, income tax, investments, retirement plans, and estate plans and lays out specific action items for how you can immediately improve your financial situation and make better financial decisions in the future toward your goals. The frequency of monitoring the plan can range from quarterly reviews to bi-annual reviews.

**Professional Asset Management** involves directly managing current and future investments. The proper management of an investment portfolio should involve formulating an asset allocation strategy, researching and choosing the best investments, developing accumulation and drawdown strategies, regular rebalancing, tax planning, and regular monitoring. RGA has no restrictions on the types of accounts we can open for our clients and we have no restrictions on the investment products that we can use. We are able to monitor client accounts in real time, and regularly review accounts at least annually. RGA prefers a discretionary relationship but may offer a non-discretionary relationship in limited circumstances or for a limited duration. Investment advisor discretion means the advisor can initiate transactions in client accounts without the client signing off on each transaction. A non-discretionary relationship means that the advisor makes the recommendation, but the client is responsible for making the ultimate decision and must sign off on each transaction. Clients can set limitations in either type of relationship. Our stated household investment account minimum is \$50,000.

**Conversation Starters:** *“Given my financial situation, should I choose an investment advisory service? Why or why not?” “How will you choose investments to recommend to me?” “What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?”*

### What fees will I pay?

We charge for the Comprehensive Financial Plan based upon the complexity of the client's financial situation and how much time we believe we will have in developing the plan. No two client situations are the same, but we have built enough plans over the decades to review a few key pieces of financial information and give a firm

quote for the plan. The plan automatically includes full access to a CFP® Professional that can help with implementation of the plan to maximize the probability of success. The minimum that we charge for a comprehensive financial plan is \$1500. The potential conflict of interest in the financial plan is that we may recommend using our asset management services instead of keeping your current advisor or choosing another service provider.

We charge for professional Asset Management based upon a percentage of assets that we directly manage. This structure puts our interests directly in line with the clients to reach your investment objectives while managing investment risk and keeping costs as low as possible. Fees will be billed quarterly in arrears based on the closing market value in the investment account(s) at the end of the prior quarter. Fees will be prorated with respect to amounts deposited or withdrawn to investment accounts during each quarter. Our asset management fee only applies to assets that we directly manage. This may create a potential conflict of interest in our recommendation around assets that we are currently managing or assets that you may be managing outside of our control.

There will be fees charged by the investment company that markets the mutual funds and exchange traded funds which we use to build portfolios. Since we do not participate in any revenue sharing agreement, we have an incentive to look for low cost products that align with your investment objective.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

**Conversation Starter:** *“Help me understand how these fees and costs might affect my investments. If I give you \$100,000 to invest, how much will go to fees and costs, and how much will be invested for me?”*

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

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

**Conversation Starter:** *“How might your conflicts of interest affect me, and how will you address them?”*

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

The CFP® Professionals that you work with may be compensated by a set salary, a percentage of the revenue they bring in for the firm, or a combination of the two. Because compensation can be tied to assets managed, there may be a conflict of interest to bring more assets under direct management.

### **Do you or your financial professionals have legal or disciplinary history?**

No. You may visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple tool to research the firm or its financial professionals.

Full SEC disclosure brochure and privacy policy can be obtained from our website. [www.rga-advisors.com](http://www.rga-advisors.com)

You may call to request a copy of all disclosure information 217-698-4844

**Conversation Starter:** *“Who is my primary contact person? Is he or she a representative of an investment advisor or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?”*

# Robert Gordon & Associates, Inc.

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## **IMPORTANT INFORMATION YOU SHOULD KNOW**

### **ABOUT ROBERT GORDON & ASSOCIATES, INC.**

#### **Investment Advisor Disclosure- Form ADV**

This brochure provides information about the qualifications and business practices of Robert Gordon & Associates, Inc. (RGA). If you have any questions about the contents of this brochure, please contact us at above phone number or email address. 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. It is required by the Investment Advisors Act of 1940, Rule 204-3; otherwise known as the "brochure" rule and must be given to all potential clients by Investment Advisors prior to any contractual agreement. Registration does not imply a certain level of skill or training. Robert Gordon & Associates, Inc. CRD number is 106037.

Our Disclosure Brochure may be requested by contacting Nic Gordon at (217) 698-4844 or nic@rga-advisors.com. Our Brochure is also available on our web site rga-advisors.com free of charge.

Additional information about Robert Gordon & Associates, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Revised 01/01/2020

## **Item 2 – Material Changes**

Our annual amendment to form ADV based on the end of our fiscal year December 31, 2019.

Primary changes included in this update include:

- Our total assets under management are \$200,191,054.50.
- Morgan Stone, CFP® joined the firm as an advisor. CRD# 578810
- Christina Patterson joined the firm as an administrative assistant.
- The firm expanded on sections of this disclosure to provide better explanation and more clarification.

All required disclosures are now incorporated in this document.

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

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#### **Item 4 - Advisory Business**

Robert A. Gordon, CFP®, MS, is the principal owner of Robert Gordon & Associates, Inc. (“RGA”) that was founded in 1983. We are a comprehensive financial planning and professional asset management firm registered with the Securities and Exchange Commission as a corporate Registered Investment Advisor. Our SEC file number is 801-33642 and CRD file number is 106037.

We offer sound financial planning advice regarding wealth management, taxes, investments, insurance, pensions, retirement, estate planning, and general financial matters. Also, an ongoing consultation service is available for clients who need frequent advice. We tailor our advisory services to the individual needs of clients.

As of December 31, 2019, the firm managed assets valued at \$200,191,054.50. Non-discretionary assets total \$177,239,535.30, discretionary assets total \$22,951,519.25.

**RGA Savvy Portfolios. Established 1/1/2018** We also provide portfolio management services through Institutional Intelligent Portfolios (IIP), an automated, online investment management platform for use by independent investment advisors and sponsored by Schwab Wealth Investment Advisory, Inc. (the “Program” and “SWIA,” respectively). Through the Program we offer clients a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange traded funds (“ETFs”), Mutual Funds, and a cash allocation. The client may instruct us to exclude up to three ETFs from their portfolio. The client’s portfolio is held in a brokerage account opened by the client at SWIA’s affiliate, Charles Schwab & Co., Inc. (“CS&Co”). We are independent of and not owned by, affiliated with, or sponsored or supervised by SWIA, CS&Co or their affiliates (together, “Schwab”). The Program is described in the Schwab Wealth Investment Advisory, Inc. Institutional Intelligent Portfolios Disclosure Brochure (the “Program Disclosure Brochure”), which is presented to clients by SWIA during the online enrollment process.

We, and not Schwab, are the client’s investment advisor and primary point of contact with respect to the Program. SWIA’s role is limited to delivering the Program Disclosure Brochure to the clients and administering the Program so that it operates as described in the Program Disclosure Brochure.

Because we maintain more than \$100 million in client assets in accounts at CS&Co that are not enrolled in the program, we do not pay SWIA fees for its services in the Program.

As an independent firm, we work for our clients only, and base our investment decisions on objective analysis and independent research. All client account information is kept in strict confidence. Each account is managed individually by a professional portfolio manager.

Our minimum initial account size is \$50,000.

#### **Item 5 – Compensation**

The specific manner in which fees are charged by RGA is established in a client’s written or electronic agreement with RGA. Comprehensive financial plans range in cost from \$1500 to \$5,000 and up depending on the complexity of the client financial situation and the amount of time we believe we will have in building the plan. We quote a flat fee after meeting with the prospect and reviewing pertinent information about their financial situation. After the initial financial plan delivery, there may be charges assessed on a semi-annual, or annual basis for financial plan reviews and updates. Our current hourly rate is \$250.00/hour.

Asset Management clients are charged a fee based upon the percentage of assets under management, billed quarterly. The Client will be billed on the first day of every quarter based upon the market value of the portfolio on the last day of the preceding quarter. Fees are calculated as follows:

<u>Household Assets</u>	<u>Annual Fee</u>
< \$100,000	1.5%
\$100,000 - \$2,499,999	1%
\$2,500,000 - \$10 million	.75%
> \$10 million	.5%

Fees are normally deducted from client assets but can be billed at the discretion of the client. Robert Gordon & Associates does not require prepayment of fees more than six months in advance for either fee based financial planning or asset management, all fees are paid in arrears after services have been rendered.

Pursuant to Section 130.846 of the Rules “an advisory client has the right to terminate the contract without penalty within (5) business days after entering into the contract.” If a client terminates, fees would be pro-rated.

RGA 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 firms and other third parties such as fees charged by managers, custodial fees, 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 an internal management fee which is disclosed in a fund’s prospectus. Such charges, fees and commissions are exclusive of and in addition to RGA’s fees, and RGA shall not receive any portion of these commissions, fees, and costs. Item 12 further describes the factors that RGA considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

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

Robert Gordon & Associates, Inc. does not participate in any performance fee structure or side by side management programs.

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

We work with Individuals, businesses, retirement plan coordinators, financial institutions, associations and governmental bodies.

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

We do not use technical analysis or charting. We primarily use a fundamental approach deriving our information from online sources, financial publications, research material prepared by others, annual reports, prospectuses, seminars and other sources as we feel beneficial to our clients. We do not utilize timing services, instead concentrating on client’s objectives for their long, medium and short-term goals. Investing in securities involves risk of loss and clients should be prepared to accept such risk before investing.

RGA is in a unique position for money managers when it comes to understanding the client’s investment objective and guidelines. As a small firm, we manage the assets of clients that we have come to know as they came into the firm. We have close contact with all of our clients via phone conversations, email and personal meetings. It is this personal service that makes RGA successful and ensures the portfolio management processes are consistent with the investment objective of the client.

All of our portfolios are individually tailored to meet the financial objective and risk parameters of our clients. RGA may use all instruments necessary to meet these goals and objectives. RGA may invest the assets of the client in domestic or foreign securities including common and preferred stocks, convertible securities, bonds, money markets, debentures, and other corporate obligations, U.S. Government or Agency securities, municipal obligations, open end or closed end mutual funds, Exchange Traded Funds, Certificate of Deposits, Real Estate

Investment Trusts, precious metals, and any other securities which it believes offer opportunities for achieving the investment objectives of the client.

RGA believes diversification, income generation, preservations of capital and growth are all important aspects of investing. We generally hold our investments for extended periods of time and are not active traders.

**While care is given to all of our investment decisions, positive returns cannot be guaranteed, and loss of capital is always a possibility. Losses may occur but not be limited to the following reasons: individual security performance, market risk, world events, government defaults, politics, terrorism, natural disasters or other seen or unforeseen events.**

#### **Item 9 - Disciplinary Information**

Robert Gordon & Associates, Inc. and its advisors have had no past disciplinary action taken against them by any federal, state, or local governing bodies or trade associations.

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

Advisors at Robert Gordon and Associates, Inc. have affiliations with the Financial Planning Association, The American Business Club, The Greater Springfield Chamber of Commerce and The Sangamon Valley Estate Planning Council and Estate Planning Council of Lee County.

#### **Item 11 – Code of Ethics**

RGA 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, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items and personal securities trading procedures among other things. All supervised persons at RGA must acknowledge the terms of the Code of Ethics annually, or as amended.

RGA anticipates that, in appropriate circumstances, consistent with client's investment objectives, it will cause accounts over which RGA has management authority to affect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which RGA, its' affiliates and/or clients, directly or indirectly, have a position of interest. RGA employees and persons associated with RGA are required to follow RGA Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of RGA and its' affiliates may trade for their own accounts in securities which are recommended to and/or purchased for RGA clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of RGA 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. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of RGA clients.

RGA has a supervisory procedure in place to review all purchases and sales of securities, of any type, done by its employees on a quarterly basis. Employee purchases and sales must be approved, in writing, prior to the completion of the actual purchase or sale of securities.

In some circumstances, employees are permitted to invest in the same securities as clients, and there is a possibility that employees might benefit from market activity by a client in a security held by an employee.

Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between RGA and its clients.

All employees of RGA adhere to the principals in the code of ethics established by the CFP® Board as follows:

**Principle 1 – Integrity: Our staff shall offer and provide professional services with integrity.**

Employees of Robert Gordon & Associates, Inc. may be placed, by clients, in positions of trust and confidence. The ultimate source of such public trust is our personal integrity. In deciding what is right and just, we rely on our integrity as the appropriate touchstone. Integrity demands honesty and candor, which must not be subordinated to personal gain and advantage. Within the characteristic of integrity, allowance can be made for innocent error and legitimate difference of opinion; but integrity cannot co-exist with deceit or subordination of one's principles. Integrity requires us to observe not only the letter but also the spirit of this Code.

**Principle 2 – Objectivity: Our staff shall be objective in providing professional services to clients.**

Objectivity requires intellectual honesty and impartiality. It is an essential quality for any professional. Regardless of the particular service rendered or the capacity in which we function, we shall strive to protect the integrity of our work, maintain objectivity, and avoid subordination of our judgment that would be in violation of this Code.

**Principle 3 – Competence: Our staff shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which we are engaged.**

An individual is competent only when he/she has attained and maintained an adequate level of knowledge and skill and applies that knowledge effectively in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation or client referral is appropriate. In addition to assimilating the common body of knowledge required and acquiring the necessary experience, we shall make a continuing commitment to learning and professional improvement.

**Principle 4 – Fairness: Our staff shall perform professional services in a manner that is fair and reasonable to clients, principals, partners and employees, and shall disclose conflict(s) of interest in providing such services.**

Fairness requires impartiality, intellectual honest, and disclosure of conflict(s) of interest. It involves a subordination of one's own feelings, prejudices, and desires to achieve a proper balance of conflicting interests. Fairness is treating others in the same manor that you want to be treated and is an essential trait of Robert Gordon & Associates, Inc.

**Principle 5 – Confidentiality: Our staff shall not disclose any confidential client information without the specific consent of the client unless in response to proper legal process, to defend against charges of wrongdoing, or in connection with a civil dispute.**

A client, by seeking our services, may be interested in creating a relationship of personal trust and confidence. This type of relationship can only be built upon the understanding that information supplied to us will be confidential. In order to provide the contemplated services effectively and to protect the client's privacy, we shall safeguard the confidentiality of such information.

**Principle 6 – Professionalism: Our staff's conduct in all matters shall reflect credit upon the profession.**

Because of the importance of the professional services rendered by our firm, there are attendant responsibilities to behave with dignity and courtesy to all those who use those services, fellow professionals, and those in related professions. We also have an obligation to cooperate with fellow financial professionals to enhance and maintain the profession's public image and to work jointly with other financial professionals to improve the quality of services. It is only through the combined efforts of all financial professionals in cooperation with other professionals, that this vision can be realized.

## **Principle 7 – Diligence: Our staff shall act diligently in providing professional services.**

Diligence is the provision of services in a reasonably prompt and thorough manner. Diligence also includes proper planning for and supervision of the rendering of professional services.

### **Item 12 – Brokerage Practices**

RGA does not maintain custody of client assets that it manages (see Item 15 – Custody, below). Client assets must be maintained in an account at a “qualified custodian,” generally a broker dealer or bank. RGA may recommend that clients establish brokerage accounts with the Schwab Advisor Services, division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of client’s assets and to affect trades for their accounts. RGA is independently owned and operated and not affiliated with Schwab. Schwab provides RGA with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor’s client’s assets is maintained in accounts at Schwab Institutional, and are not otherwise contingent upon an Advisor committing to Schwab any specific amount of business (assets in custody or trading). Schwab’s services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

RGA is independently owned and operated and is not affiliated with Schwab. Schwab will hold RGA’s client assets in a brokerage account. Schwab will buy and sell securities when RGA instructs them to do so. While RGA recommends clients to use Schwab as their custodian/broker, the client will decide whether to do so and will open an account with Schwab by entering into an account agreement directly with them. RGA does not open the account for clients, although RGA may assist the client in doing so. Even though a client account is maintained at Schwab, RGA can still use other brokers to execute trades for a client account as described below (see “Your Brokerage and Custody Costs”).

#### **How RGA Selects Brokers/Custodians**

RGA seeks to recommend a custodian/broker who will hold a client’s assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. RGA considers a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody).
- Capability to execute, clear, and settle trades (buy and sell securities for a client’s account).
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.).
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.).
- Availability of investment research and tools that assist RGA in making investment decisions.
- Quality of services.
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate prices.
- Reputation, financial strength, and stability.
- Prior service to RGA and other clients.
- Availability of other products and services that benefit RGA, as discussed below (see “*Products and Services Available to Us From Schwab*”).

#### **Client’s Brokerage and Custody Costs**

For RGA client accounts maintained in its’ custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab may charge clients a flat dollar amount as a “prime broker” or “trade away” fee for each trade that RGA has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client’s Schwab account.

These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize the client’s trading costs, RGA has Schwab execute most trades for the client’s account.

RGA has determined that having Schwab execute most trades is consistent with its’ duty to seek “best execution” of the client’s trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How RGA Selects Brokers/Custodians”).

### **Products and Services Available to RGA From Schwab**

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab’s business serving independent investment advisory firms like RGA. They provide RGA and their clients with access to its institutional brokerage services—trading, custody, reporting, and other related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help RGA manage or administer client’s accounts, while others help RGA manage and grow the business. Schwab’s support services generally are available on an unsolicited basis (RGA does not have to request them) and at no charge to the firm as long as the clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. RGA does maintain more than \$10 million with Schwab, therefore there are no service fees.

Following is a more detailed description of Schwab’s support services:

#### **Services That Benefit the Client**

Schwab’s institutional brokerage service includes access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which RGA might not otherwise have access or that would require a significantly higher minimum initial investment by the clients. Schwab’s services described in this paragraph generally benefit the client and their account.

#### **Services That May Indirectly Benefit the Client**

Schwab also makes available to RGA other products and services that benefit the firm and may indirectly benefit the client or their account. These products and services assist RGA in managing and administering the client’s accounts. They include investment research, both Schwab’s own and that of third parties. RGA may use this research to service all or a substantial number of client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements).
- Facilitate trade execution and allocation of aggregated trade orders for multiple client accounts.
- Provide pricing and other market data.
- Facilitate payment of RGA fees from the client’s accounts.
- Assist with back-office functions, recordkeeping and client reporting services. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:
  - Educational conferences and events.
  - Consulting on technology, compliance, legal, and business needs.
  - Publications and conferences on practice management and business succession.
  - Access to employee benefits providers, human capital consultants and insurance providers. Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to RGA. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party’s fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

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

Client advisory accounts are reviewed on a quarterly basis, triggered by the calendar quarter. Some clients also receive, for additional compensation, reviews regarding other assets and concerns not covered under our asset

management agreements. The triggering factor is daily changes to client account valuations and/or client requests. Richard L. Stone, CFP®, Robert A. Gordon, CFP®, Nicholas R. Gordon, CFP®, and Morgan Stone CFP® review client accounts on a portfolio basis.

Clients receive account statements in writing or online on monthly and/or quarterly basis from Schwab. Additional reports showing transaction summaries, investment performance, and account status are prepared upon client request. Planners may arbitrarily send reports or items of interest to clients as they deem necessary and in the best interests of the client. Clients receive quarterly newsletters, which contain financial articles of general interest. Clients who participate in the asset management program also receive quarterly statements, which show how fees were calculated for the previous quarter.

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

On occasion, RGA will compensate individuals or companies for referrals. Full disclosure of the relationship will be given to the related client at the time of contract.

RGA receives an economic benefit from Schwab in the form of support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to RGA of Schwab's products and services is not based on RGA giving particular investment advice, such as buying particular securities for our clients.

RGA is also hired by businesses, companies, and organizations to speak to their employees and customers about financial topics and concepts in order to elevate their understanding of the subject matter.

#### **Item 15 – Custody**

RGA does not take custody of client securities. Clients assets are held at Charles Schwab and Company. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. RGA urges clients to carefully review such statements and compare such official custodial records to the account statements that RGA provides. RGA statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16 - Investment Discretion**

Robert Gordon & Associates, Inc. offers discretionary and non-discretionary relationships with regard to control of a client's assets.

For Non-Discretionary relationships, clients must approve all transaction prior to their occurrence.

For Discretionary relationships, RGA receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, RGA observes the investment policies, limitations and restrictions of the client.

#### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, RGA 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. RGA may provide advice to clients regarding the client's voting of proxies.

#### **Item 18 – Financial Information**

RGA has no financial commitment that impairs its' ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

# Privacy Policy

Robert Gordon & Associates, Inc., an independent Registered Investment Advisory Firm, considers client privacy to be a fundamental aspect of our client relationships. We are committed to maintaining the confidentiality, integrity, and security of our current, prospective and former clients' personal information.

In the course of providing you with advisory services, we may collect, retain, and use client information for the purpose of administering our operations, providing client service, and complying with legal and regulatory requirements. This information may come from sources such as account applications, investment policy statements, from your transactions, and other forms from other written, electronic or verbal correspondence from your brokerage, attorney, accountant or other advisor you may employ. We do not sell, exchange or disclose client information with outside organizations unless the third party is essential in administering our operations or except as required or permitted by law.

No confidential information, whatever the source, regarding any customer or client, may be disclosed except the following: We reserve the right to disclose or report personal information where we believe in good faith that disclosure is required under law, to cooperate with regulators or law enforcement authorities. Advisor reserves the right to disclose information with other Advisor employees in connection with the Advisor's business and to non-affiliated third parties with whom the Advisor has a contractual agreement to jointly offer, endorse or sponsor a financial product or service; and to service and maintain customer accounts including effectuating a transaction. Advisor may disclose information about client or client's account to a non-affiliated third party at client's written request.

Finally, to further safeguard client information digitally, we maintain password protected systems, updated anti-virus and anti-spyware software, and encrypted hardware and software firewalls.

# **Robert A. Gordon, MS, CFP®**

## **CRD# 1216059**

Bob Gordon is President of Robert Gordon & Associates, Inc. He has a Bachelor of Arts degree in Economics, a Master of Science degree in Financial Planning, and holds a CERTIFIED FINANCIAL PLANNER™ designation from the College for Financial Planning in Denver, Colorado.

Robert Gordon & Associates, Inc. is a fee-only financial planning firm and a Registered Investment Adviser. The firm has specialized in retirement and estate planning matters since 1983.

Mr. Gordon is the founder and past president of the Central Illinois Chapter of the International Association for Financial Planning (now known as the Financial Planning Association or FPA). Other organization memberships include The American Business Club, The Greater Springfield Chamber of Commerce, Estate Planning Council of Lee County, FL, and The Sangamon Valley Estate Planning Council. He has been involved in the financial services industry since 1979.

Mr. Gordon has conducted over 2000 investment seminars and workshops throughout the Midwest. In addition, Mr. Gordon has acted as an expert witness in securities fraud and suitability cases, and was an approved Arbitrator with the National Association of Securities Dealers, Inc.

His previous employment includes serving as a Securities Broker/Dealer, a partner and Director of Operations of a financial services agency, a Broker/owner of a Real Estate firm, and Financial Analyst at the Illinois Bureau of the Budget. He has been featured in local newspaper columns, financial magazines, and on several Springfield area radio and TV stations. Most noteworthy were his popular "Tax Tips" programs and "Personal Finance Column". He is frequently called on by the local news media for a source of Financial Planning, Estate Planning and Investment advice and comments on financial news.

# **Richard L. Stone, CFP®**

## **CRD# 1479718**

Rik Stone is the Director of Operations of Robert Gordon & Associates, Inc. He has a Bachelor of Science Degree in Business Administration from Illinois State University in Normal, Illinois. He is a graduate of the College for Financial Planning, CFP® Professional Education Program. He holds a CERTIFIED FINANCIAL PLANNER™ designation from the College of Financial Planning in Denver, Colorado. He resides in Pleasant Plains, Illinois.

Mr. Stone was Secretary of the Central Illinois Chapter of the Financial Planning Association (FPA). Organizational memberships include Illinois State University Alumni Association, and The Greater Springfield Chamber of Commerce. He has also participated in many fund-raising activities for other various local charitable organizations and is active in his church.

Mr. Stone has conducted over 2000 seminars and workshops throughout the Midwest on various topics regarding Retirement, Estate and Investment Planning.

Mr. Stone was selected to be in the Springfield Business Journal's "Forty Under 40" 2001 class. He was also selected to be the subject of a biography in Marquis Who's Who in Finance and Industry 1991 - 1992, edition. He has been featured in local newspaper columns and on Springfield area radio and television stations. Most noteworthy were his popular "Ask the Professionals" and "Personal Finance Column". These topics of discussion include Investment Advice, Financial, Estate, Business and Retirement Planning.

**Nicholas R. Gordon, MS, CFP®, MPAS®**  
**CRD# 5958087**

Nic Gordon is the Director of Client Development of Robert Gordon & Associates, Inc. He attended the University of Missouri in Columbia for his undergraduate studies and attained a degree of Bachelor of Science in Business Administration with an emphasis in Business Management and minor in Psychology. He is a graduate of the College for Financial Planning and holds the CERTIFIED FINANCIAL PLANNER™ designation. He also earned the degree Master of Science Personal Financial Planning and Master Planner Advanced Studies<sup>SM</sup>. Nic resides in Springfield, Illinois.

Nic has been involved in the financial services industry since 2007. After working for multiple banks and credit unions, Nic moved into the world of long-term money movement and planning with one of the largest mutual fund providers in the Midwest.

Nic moved back to Springfield to work with the family financial planning firm in 2015. In addition to providing financial planning and money management services to our clients, Nic is also involved with strategic planning for the firm.

**Morgan A. Stone, CFP®**  
**CRD# 578810**

Morgan Stone was born and raised in Springfield, Illinois. She attended Pleasant Plains High School and University of Missouri-Columbia where she received her Undergraduate Degree in Business Administration. Morgan is also a graduate of the College for Financial Planning in Denver, Colorado and is a CERTIFIED FINANCIAL PLANNER™. She resides in Springfield, Illinois with her fiancé Brendan.

Morgan started her career working for Levi, Ray & Shoup, Inc. in the Consulting Services department. After a few years, she took the opportunity to obtain a job in the financial industry. Morgan has worked for the past few years for financial advisory firms and banks within in St. Louis and Springfield marketplace. She is active within the community. Morgan is the Regional Council Chair for the Make-A-Wish foundation in Springfield. Morgan is a member of Illini Country Club and Piper Glen Golf Course. She also a participant in the Illinois Women's Golf Association.