

Baldwin Financial Advisors, LLC  
Written Policies and  
Procedures

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## Table of Contents

Table of Contents .....	ii
Policy Statement .....	3
Fiduciary Statement .....	4
Firm Statement .....	4
Use of MyRIACompliance™ .....	5
Client Financial Planning Agreements .....	5
New Client Onboarding .....	5
Client Agreements .....	6
Updating Client Information .....	6
Recordkeeping Requirements .....	6
Inactive or Terminated Clients .....	6
Death of a Client .....	6
Outside Business Activities .....	7
Definition .....	7
Review and Approval by the CCO .....	7
Disclosure on Appropriate Documents .....	8
Record Keeping Requirements .....	8
Communications with the Public .....	8
Advertising .....	8
Definition .....	8
Firm Policy .....	8
Compliance Requirements .....	8
Social Media .....	9
Correspondence .....	10
Electronic Communications .....	11
Written Correspondence .....	11
Correspondence .....	11
Anti-Money Laundering (AML) Policy .....	12
Anti-Money Laundering Program .....	12
Recordkeeping .....	12
Responding to Red Flags .....	13
Responsibility for AML Records .....	13

Training Programs .....	13
Proxy Voting Policy .....	14
Proxy Voting Policy Statement .....	14
Handling of Customer Funds -Policy .....	14
Policy.....	14
Definition.....	14
Disbursement Authority via SLOA.....	15
Trustee/Executor/Power of Attorney for Advisory Client.....	15
Qualified Custodian .....	15
Receipt of Funds or Securities .....	15
Supervision of Advisory Personnel.....	16
BFALLC provides Comprehensive Financial Planning and Investment Advice for a Fee .....	16
Department of Labor Prohibited Transaction Exemption 2020-02 As Applicable to RIA FIRM BFALLC .....	17
Rule Background.....	17
Impartial Conduct Standards.....	18
Level Fees .....	19
Disclosure.....	19
Specific Documentation .....	20
Retention of Recommendation Documentation .....	20
Annual Review .....	20
Self-Correction.....	21
Recordkeeping.....	21
Account Valuation in Plans .....	21
Financial Planning Fees.....	21
Customer Complaint Policy .....	24
Definition.....	25
Handling of complaints.....	25
Recordkeeping.....	25
Books and Records.....	26
Record Retention Requirements .....	26
Accounting.....	26
Registration, Hiring, and Training of Supervised Persons .....	26
Firm Policy .....	26
Hiring.....	26

Registration.....	27
Training.....	27
Firm Registration.....	27
Policy.....	27
Procedure.....	28
Renewal.....	28
Other-than-Annual Amendments.....	28
Form ADV Part 2A Firm Brochure.....	28
Form ADV Part 2B Brochure Supplement.....	29
Distribution of Disclosure Document.....	29
Form ADV Part 2A Firm Brochure.....	29
Form ADV Part 2B Brochure Supplement.....	29
Electronic Delivery.....	29
Solicitors.....	30
Supervision and Compliance.....	30
CCO Responsibility.....	30
Firm Policy.....	31
Risk Assessment.....	31
Annual Review.....	31
Remote Office Supervision.....	31
Prohibition on Indirect Contributions and Activities.....	32
Business Continuity Plan.....	32
Background.....	32
Business Description.....	32
Emergency Information.....	33
Firm Policy.....	34
Significant Business Disruptions (SBDs).....	34
Pandemics, Epidemics, & Outbreaks.....	34
General Business Operations.....	34
Information Security & Remote Operations.....	35
Third Party Vendors.....	35
Company Personnel.....	36
Approval and Execution Authority.....	36
Plan Location and Access.....	36

Office Locations.....	36
Alternative Physical Location(s) of Employees .....	37
Data Back-Up and Recovery (Hard Copy and Electronic).....	37
Operational Assessments.....	37
Alternate Communications with Clients, Employees, and Regulators.....	38
Regulatory Reporting .....	38
Death of Key Personnel.....	38
Updates and Annual Review .....	39
Approval & Signature .....	39
Supervisor Approval .....	39
Cyber Security & Information Security Policy.....	40
Access Persons.....	40
Inventory of Technology Infrastructure .....	40
Security of Technology Infrastructure .....	41
Detection of Unauthorized Activity or Security Breaches .....	42
User Login Security .....	43
User Access Privileges.....	44
Email Use Security and Guidelines .....	44
Mobile Device Usage Guidelines.....	44
Third Party Vendor Security and Diligence.....	45
Significant Technology System Disruption Plan.....	45
Testing .....	46
Data Back-Up Policies .....	46
BFALLC Personnel Review of P & P / Training .....	46
Chief Compliance Officer Appointment.....	47
Terminated or INACTIVE BFALLC Clients.....	47
Outside Business Activity .....	47
Email Review Checklist.....	48
Checks for Planning Fees ONLY- .....	49
Code of Ethics.....	49
Securities Holding & Transactions Record for BFALLC Employees, Advisers & Staff.....	49
Annual Review - Attestation Statement .....	49

### Record of Changes

Effective Date	Version	Section	Modification
Jan 6 2022	Jan 2022	1-Fiduciary Statement (bottom)	Added RIAINABOX section on DOL Written Acknowledgement of Fiduciary with Ret Plans
Jan 6 2022	Jan 2022	New DOL Proh Trans section	Added DOL Prohibited Transaction Exemption 2020-02
Jan 11 2022	Jan 2022	Death of a Client	Added last sentence regarding any (outside unaffiliated) Equitable Advisors securities accounts would follow all their FINRA, SEC & full rules/regulations.
Jan 11 2022	Jan 2022	DOL Prohibited Transaction	Added sentence in beginning to note BFALLC does not handle securities transactions as these are done, only upon client request, via unaffiliated Equitable Advisors in full compliance with the DOL Proh. Transaction Rules
Jan 2023	Jan 2023	Added Code of Ethics to Website	
Jan 2024	Jan 2024	*Client Engagement Agreement *DOL Section  *Acct Valuation & Billing *Complaints  *Recordkeeping *Hiring *Risk Assessment *Business Continuity *Information Technology	*Must be signed before or by the plan delivery date.  *Documentation by outside firm outlined for rollover IRAs *Advisory Fee Reviews updated  *Outside firm Equitable Advisors requesting monthly reporting *Gusto.com and CPA firm for record audits *NDA for interns required *Cybersecurity policy obtained  *Contacts updated  *Using Microsoft SharePoint for all client data and secure storage
MARCH 2025	MARCH 2025	Post outside firm Equitable Advisors, LLC required changes	<ul style="list-style-type: none"> <li>• Death of client- Discretionary authority not allowed</li> <li>• Record Keeping- Maintain State of IL recordkeeping requirements</li> <li>• Documented proper compliance as fiduciaries with 206(4)-7 Advisors Act</li> <li>• ORIA and IAR not considered ERISA Fiduciaries (Remove six references)</li> </ul>

			<ul style="list-style-type: none"><li>• Custody-BFA does not custody any client assets, removed.</li><li>• Safeguarding client assets- Removed, all assets safeguarded Outside BFA, LLC by securities firms according to policy</li></ul>

## Policy Statement

BALDWIN FINANCIAL ADVISORS, LLC (“BFALLC”) is a registered investment adviser. This document describes its policies and procedures.

At a minimum, BFALLC will annually review and update these policies and procedures. BFALLC may conduct interim reviews in response to significant compliance events, changes in business arrangements, and regulatory developments.

BFALLC will maintain copies of all policies and procedures that are in effect or were in effect at any time during the last five years.

BFALLC’s goal is to maintain the highest ethical and professional standards for employee conduct. This manual is only a guide and cannot cover an employee and/or supervised person’s conduct in every conceivable situation that may arise in the course of BFALLC’s business. In the event of any uncertainty, an officer, director, affiliate, supervised person, or employee of the firm should ask a supervisor or the Chief Compliance Officer (“CCO”) for advice on compliance with this manual and/or the applicable securities laws.

Definitions of italicized terms, where not otherwise defined, may be found in the Definitions section of this manual (see table of contents under “Code of Ethics”).

Throughout this document, the term “CCO” is understood to mean the CCO or designated representative, as the CCO may delegate the performance of certain compliance responsibilities to other individuals at the firm. The CCO has ultimate responsibility for the compliance program of the firm. A summary of these delegated duties may be found in Exhibit 1.

Policies in this manual apply to every employee, supervised person, member and officer of BFALLC. Each of these persons is required to read the contents of this manual and conform to the policies contained therein. BFALLC’s Annual Attestation Acknowledgement Form (see Sample 1) of this manual contains an acknowledgement that BFALLC members, supervised persons, officers and employees must sign setting forth that they have read and understood the compliance policies and procedures applicable to them.



## **Fiduciary Statement**

An investment adviser has a duty to always act in the best interest of its clients. It should not engage in any activity in conflict with the interest of any client and it should take steps to eliminate all conflicts of interest that might incline it to provide advice that is not impartial. If it cannot eliminate such a conflict, then it must fully disclose the conflict. It should also take care to avoid misleading statements, and it should provide full and fair disclosure of all material facts. Generally, facts are "material" if a reasonable investor would consider them to be important in determining to do business with the adviser. The duty of addressing and disclosing conflicts of interest is an ongoing process and as the nature of an adviser's business changes, so may the relationship with its clients.

## **Firm Statement**

As an investment adviser, BFALLC owes its clients specific duties as a fiduciary:

- Maintain suitability and investment profile information;
- Provide advice that is suitable, appropriate, and in the client's best interest;
- Give full disclosure of material facts and any potential or actual conflicts of interest to clients and prospective clients;
- Serve with loyalty and in utmost good faith; and
- Exercise reasonable care to avoid misleading a client

BFALLC seeks to protect the interest of each client and to consistently place the client's interests first and foremost in all situations. It is the belief of this investment adviser that its policies and procedures are sufficient to prevent and detect any violations of regulatory requirements as well as of the firm's own policies and procedures.

### **Written Acknowledgement of Fiduciary Status**

In accordance with our fiduciary duty and applicable regulatory guidance, the Firm is authorized and obligated to review, analyze, and provide advisory opinions on all investment portfolios expressly designated by our clients for review. This responsibility encompasses, but is not limited to, mutual funds, exchange-traded funds (ETFs), individual securities, employer-sponsored retirement plans including 401(k)s, 403(b)s, and other employer plans, individual retirement accounts (IRAs), non-qualified investment accounts, separate accounts (within annuities and life insurance) and alternative investment vehicles. If a client elects to exclude certain accounts from our analysis, such accounts will not be subject to our review or advice, but must be considered within a comprehensive plan, within the overall planning and strategies.

Notwithstanding the above, and to the extent permitted by law, the Firm does not provide advisory services on ERISA 401(k) accounts that have been placed under the Equitable umbrella if a member of the Firm was the listed agent, sold such product, or received a commission / compensation in connection with its sale or distribution. In these rare instances, where

regulatory restrictions preclude the provision of investment advice, this limitation will be clearly communicated to the client prior to any advisory engagement.

This provision ensures that our comprehensive advisory services are tailored to our clients' expressed preferences and fully satisfy our fiduciary obligation to act in their best interests, while complying with all applicable regulatory limitations.

Note: A person is an ERISA fiduciary if they have discretionary authority or control over a plan's assets or management, according to the U.S. Department of Labor. This includes providing investment advice for a fee. Fiduciary status is based on the functions performed for the plan, not just a person's title. For example, hiring a service provider is a fiduciary function. *Who is an ERISA fiduciary?* Plan trustees, Plan administrators, Members of a plan's investment committee, Plan sponsors, and other individuals or entities who exercise discretionary authority or control over the plan.

BFALLC does not have discretion or management of client's plan assets. However, the way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. To comply, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

## Use of MyRIACompliance™

BFALLC intends to use MyRIACompliance™ software to assist with certain of its recordkeeping and reporting obligations. Specifically, BFALLC will utilize the software to track, review and approve attestations, certifications, prior approval requests, and reports; this will take the place of paper documents.

## Client Financial Planning Agreements

The firm's CCO shall review all new accounts to ensure compliance with applicable laws and BFALLC policies.

## New Client Onboarding

Prior to engaging in investment advisory services offered by BFALLC, each potential client shall receive at a minimum the following:

- Firm Brochure (Form ADV Part)
- Brochure Supplement (Form ADV Part 2B) for the Investment Adviser Representative(s) (“IAR”) who will be servicing the account
- Privacy Policy

## **Client Agreements**

Prior to providing advisory services to a client, BFALLC and the client shall complete and execute a contract (Client Engagement Agreement = CEA) outlining the services to be provided, the terms of the services as well as an investment policy statement or other document that provides suitability information such as investment objectives, risk tolerance and financial condition of the client. The client must sign off on the CEA before or by the date of plan delivery. The firm will review and document the receipt with an ‘acceptance signature’. The firm will not typically accept clients who refuse to provide suitability information but may make exceptions on a case-by-case basis.

## **Updating Client Information**

The firm will periodically, but at a minimum annually, verify and update the information it receives from its clients during client meetings and reviews.

## **Recordkeeping Requirements**

BFALLC will keep and maintain client files and records including signed client agreements.

## **Inactive or Terminated Clients**

BFALLC will maintain client files for inactive or terminated clients for a minimum of five years from the end of the calendar year in which the client terminates the relationship. A list of terminated or inactive clients will be kept digitally on file via BFALLC’s CRM.

## **Death of a Client**

The death of a client can be a challenging circumstance for an investment adviser. A client’s successor trustee may engage with BFALLC for assistance with death claim processing upon request, but is under no obligation to do so.

Once the firm has received notification of the client’s death, it should offer to assist the executor or trustee for the client with death claim processing. If assistance is requested, a new CEA specifying the scope of the work to be done can be signed by the successor trustee or executor. It is necessary to first identify the executor/trustee and also to obtain copies of documents to evidence the executor’s authority (if not already on file). This may include:

- Helping to notify the client's custodian(s) and any other applicable third parties.
- Directing them to obtain a copy of the client's death certificate (attorney, CPA, Funeral home).
- Ask client to contact SS & Medicare and notify them of death.
- Determine any other authorized representatives for communication (e.g., attorneys, CPAs, etc.).
- If contracted to do so, advisors will guide them to the proper contacts so that they may start the transition to the new owners or for appropriate payouts to beneficiaries.
- Document all communication with the executor and any other authorized representative of the estate.

All documents obtained to assist the client in this process will be maintained as a part of BFALLC's books and records. □

## Outside Business Activities

Supervised persons shall not engage in any outside business activity without prior firm approval.

### Definition

An outside business activity (OBA) is any employment or compensation from any other person or entity as a result of a business activity, other than a passive investment, outside the scope of a supervised person's relationship to BFALLC.

### Review and Approval by the CCO

Supervised persons of BFALLC are required to report outside business activities to the CCO for review and approval prior to engaging in these activities. This is done primarily through RIA in a Box online system. The CCO will review these activities to determine if they create a conflict of interest with the supervised persons' ability to act in the best interest of the firm's customers. If it is determined that a conflict does exist, the CCO will determine if the conflict can be appropriately mitigated by disclosure or other means.

The supervised person shall provide at least the following information to the CCO regarding the activity:

- Name, address, contact information for the person or entity paying the compensation;
- Complete description of the activity;
- Amount of compensation or formula; and

- Duration of the activity.

## **Disclosure on Appropriate Documents**

Certain outside business activities of supervised persons may require firm documents to be updated as well. If updates are required for Form ADV Part 1A, Part 1B, Parts 2A or 2B, then the CCO will be responsible for updating these documents when needed.

## **Record Keeping Requirements**

CCO will keep and maintain records of all OBA requests and any relevant supporting documentation that helped in the decision to approve or deny the OBA.

# **Communications with the Public**

## **Advertising**

### ***Definition***

An advertisement shall include any notice, circular, letter, email or other written communication (including any social media communications such as Facebook messaging, Twitter feeds, online blogs or any other internet communication) addressed to more than one person, or any notice or other announcement in any publication or by radio or television, which offers: (1) any analysis, report, or publication concerning securities, or which is to be used in making any determination as to when to buy or sell any security, or which security to buy or sell, (2) any graph, chart, formula, or other device to be used in making any determination as to when to buy or sell any security, or which security to buy or sell, or (3) any other investment advisory service with regard to securities.

### ***Firm Policy***

The firm's CCO shall be responsible for reviewing and approving company advertising and ensuring it is in compliance with jurisdictional regulations. No advertisement shall be distributed without the CCO's prior approval.

### ***Compliance Requirements***

An advertisement may not:

- Use or refer to testimonials (which include any statement of a client's experience or endorsement);

- Mislead clients using misrepresentations or exaggerations;
- Refer to past, specific recommendations made by the adviser that were profitable, unless the advertisement sets out a list of all recommendations made by the adviser within the preceding period of not less than one year, and complies with other, specified conditions;
- Represent that any graph, chart, formula, or other device can, in and of itself, be used to determine which securities to buy or sell, or when to buy or sell such securities, or can assist persons in making those decisions, unless the advertisement prominently discloses the limitations thereof and the difficulties regarding its use; or
- Represent that any report, analysis, or other service will be provided without charge unless the report, analysis or other service will be provided without any obligation whatsoever.

In addition to the statutory requirements listed, the CCO will verify that no advertisement contains any of the following:

- Representations that the firm has been sponsored, approved, or recommended by any securities regulator. This does not prohibit a firm from stating that they are a registered investment adviser as long as nothing in the statement is otherwise misleading;
- The initials "RIA" or "IAR".

## Social Media

Social networks connect people via online communities such as Facebook, LinkedIn, and others. As with other technology, social networks have proper and improper uses. This policy is designed to help firm employees who use social networking understand what is recommended and required of them.

This policy is directed at and applies to all social networking sites currently in use, as well as any future such sites that may develop during the existence of BFALLC. This policy also covers any other chat rooms, blogs, video sites (e.g., YouTube) or online bulletin boards in which BFALLC employees may be involved.

BFALLC employees are prohibited from using firm equipment to post information to or otherwise communicate using any of the aforementioned types of websites without specific prior approval.

BFALLC employees may use social networking sites on their personal time and personal equipment, provided they abide by the following:

- Limit any reference to BFALLC to title, location, contact information, and/or years of service;
- Do not hold themselves out as representing BFALLC views in any way;
- Do not post or otherwise comment regarding BFALLC business, clients, employees, policies or any other potentially confidential information;

- Do not “chat” or otherwise communicate with clients or potential clients regarding any actual or potential investment advice; and
- Prepare any posts or communications with care and professionalism and ensure they are appropriate in tone and content.

In addition, staff members should never disclose personal information on any social media website that could allow a third party to gain access to BFALLC’s systems and passwords used for work equipment should not be drawn from any publicly posted information.

The CCO will periodically monitor the personal social media usage of supervised persons and will document this review. Failure to follow BFALLC’s policies and procedures by any adviser and/or supervised person may subject that individual to various sanctions, fines, and possibly termination by the firm.

## **Correspondence**

BFALLC is involved in communicating with its clients in various formats: email, fax, phone, firm website and client portal.

In all cases, these communications will either be classified as advertising or correspondence and will follow the appropriate rules and regulations.

Correspondence generally refers to both incoming and outgoing written communications between the firm and one client or potential client. Communications to more than one individual are typically defined as advertising and are subject to the advertising rules and regulations. Correspondence includes both hard copy forms as well as electronic (e.g., email, text message, instant message, and facsimile).

It is the firm’s policy that communications with the public be truthful, not misleading, and not contain any exaggerated or unwarranted statements. Everything is to be presented in a fair and balanced manner.

Some of the additional steps to be taken include:

- The CCO will review client correspondence for complaints and respond to them promptly as they are made by clients;
- The CCO will take the necessary steps to ensure incoming and outgoing correspondence is archived;
- The CCO will randomly spot check written correspondence to verify the communications are not misleading, fraudulent, exaggerated and do not violate applicable rules and regulations in any way
- The CCO will approve methods of delivery prior to use;
- Items that are confidential will be sent securely via company-approved methods including ‘ShareFile’ and /or US Mail;
- Any incoming correspondence that could possibly be deemed a complaint will be immediately forwarded to the CCO.

## **Electronic Communications**

It is firm policy that only approved methods of electronic communication will be used with clients. Firm personnel should consult with the CCO if there is any question on what methods are available to be used. Currently, only email can be used for client communications, or telephone or company fax number.

It is important to note, electronic communications with clients are subject to retention and periodic review by the CCO at any time. CCO has access to and is often CC'd on most client email communications from company personnel. Passwords are kept on LastPass system for access.

If electronic communications are used to comply with the annual delivery of BFALLC's ADV filing and/or Privacy Policy requirement, BFALLC will either attach these documents to an email communication or will inform its clients in an email with an embedded hyperlink to BFALLC's website, where the most current ADV filing and Privacy Policy can be viewed. BFALLC obtains authorization from its clients and offers US Mailed communications upon request. BFALLC will use an electronic authorization form or will obtain electronic authorization via its investment advisory (CEA) contract. BFALLC will retain this authorization as part of its required books and records. US Mail is offered if a client does not wish to receive email. Documents are also maintained on the firm's public website.

## **Written Correspondence**

### **Correspondence**

BFALLC is involved in communicating with its clients in various formats:

In all cases, these communications will either be classified as advertising or correspondence and will follow the appropriate rules and regulations.

Correspondence generally refers to both incoming and outgoing written communications between the firm and one client or potential client. Communications to more than one individual are typically defined as advertising and are subject to the advertising rules and regulations. Correspondence includes both hard copy forms as well as electronic (e.g., email, text message, instant message, and facsimile).

It is the firm's policy that communications with the public be truthful, not misleading, and not contain any exaggerated or unwarranted statements. Everything is to be presented in a fair and balanced manner.

Some of the additional steps to be taken include:



- The CCO will review client correspondence for complaints and respond to them promptly as they are made by clients;
- Incoming and outgoing correspondence is archived for review
- The CCO will randomly spot check written correspondence to verify the communications are not misleading, fraudulent, exaggerated and do not violate applicable rules and regulations in any way (see Sample 4 and Sample 5);
- The CCO will verify that the firm is maintaining copies of all correspondence in accordance with applicable rules and regulations;
- The CCO will approve methods of delivery prior to use;
- Items marked "internal use only" will not be disseminated outside of firm personnel;
- Use of third-party prepared material will only be used with the approval of the CCO; and
- Any incoming correspondence that could possibly be deemed a complaint will be immediately forwarded to the CCO.

## **Anti-Money Laundering (AML) Policy**

It is the policy of the firm to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities.

### **Anti-Money Laundering Program**

The CCO shall:

- Monitor the firm's compliance with this policy;
- Monitor changes in applicable laws and regulations relating to money laundering and implement further controls as may be required by such changes in laws and regulations;
- Ensure the firm keeps the records required by this policy;
- Notify outside firm of any Suspicious Activity for potential SAR-SFs as required by applicable law and regulations; and
- Train employees of the firm to ensure compliance with this policy.

### **Recordkeeping**

BFALLC will document its verification, including identifying information provided by a client, the methods used and results of verification, and the resolution of any discrepancy if any, in the identifying information. BFALLC will keep records containing a description of any document that it relied on to verify a client's identity, noting the type of document, any identification

number contained in the document, the place of issuance, and if any, the date of issuance and expiration date. With respect to non-documentary verification, BFALLC will retain documents that describe the methods and the results of any measures it took to verify the identity of a client. BFALLC will maintain records of identification information for five years after the account has been closed; it will retain records made about verification of the client's identity for five years after the record is made. BFALLC will comply with state law regarding retention of client documents.

### **Responding to Red Flags**

When a member of the firm detects a red flag with respect to a client, he or she will investigate further under the direction of the CCO. If there were a suspicion of AML, this would be reported as required.

Money laundering “red flags” include:

- The client exhibits unusual concern about the firm's compliance with government reporting requirements and the firm's AML policies (particularly concerning his or her identity, type of business and assets), or is reluctant or refuses to reveal any information concerning business activities, or furnishes unusual or suspicious identification or business documents;
- The information provided by the client that identifies a legitimate source for funds is false, misleading, or substantially incorrect;
- Upon request, the client refuses to identify or fails to indicate any legitimate source for his or her funds and other assets;
- The client has a questionable background or is the subject of news reports indicating possible criminal, civil, or regulatory violations;
- The client appears to be acting as an agent for an undisclosed principal, but declines or is reluctant, without legitimate commercial reasons, to provide information or is otherwise evasive regarding that person or entity;
- The client has difficulty describing the nature of his or her business or lacks general knowledge of his or her industry;
- The client's account review shows inflows of funds or other assets well beyond the known income or resources of the client.

### **Responsibility for AML Records**

Since BFALLC does not handle investments, and if a client were to invest, this is handled separately under an outside, unrelated firm, Equitable Advisors, LLC. BFALLC remains compliant with the responsibility for AML Records and Training via outside firm, where full records are retained. Any SAR filing would be handled by clients’ outside securities firm.

### **Training Programs**

The CCO will offer ongoing online employee training. BFALLC’s training will occur on an annual basis or when material changes occur to RIA regulations or our policies and procedures.

BFALLC will comply with the Investment Advisors Act of 1940 and training on this and/or the requirements of being a fiduciary may be reviewed. BFALLC will maintain records to show the name of personnel, and the dates and subject matter of training completed.

BFALLC's training will include, at a minimum: how to identify red flags and signs of money laundering that arise during the course of the employees' duties; what to do once the risk is identified; what employees' roles are in the firm's compliance efforts and how to perform them; the firm's record retention policy; data security and privacy and the disciplinary consequences for non-compliance.

Coursework on AML referred to for training is also obtained via outside firm, Equitable Advisors, LLC, which is required learning annually for Dually-Registered RIA firm employees outside BFA LLC.

## **Proxy Voting Policy**

### **Proxy Voting Policy Statement**

BFALLC will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct proxy questions to the issuer of the security.



## **Handling of Customer Funds -Policy**

### **Policy**

BFALLC will not have physical custody of any client funds or securities for any reason. BFALLC will defer to the client as to where they choose to maintain their assets.

### **Definition**

An adviser has custody if it holds, directly or indirectly, client funds or securities, or has any authority to obtain possession of them. BFALLC, nor any of its employees or staff are allowed to have custody of any clients assets unless they are an immediate family member authorized to do so. Custody, as disallowed by BFALLC, generally includes:

- Having possession of client funds or securities unless the adviser returns them to the client within three days;
- Any arrangement under which the adviser is authorized or permitted to withdraw client funds or securities based on its instructions, including but not limited to direct fee deduction and certain arrangements under a standing letter of authorization or other disbursement authority (SLOA); or

- Any capacity that gives the adviser legal ownership or access to client funds or securities.

### **Disbursement Authority via SLOA**

BFALLC does not handle client's investments and will thus never be in a position to receive authority via a SLOA to make disbursements to third parties from the client's account at a qualified custodian. Neither BFALLC nor its RIA professionals will engage in disbursement authority or retain custody of client accounts outside their immediate family.

The CCO will periodically review the arrangement to ensure it meets these conditions and document BFALLC's compliance with the conditions.

### **Trustee/Executor/Power of Attorney for Advisory Client**

BFALLC nor any of its related persons have permission from the CCO to act as power of attorney, as trustee, or as executor for any client outside their immediate family members. Thus, BFALLC will not retain custody of any client assets outside their own immediate family members.

The CCO will periodically review the arrangement to ensure it meets these conditions and document BFALLC's compliance.

Certain states do not consider an appointment as trustee or executor to result in custody when the appointment is a result of a family or personal relationship with the client. Still, BFALLC nor any of its related persons have permission from the CCO to act as power of attorney, as trustee, or as executor for any client outside their immediate family members.

### **Qualified Custodian**

Qualified custodian may include a bank, or savings association that has deposits insured by the Federal Deposit Insurance Corporation under the Federal Deposit Insurance and registered broker-dealers. BFALLC is not a custodian and will not custody assets.

### **Receipt of Funds or Securities**

If BFALLC inadvertently receives client funds or securities (such as checks made payable to BFALLC for investment but not for payment of advisory fees), BFALLC will return to the client the funds or securities immediately or within three (3) business days with instructions for the client on where they should direct the funds or securities.

If BFALLC receives a check made payable to a third party (such as a custodian), BFALLC will make a copy of the check, record the receipt and delivery of the check, and will try to forward the check within 24 hours but always within three (3) business days. Records will be maintained to document receipt and subsequent delivery of the check to the third party.

## Supervision of Advisory Personnel

BFALLC's CCO will institute practices and procedures to monitor the firm's IARs and personnel to look for such items as:

- Unapproved custom reports or statements produced by IARs or support staff;
- Unapproved outside business activities;
- Unapproved seminars or invitations sent to clients, or unapproved changes made to approved seminars or invitations;
- "Abnormal" or "suspicious" activities by firm personnel (e.g., frequent "closed door" meetings or calls not due to client privacy).

## BFALLC provides Comprehensive Financial Planning and Investment Advice for a Fee

**BFALLC does not invest in securities with clients, nor handle investment transactions.** These would be done via an outside, unaffiliated vendor at the client's discretion.

A person is an ERISA Fiduciary if they have discretionary authority or control over a plan's assets or management, according to the US Department of Labor. This includes providing investment advice for a fee. Fiduciary status is based on the *functions performed for the plan*, not just a person's title. For example, hiring a service provider is a fiduciary function. Who is an ERISA fiduciary? Plan trustees, planned administrators, members of a plan's investment committee, plan sponsors, and other individuals or entities who exercise discretionary authority or control over the plan.

**BFALLC has no discretion over any client investment account. BFALLC is prohibited from offering specific investment advice on any ERISA plan from which any advisor with the firm has ever received direct compensation.**

### **Fiduciary Duty & Review of Client Investment Portfolios**

In accordance with our fiduciary duty and applicable regulatory guidance, the Firm is authorized and obligated to review, analyze, and provide advisory opinions on all investment portfolios expressly designated by our clients for review. This responsibility encompasses, but is not limited to, mutual funds, exchange-traded funds (ETFs), individual securities, employer-sponsored retirement plans including 401(k)s, 403(b)s, and other employer plans, individual retirement accounts (IRAs), non-qualified investment accounts, separate accounts (within annuities and life insurance) and alternative investment vehicles. If a client elects to exclude certain accounts from our analysis, such accounts will not be subject to our review or advice,

but must be considered within a comprehensive plan, within the overall planning and strategies.

**Notwithstanding the above, and to the extent permitted by law, the Firm does not provide advisory services on ERISA 401(k) accounts that have been placed under the Equitable umbrella if a member of the Firm was the listed agent, sold such product, or received a commission / compensation in connection with its sale or distribution. In these rare instances, where regulatory restrictions preclude the provision of investment advice, this limitation will be clearly communicated to the client prior to any advisory engagement.**

This provision ensures that our comprehensive advisory services are tailored to our clients' expressed preferences and fully satisfy our fiduciary obligation to act in their best interests, while complying with all applicable regulatory limitations.

## **Department of Labor Prohibited Transaction Exemption 2020-02 As Applicable to RIA FIRM BFALLC**

BFALLC is CERTIFIED FINANCIAL PLANNING™ professionals, as fiduciaries to each client, will comply to the highest degree to all standards and regulations.

### **Rule Background**

On February 16, 2021, a new U.S. Department of Labor ("DOL") "Prohibited Transaction Exemption" rule commonly referred to as the "Improving Investment Advice for Workers and Retirees" exemption went into effect. The DOL describes this new exemption as follows:

*Title I of the Employee Retirement Income Security Act of 1974, as amended (the Act) codified a prohibited transaction provision in title 29 of the U.S. Code (referred to in this document as Title I). Title II of the Act codified a parallel provision now found in the Internal Revenue Code of 1986, as amended (the Code). These prohibited transaction provisions of Title I and the Code generally prohibit fiduciaries with respect to "plans," including workplace retirement plans (Plans) and individual retirement accounts and annuities (IRAs), from engaging in self-dealing and receiving compensation from third parties in connection with transactions involving the Plans and IRAs. The provisions also prohibit purchasing and selling investments with the Plans and IRAs when the fiduciaries are acting on behalf of their own accounts (principal transactions). This exemption allows investment advice fiduciaries to plans under both Title I and the Code to receive compensation, including as a result of advice to roll over assets from a Plan to an IRA, and to engage in principal transactions, that would otherwise violate the prohibited transaction provisions of Title I and the Code. The exemption applies to Securities and Exchange Commission- and state-registered investment advisers, broker-dealers, banks, insurance companies, and their employees, agents, and representatives that are investment advice fiduciaries. The exemption includes protective conditions designed to safeguard the interests of Plans, participants and beneficiaries, and IRA owners. The class exemption affects participants and beneficiaries of Plans, IRA owners, and fiduciaries with respect to such Plans and IRAs. This notice also sets forth the DOL's final interpretation of when advice to roll over Plan assets to an IRA will be considered fiduciary investment advice under Title I and the Code.*

Of particular note, this new rule exemption generally applies to non-discretionary investment advisers per ERISA section 3(21)(A)(ii). Such investment advisory firms are considered to be a Financial Institution when providing investment recommendations related to an IRA rollover from a qualified retirement plan, an IRA rollover from another IRA, a switch from a commission-based to a fee-based IRA, or other similar scenarios.

The exemption's definition of a *Financial Institution* includes an entity such as BFA, LLC that is:

*Registered as an investment adviser under the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.) or under the laws of the state in which the adviser maintains its principal office and place of business.*

### **Impartial Conduct Standards**

BFA, LLC will adhere to the Impartial Conduct Standards which are:

- Give advice that is in the Retirement Investor's Best Interest;
- Charge no more than reasonable compensation and seek to obtain best execution; and
- Make no materially misleading statements about the recommended transaction and other relevant matters

In regard to *Best Interest* advice, the exemption notes the following:

*Advice is in a Retirement Investor's "Best Interest" if such advice reflects the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk tolerance, financial circumstances, and needs of the Retirement Investor, and does not place the financial or other interests of the Investment Professional, Financial Institution or any Affiliate, Related Entity, or other party ahead of the interests of the Retirement Investor, or subordinate the Retirement Investor's interests to their own.*

Furthermore, the exemption defines a number of key terms referenced above regarding *Best Interest* advice.

The definition of a *Retirement Investor* includes:

*The beneficial owner of an IRA acting on behalf of the IRA or a fiduciary of... an IRA.*

The definition of an *Investment Professional* means an individual who:

(1) *Is a fiduciary of... an IRA by reason of the provision of investment advice described in ERISA section 3(21)(A)(ii) or Code section 4975(e)(3)(B), or both, and the applicable regulations, with respect to the assets of the... IRA involved in the recommended transaction;*

(2) *Is an employee, independent contractor, agent, or representative of a Financial Institution; and*

(3) *Satisfies the federal and state regulatory and licensing requirements of insurance, banking, and securities laws (including self-regulatory organizations) with respect to the covered transaction, as applicable, and is not disqualified or barred from making investment recommendations by any*

*insurance, banking, or securities law or regulatory authority (including any self-regulatory organization).*

The definition of an *Affiliate* means:

*(1) Any person directly or indirectly through one or more intermediaries, controlling, controlled by, or under common control with the Investment Professional or Financial Institution. (For this purpose, "control" would mean the power to exercise a controlling influence over the management or policies of a person other than an individual);*

*(2) Any officer, director, partner, employee, or relative (as defined in ERISA section 3(15)), of the Investment Professional or Financial Institution; and*

*(3) Any corporation or partnership of which the Investment Professional or Financial Institution is an officer, director, or partner.*

The definition of a *Related Entity* is:

*Any party that is not an Affiliate, but in which the Investment Professional or Financial Institution has an interest that may affect the exercise of its best judgment as a fiduciary.*

#### **Level Fees**

BFA, LLC does not involve itself in securities transactions. Instead, it provides financial planning and investment advisory services for a fee. BFA, LLC is committed to adhering to all applicable fiduciary standards and regulatory requirements, including those related to reasonable compensation.

Fees charged by BFA, LLC will not exceed what is considered reasonable compensation for the services provided.

In the event that an IRA rollover recommendation is made and implemented, BFA, LLC operates under a Level Fee arrangement. As such, any subsequent investment recommendations—such as changes to the asset allocation—must not result in an increase in the total compensation received by BFA, LLC.

#### **Disclosure**

The following disclosures are required to be provided to the Retirement Investor recipient of a rollover recommendation prior to engaging in any transaction:

- A written acknowledgment that BFA, LLC and its investment professionals are fiduciaries under Title I of ERISA and the Code, as applicable, with respect to any fiduciary investment advice provided by BFA, LLC and its investment professionals to the Retirement Investor.
  - BFA, LLC will typically satisfy this requirement through delivery of its Form ADV Part 2A or a separate written disclosure.



- A written description of the services to be provided by BFA, LLC and its material conflicts of interest.
  - BFA, LLC will typically satisfy this requirement through delivery of its Form ADV Part 2A and advisory agreement.
- Documentation of the specific reasons that any recommendation for an applicable roll over is in the Retirement Investor's best interest.
  - BFA, LLC will typically satisfy this requirement via a Review of Options re Rollover of 401k educational pdf.

Once disclosure has been provided, BFA, LLC will not be obligated to provide it again, except at the Retirement Investor's request or if the information has materially changed.

### **Specific Documentation**

BFA, LLC will only make an investment recommendation to a prospect or client related to an IRA rollover from qualified retirement plan, an IRA rollover from another IRA, or a switch from a commission-based to a fee-based IRA account if the recommendation is in the Best Interest of the Retirement Investor.

Accordingly, BFA, LLC reviews an educational pdf for all such relevant investment recommendation scenarios. The purpose is to document whether the investment advice provided is in the Best Interest of the Retirement Investor and meets the Impartial Conduct Standards.

### **Retention of Recommendation Documentation**

BFA, LLC will retain all records related to documenting why the rollover recommendation is in the Best Interest of the Retirement Investor. This documentation, including the relevant rollover education pdf along with all other relevant supporting documentation, will be retained either in the relevant client file, in a separate tool/software used for recommendations, or anywhere else that BFA, LLC determines to keep such documentation.

### **Annual Review**

BFA, LLC as a fiduciary, is required to conduct an annual retrospective review that is reasonably designed to assist the firm with achieving compliance as fiduciaries with the Impartial Conduct Standards and regulations. Specifically, the methodology and results of this annual retrospective review must be documented in a written report that is provided to BFA, LLC's CCO, who in turn will certify annually that:

- The CCO has reviewed rollover advice for the year, the process / due diligence in providing rollover advice, and whether the process for making recommendations complies with standards of conduct. This may be referred to as "the Rollover Process report"
- In this report, it will be documented that if an IAR associate did not follow procedure, how this was addressed and rectified ;

- BFA, LLC has in place policies and procedures reasonably designed to achieve compliance with the Prohibited Transaction Exemption rule, under which they are defined as *fiduciaries, and responsible to comply*; and
- BFA, LLC has in place a prudent process to (i) modify its policies and procedures as events dictate and (ii) test the effectiveness of these policies and procedures on a periodic basis.

This retrospective review, report and certification must be completed no later than six (6) months following the end of the period covered by the review.

### Self-Correction

Although BFALLC provides retirement planning, which includes rollover recommendations, BFALLC does not implement any securities transactions. This would be done via the outside unrelated firm.

### Recordkeeping

BFALLC is not affecting any transactions. BFALLC will continue to keep recommendations for all rollover recommendations for the required time frame. If the client chooses to implement the financial plan, they will do so via the outside firm of their choice. This outside firm is required to maintain records for six (6) years demonstrating compliance with the Prohibited Transaction Exemption rule. This includes a requirement that any changes or supporting data be retained for a period of six (6) years from compilation.

## Account Valuation in Plans

In computing the market value of any investment of a client's financial plan, each security listed on any national securities exchange or otherwise subject to current last-sale reporting shall be valued at the value reported on the statement that clients receive from the custodian, or as updated via our MoneyGuide Pro software if shares are input. Such securities which are not traded nor subject to last-sale reporting shall be valued at the latest available bid price reflected by quotations furnished to BFALLC by such sources as it may deem appropriate. If no documentation is received from the client confirming valuations, "per verbal" is listed next to the asset to *let the client know this asset's value is unverified and may not be relied upon for estate planning or other purposes.*

### Financial Planning Fees

The CCO will periodically review the financial planning fees and/or fees for advice calculations to ensure they are accurately and fairly pricing the work to be done. BFALLC does not custody assets & AUM is not the basis for calculating client financial planning fees. Instead, fees are

calculated based upon client's total investment assets to be advised upon, regardless of where they are custodied.

The Firm provides, at no additional fee, advisory services related to any and all Equitable products as part of our comprehensive investment advisory offerings. Specifically, any review, analysis, or recommendation of Equitable products – including but not limited to, investment strategies, product features, and performance metrics – is rendered gratis to clients. Clients shall incur no separate fees, commissions, or other charges for such advisory services. This provision is designed to ensure that clients receive unbiased and cost-effective guidance regarding Equitable products as an integral component of the Firm's fiduciary commitment to act in the best interests of its clients. To be clear, free advisory services for Equitable products are provided solely for the clients' benefit and are not influenced by any payments, commissions, or other financial arrangements between our firm and Equitable or its affiliates

We reserve the right to discount our fees as needed to assist clients of varying resources.

In accordance with our fiduciary duty and applicable regulatory guidance, the Firm is authorized and obligated to review, analyze, and provide advisory opinions on all investment portfolios expressly designated by our clients for review. This responsibility encompasses, but is not limited to, mutual funds, exchange-traded funds (ETFs), individual securities, employer-sponsored retirement plans including 401(k)s, 403(b)s, and other employer plans, individual retirement accounts (IRAs), non-qualified investment accounts, separate accounts (within annuities and life insurance) and alternative investment vehicles. If a client elects to exclude certain accounts from our analysis, such accounts will not be subject to our review or advice, but must be considered within a comprehensive plan, within the overall planning and strategies.

Initial Planning Fees are calculated using a careful table to assess the amount of time and resources (software, administrative, education and expertise of advisor) required to fiduciarily assist each client. This estimate is then presented to the client in writing, along with a "Menu" outlining of services to be rendered, and a Client Engagement Agreement for the client(s) to sign to engage us to proceed with the contracted work.

If additional details on the services to be rendered is requested, we will provide more detail on our worksheet, referred to as "the Menu". This document, with the title "Estimate of Cost of Professional Services" will be incorporated into the client engagement agreement upon approval. Generally, a retainer fee in the amount of \$400 is payable at the beginning of the advisory relationship with the balance due upon successful delivery of the completed financial plan to the client per agreement. BFALLC will never require prepayment of a fee more than six months in advance and in excess of \$500.

*A La Carte Planning:* We can prepare a fixed fee for a project off of our A La Carte Planning List. This document describes our partial planning services that can be offered separately. Fees are assessed by estimating the time and level of knowledge and resources necessary to complete the analysis requested. Fixed fees generally range between \$100-\$5,000. For example, a single analysis or advice on a single investment portfolio might be charged a fixed fee of \$250 while a comprehensive plan encompassing all aspects of financial planning would average between

\$500 to \$5000. Should significant changes of services requested occur, advisor shall send a revised estimate of fees for client approval prior to proceeding with the financial plan engagement.

**Advisory Consulting Services and Seminars:** Our hourly fees, time and complexity are weighed into the fee decision. Fees and travel expenses (where applicable) are due and payable upon completion of contracted services. Since days reserved and subsequently canceled prevent those days from being used by other clients, it is our practice to charge one half of the reservation fee and return the other one half if cancellation occurs more than 30 days prior to the event and to charge the full fee if cancellation occurs within 30 days of the event plus any expenses incurred. However, we reserve the right to negotiate other fee-paying arrangements or to waive the fee or cancellation charge with our client. Under no circumstances will we require prepayment of a fee more than six months in advance of the services to be rendered and in excess of \$500.

**Termination:** Clients may terminate the financial planning agreement by providing notice to BFALLC. Clients may incur a pro rata charge for services rendered prior to the termination of the agreement. BFALLC has the right to fully refund client fees at our discretion.

#### **Additional Fees and Expenses**

As part of our financial planning services to the client, BFALLC may recommend that clients invest in mutual funds or exchange traded funds. The fees that a client may pay an investment firm for investment services are separate and distinct from the fees and expenses charged by BFALLC for financial planning services. These expenses would be between the outside securities firm and the client, without relation to fees charged for financial planning services estimated and charged for planning via BFALLC. Baldwin Financial Advisors, LLC does not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. However, advisors of Baldwin Financial Advisors, LLC who are also, separately, and apart, registered representatives of Equitable Advisors, LLC (Equitable Financial Advisors in MI and TN), an unaffiliated broker-dealer, may receive such fees as additional compensation for offering you mutual funds in their capacity with Equitable Advisors, LLC (Equitable Financial Advisors in MI and TN).

Note as stated above that our financial planning fee will **not charge for reviewing any Equitable products**, are provided solely for our clients' benefit, and are not influenced by any payments, commissions, or other financial arrangements between our firm and Equitable or its affiliates. Care is taken to assure the fee for the financial planning services are fair and equitable to the client for only the planning services rendered.

#### **Dually Registered Advisors of BFALLC**

*Securities:* Persons providing investment advice on behalf of our firm are also registered representatives with Equitable Advisors, LLC (Equitable Financial Advisors in MI and TN), a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, they may receive compensation in connection with the purchase or sale of securities. Compensation earned by any advisor in their capacity as registered representatives are entirely separate from our financial planning fees. Because registered representatives have an incentive to effect

securities transactions for the purpose of generating commissions, this practice is a conflict of interest. Nevertheless, when BFALLC is providing financial planning services only, fiduciary standards are followed, requiring that each advisor put the clients' interest first. Clients of BFALLC are under no obligation, contractually or otherwise, to purchase securities products through Equitable Advisors, LLC (Equitable Financial Advisors in MI and TN) or any of Equitable's outside firm(s).

**Investment Advisory:** Persons providing investment advice on behalf of our firm are also investment adviser representatives of Equitable Advisors, LLC (Equitable Financial Advisors in MI and TN). If you are a client of both the fee-based financial planning firm and a client of Equitable Advisors, LLC (Equitable Financial Advisors in MI and TN) BFALLC financial planning and services and fees are separate and apart from Equitable Advisors, LLC (Equitable Financial Advisors in MI and TN)'s services and fees. This practice presents a conflict of interest because representatives that are also registered with Equitable Advisors, LLC (Equitable Financial Advisors in MI and TN) have an incentive to Equitable Advisors, LLC (Equitable Financial Advisors in MI and TN)'s services with the ability to earn fees as investment adviser representatives of Equitable Advisors, LLC (Equitable Financial Advisors in MI and TN) rather than solely based on your needs. BFALLC financial planning clients are under no obligation, contractually or otherwise, to use these representatives in their separate capacity as investment adviser representatives of Equitable Advisors, LLC (Equitable Financial Advisors in MI and TN).

**Insurance:** Persons providing investment advice on behalf of our firm are also licensed as insurance agents with Equitable or Equitable Network and operate as sole proprietors when they engage in insurance-related activities. These persons earn commission-based compensation for selling insurance products. Equitable or Equitable Network commissions are entirely separate and would be in addition to BFALLC financial planning fees. This practice is considered to present a conflict of interest because advisors have an incentive to recommend insurance products to clients for the purpose of generating commissions rather than solely based on your needs. However, when dealing with BFALLC's financial planning clients, BFALLC advisors will follow fiduciary standards of putting our clients' interests first. Clients are never under any obligation, contractually or otherwise, to purchase insurance products through Equitable or Equitable Network, LLC (Equitable Network, LLC Insurance of California, LLC in CA). If general insurance recommendations are made at the conclusion of the planning process, it will be the financial planning client's sole choice as to whom they wish to request insurance quotes or product from. This may be the client's current insurance provider, a new company, or Equitable or Equitable Network.

Any material conflicts of interest, are disclosed in our BFALLC Disclosure Brochure, available upon request, available on our website (<https://BaldwinFinancialAdvisors.com>) and provided once each year to all financial planning clients. If at any time, additional material conflicts of interest develop, BFALLC will provide clients with written notification of the material conflicts of interest via an updated Disclosure Brochure.

## Customer Complaint Policy

## Definition

A customer complaint will be defined as any written or oral statement of a customer or any person acting on behalf of a customer alleging a grievance involving the activities of persons under the control of BFALLC in connection with providing comprehensive financial planning services.

## Handling of complaints

The firm's CCO shall be responsible for handling complaint reviews. Complaints should be immediately forwarded to the CCO for appropriate handling. No supervisory personnel should attempt to resolve a complaint without the involvement of the CCO.

CCO's Compliance Requirements:

- Review complaints and the facts surrounding the complaints immediately as they are made by customers or reported by supervisory personnel;
- Communicate with customers via telephone, mail, face-to-face meetings, and/or email to resolve complaints and customer issues;
- Maintain a complaint log of complaints. The log will at a minimum contain the following information: customer's name, date complaint received, type of complaint (oral versus written), brief description of complaint, date review started, supervisory personnel involved, date complaint resolved, and a brief description of the resolution;
- Maintain a complete complaint file. This file will contain each customer complaint, including, but not limited to: any letter, email, or document from a customer who has filed a complaint; any letter, email, or document from any agency regarding the complaint; any communication sent from BFALLC to any customer, agent, agency, or third party regarding each complaint; and documentation of how each complaint was resolved;
- Assure that complaints are settled or resolved and that no complaints are left "dangling" or incomplete. No complaint should be left unresolved and the date the complaint is "closed" should be noted on the complaint log and in the complaint file; and
- Examine the cause of the complaint and determine if changes are needed in policies and procedures or any disciplinary action is warranted to prevent future complaints; and Ensure that relevant disclosure forms and documents are updated, filed and delivered where and when appropriate.

New 2024: BFALLC is required to send a monthly confirmation of complaint status to outside, unrelated firm, Equitable Advisors, LLC compliance team for review.

## Recordkeeping

## **Books and Records**

The firm's CCO is responsible for keeping the firm's records in accordance with Illinois regulations and as required by other jurisdictions.

## **Record Retention Requirements**

The firm's CCO shall ensure that all records are kept readily accessible for at least two years and kept at least five years either on the secure digital data system, on-site or at an approved alternative location.

## **Accounting**

*To maintain accurate tax and books and records, CPA firm creates & audits business tax return annually during first quarter and BFALLC files with IRS via the owners tax return. Payroll firm for BFALLC, Gusto.com, files regular quarterly reports to IRS and makes all appropriate payments on schedule.*

# **Registration, Hiring, and Training of Supervised Persons**

## **Firm Policy**

The firm's CCO shall be responsible for handling the hiring, registration if required, and training of IARs and unregistered employees. IARs that are independent contractors will be considered employees for purposes of this discussion.

A list of employees, both registered and unregistered, will be maintained.

## **Hiring**

The firm's CCO will:

- Conduct background checks and due diligence to ensure permanent new hires will not pose compliance or regulatory problems;
- Verify whether or not the activities of permanent new hires will require registration as "IARs" in any jurisdiction;
- Review outside business activities of new hires; and
- Collect attestations from permanent new hires that they have read and will abide by BFALLC's Policies and Procedures Manual, Code of Ethics, Privacy Policy and any applicable corporate policies. Temporary hires/ interns will be background checked & fingerprinted. (This is done via outside firm, Equitable Advisors, LLC as supervisors of BFALLC.) BFALLC does not require a separate background check to be completed as it

would duplicate the report already completed by the outside firm. Temporary hires/interns will also be asked to sign a BFALLC Non-Disclosure Agreement to maintain the privacy of the firm and its clients.

## Registration

If the CCO determines that IAR registration is required, the following steps will be taken:

- Determine the submission requirements for registration, which may include depending on jurisdiction:
  - Reviewing the Form U4 and submitting it to the IARD system in order to request registration;
  - Reviewing the NY-IAQ and submitting it to the state in order to request registration in New York if required; and/or
  - Submitting additional paperwork, such as fingerprints or affidavits.
- Create a Form ADV Part 2B for the IAR; and
- Ensure the new hire does not engage in activity that would require registration until such time that the individual's IAR registration is approved.

The CCO will continually monitor the activities of unregistered employees to ensure they do not engage in any activity that would require registration as an IAR.

## Training

Ongoing training for unregistered employees and IARs may be provided by the CCO. Ongoing training may include but is not limited to topics relating to: BFALLC's Policies and Procedures and Code of Ethics, privacy issues, services offered by the firm or general compliance topics.

## Firm Registration

BFALLC is a registered investment adviser, registered pursuant to Illinois regulations and as required by other jurisdictions.

## Policy

It is the firm's policy to maintain compliant registration status at all times. This may require additional state registrations in other appropriate jurisdictions as required.

Unless otherwise permitted, BFALLC will not conduct investment advisory activity in any jurisdiction if the firm is required to first be registered in that jurisdiction. While most jurisdictions will allow for a "de minimis" number of clients before requiring firm registration, some jurisdictions may require registration upon taking on the first client in that jurisdiction.



Having a “place of business” in a state, as defined by applicable regulatory statutes, in a state will require registration regardless of the number of clients in that jurisdiction.

It is the CCO’s responsibility to ensure that the firm is appropriately registered as required.

### **Procedure**

The firm’s CCO will:

- Monitor the state of residence of the firm's clients to ensure the firm does not exceed the de minimis threshold for any jurisdiction;
- File updated applications to request additional state registrations when needed; and
- Complete the application process so as to ensure the firm becomes registered in the necessary jurisdictions.

### **Renewal**

The firm’s CCO will ensure that:

- The firm’s annual renewal fees are timely paid through the IARD system every calendar year as required;
- The firm files its Form ADV Annual Amendment within 90 days of its fiscal year end; and
- The firm provides any additional paperwork or other information required on an annual basis in connection with the firm’s annual renewal filings.

### **Other-than-Annual Amendments**

The firm’s CCO will ensure that the firm files material changes to its Form ADV and any Form U4 documents promptly, usually within 30 days, if information provided in BFALLC’s firm brochure becomes materially inaccurate

### **Form ADV Part 2A Firm Brochure**

BFALLC will update the firm brochure each year at the time it files its annual updating amendment and promptly whenever any information in the brochure becomes materially inaccurate. All updates to a firm brochure will be filed through RIA in a Box compliance system and the IARD system and maintained in the firm’s files. ADV Parts 2A & 2Bs will also be uploaded to the firm’s website under “Client Documents” for access by any party, client or prospect.

## **Form ADV Part 2B Brochure Supplement**

BFALLC will file through IARD a copy of the brochure supplement for each supervised person who formulates investment advice for a client and has direct client contact. BFALLC will update brochure supplements promptly whenever any information in them becomes materially inaccurate. ADV Parts 2B for any advisor at BFALLC are included and attached to the ADV Part 2A pdf on the firm's website under "Client Documents" for review at any time by any party, client or prospect.

## **Distribution of Disclosure Document**

### ***Form ADV Part 2A Firm Brochure***

BFALLC delivers the applicable firm brochure to each client before or at the time it enters into an advisory agreement with that client. Additionally, each year within 120 days of the end of the firm's fiscal year, BFALLC delivers to each client either (i) an updated firm brochure accompanied by a summary of material changes or (ii) a summary of material changes with an offer to provide the entire firm brochure.

As a fiduciary, BFALLC has an ongoing obligation to inform its clients of any material information that could affect the advisory relationship. BFALLC will deliver to clients any update to the firm brochure that amends information in response to Item 9 of Part 2A (disciplinary information and will also disclose other material changes to clients, even if those changes do not trigger delivery of an interim amendment.

### ***Form ADV Part 2B Brochure Supplement***

BFALLC prepares a brochure supplement for any supervised person who formulates investment advice for a client and has direct client contact, even if the supervised person has no direct client contact. The firm delivers the brochure supplement for each supervised person who provides advisory services to a client before or at the time the supervised person begins to provide advisory services to the client.

No supplement is required for a supervised person who has no direct client contact and operates solely as a part of a team.

As a fiduciary, the firm has a continuing obligation to inform its clients of any material information that could affect the advisory relationship. BFALLC will deliver to clients any update to the supplement that amends information in response to Item 3 of Part 2B (disciplinary information) and will also disclose other material changes to clients, even if those changes do not trigger delivery of an updated supplement.

### ***Electronic Delivery***

Each year, or as a client engages us for an annual review, a fresh Client Engagement Agreement is signed. Upon this engagement, if the client agrees verbally to receive the ADV brochure electronically, an X is typed in the box labeled telling us they are comfortable with email delivery of this document. We maintain this signed and dated CEA in their BFALLC digital client file. If, when emailing the Annual ADV Offer Letter, we get an email 'bounce back', we reach out to the client promptly (within 1 day) to ask how they might like to receive the information document.

When consent is not explicitly granted by the CEA, any Active BFALLC client will receive an emailed copy per prior CEA, and an offer to request a printed copy be sent to them via US mail or via collection in person.

Evidence of annual delivery is maintained (with copy of annual offering letter, privacy policy, copy of current ADV Parts 2A and 2B, and the list of clients receiving it) securely in the digital compliance file at the address 'advisors/BFA/Compliance/Annual ADV Offer Letter/(year)'. Any email bounce-backs or non-receipt notifications will be reached out to by phone within one day, or US mailed copies if no response is received. ADV's are sent by BFALLC with the privacy policy to clients prior to their complimentary introductory meeting.

**Solicitors**

It is BFALLC's policy to not compensate any person directly or indirectly for referrals of prospects that may become clients.

**Supervision and Compliance**

**CCO Responsibility**

The CCO is primarily responsible for supervising the activities of all supervised persons for compliance with both applicable rules/regulations and BFALLC's internal policies and procedures.

The CCO may delegate certain supervisory tasks to other responsible persons with the knowledge and expertise to effectively administer those activities. It is ultimately the CCO's responsibility to ensure that delegated supervisory tasks are being completed. Delegated duties, if any, are listed below:

Description of task / responsibility	Name of Delegate	Title of Delegate
None	n/a	n/a

## **Firm Policy**

The firm has implemented a system to prevent and detect prohibited activity and to ensure compliance with the firm's policies and procedures. The CCO will review reports, ask and answer questions, conduct investigations when appropriate and document the supervisory activity.

## **Risk Assessment**

The CCO will at a minimum annually conduct a risk assessment to identify and analyze potential risks associated with the firm. This may be accomplished throughout the year or at a specific time chosen by the CCO. The risk assessment will be used to identify potential weaknesses in this manual, the supervisory practices of the firm or the compliance program as a whole.

Starting in 2024: The firm secured cyber-security insurance in addition to the Professional Liability policy held.

## **Annual Review**

The CCO conducts annual reviews of the firm's compliance program. Different elements of the review may include:

- Meetings with executive staff on current policies;
- Risk assessment;
- Testing and verifying that current procedures are reasonably designed to achieve compliance with security rules and regulations;
- Updating procedures where necessary; and/or
- Notifying staff of changes in firm policies and procedures.

## **Remote Office Supervision**

For the purpose of this section, a remote office is an office location from which the RIA conducts advisory business regardless of distance from the adviser's main office (the location where the CCO is located and the majority of supervisory activities is conducted), that is not visited at least monthly by the adviser's CCO.

BFALLC understands that the remote office locations present their own unique compliance challenges and has implemented the following additional "remote office" compliance policies and procedures:

- Remote offices are required to submit advertising and correspondence material for approval prior to using or sending these items to their clients. This requirement includes items such as, but not limited to: letterhead, business cards, seminars, websites, flyers,

- brochures, slide presentations, radio and print advertising;
- Since emails are considered correspondence, remote office IARs are required to use a pre-approved email address monitored by the firm's CCO;
  - Remote offices are required to immediately report customer complaints – both verbal and written – to the CCO. This notification will be followed by further communication including a detailed explanation of the matter from the involved representative;
  - Since the adviser's main office is required to maintain books and records for the firm, remote offices are required to submit copies of "hard copy" items to the main office in a timely manner. An example of a hard copy item would include any client documents or other client paperwork done on paper rather than electronically. Most hard copy items should be scanned and submitted via email attachment or via file upload whenever possible;
  - IARs and supervised personnel sign annual attestation statements acknowledging that they have read, understood, and agreed to abide by the policies, procedures, and ethical business standards of BFALLC.
  - BFALLC and remote office personnel agree to in-office reviews, both announced and unannounced that will be dictated by BFALLC's CCO and based on the remote office's activity level, business model, or other items. These reviews will be conducted by BFALLC's CCO as needed.

### **Prohibition on Indirect Contributions and Activities**

Neither BFALLC nor any supervised person shall use any person or entity to circumvent or act as a "conduit" to make contributions, or coordinate any contributions, to an official or candidate. Supervised Persons may not be directly or indirectly reimbursed or otherwise compensated by BFALLC for any political contribution or activity prohibited by this policy and otherwise cannot do indirectly what they cannot do directly pursuant to this policy.

## **Business Continuity Plan**

### **Background**

While it is recognized it is not possible to create a plan to handle every possible eventuality, it is the intent of BFALLC to set up a framework to be used in the most likely of scenarios. It is also the intent that this framework provide guidance as to how to respond should an unforeseen situation occur.

### **Business Description**

BFALLC conducts business creating financial plans and offering investment advice for a fee, for individuals, their small businesses and other clients. BFALLC does not sell or hold product.

## Emergency Information

### *Firm Contact Persons*

BFALLC's emergency contact persons are:

Contact Name	Phone	Email	Relationship
Kathleen B Leipprandt	847-903-3138	Kate@BFinancialAdvisors.com	Managing Owner, CERTIFIED FINANCIAL PLANNER® professional, Compliance Supervisor
Elizabeth A Grady	773-656-2370	Elizabeth@BFinancialAdvisors.com	CERTIFIED FINANCIAL PLANNER® professional

### *Support Services*

In the event of an emergency, the following is a list of support services and the methods by which they may be contacted:

Emergency Services (EMS): 911

Fire Department: 911

Police Department: 911

**Internet Service Provider:** AT & T Account #320960536 800-288-2020 Login w/ [Plan@BFinancialAdvisors.com](mailto:Plan@BFinancialAdvisors.com) See LASTPASS.com for password. or via "Live Chat" on AT & T website <https://www.att.com/support/contact-us/> Building Owners have found this contact to be helpful: Jennifer Harrington, AT&T Fiber Account Executive 3, 708-513-1002, [jp1861@att.com](mailto:jp1861@att.com)

Data Backup Provider: VIA TEAMLOGIC IT and using Microsoft SharePoint 847-925-8400, (Eric) [eperson@teamlogicit.com](mailto:eperson@teamlogicit.com) or Help Desk at [ahhelp@teamlogicit.com](mailto:ahhelp@teamlogicit.com)

Service Provider	Company Name	Contact Name	Phone	Email
Accountant	Mark Sokol, CPA	Mark Sokol	847-342-1995	mark.sokol@marksokolcpa.com
Attorney	LaVelle Law	Steven A Migala	847-241-1781	smigala@lavellelaw.com
Cybersecurity Firm	TeamLogic IT	Tech Help	847-925-8400	ahhelp@teamlogic.com
In-Person Computer technician	TeamLogic IT	Eric Person	847-925-8400	eperson@teamlogic.com

<b>Alternative firm contact in case of death of Key Personnel</b>	Elizabeth A Grady
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This information will be updated in the event of a material change, and BFALLC's CCO will review the plan on an annual basis.

### **Firm Policy**

BFALLC's policy is to respond to a Significant Business Disruption (SBD) by safeguarding employees' lives and firm property, making a financial and operational assessment, quickly recovering and resuming operations, protecting the firm's books and records, and allowing its clients to transact business.

### **Significant Business Disruptions (SBDs)**

BFALLC's plan anticipates two kinds of SBDs, internal and external. Internal SBDs affect only BFALLC's ability to communicate and do business, such as a fire in its building or the death of a key member of the firm. External SBDs prevent the operation of a number of firms, such as a terrorist attack, a city flood, or a wide-scale, regional disruption.

### **Pandemics, Epidemics, & Outbreaks**

BFALLC recognizes that pandemics, epidemics, and other types of outbreaks constitute business disruptions of a special nature. These situations impact not only BFALLC as a company, but also its personnel, clients, and vendors. Accordingly, BFALLC intends to implement the following procedures during such a situation.

#### *General Business Operations*

Promptly, and then intermittently thereafter, BFALLC will conduct a high-level assessment of the situation's impact on business and operations. Specifically, BFALLC will identify and address:

- any weaknesses or unforeseen issues
- any inability to conduct essential operations or operate essential systems

### ***Information Security & Remote Operations***

BFALLC will also alert personnel to the increase likelihood of phishing attempts and client impersonation schemes related to the situation. For example, bad actors may target individual staff members with requests for a "loved ones" account information, posing as a relative, software required to install on computers in order to work from home, y. Accordingly, the firm will refer personnel to BFALLC's cybersecurity best practices and ensure that those practices are up to date.

If necessary, BFALLC will also conduct training for its personnel to address (i) potential information security issues commonly associated with remote work and (ii) the importance of protecting non-public client information at all times. In particular, advisory personnel are instructed to:

- access the internet only from secure WiFi connections or via a virtual private network ("VPN") only
- avoid using public WiFi networks, which are vulnerable to exploitation
- NOT store any sensitive, non-public information on non-company devices without proper security and permission.

If having personnel work remotely, then BFALLC will also:

- monitor logins and portals
- shut down non-essential hardware (e.g., computers)
- lock its physical storage (e.g., file cabinets) and all office access
- check in with building management, if applicable, to determine current security at the facility
- require that firm personnel continue following advertising guidelines for applicable communications
- ensure electronic cataloguing of communication is still taking place
- continue to document all business interactions with clients
- update BFALLC's business continuity plan as needed

### ***Third Party Vendors***

If appropriate, BFALLC will endeavor to discuss with vendors the following:

- the vendor's business continuity efforts
- the vendor's disaster recovery plans
- the vendor's reliance on, and communications to date with, the vendor's vendors



## ***Company Personnel***

If appropriate to maintain health or safety, BFALLC will limit or altogether avoid in-person meeting with clients and advisory personnel and allow or require (as appropriate) personnel to work remotely. Any personnel that is limited in their ability to work remotely, will immediately inform their supervisor. Limitations include but are not limited to:

- Inadequate hardware, software, or other systems
- Need to perform caregiving services for children or other persons
- Physical incapacity

If essential personnel are limited in their ability to work remotely, then the firm will determine if alternate or temporary personnel are available to perform necessary functions. Additionally, BFALLC will conduct check-ins with advisory personnel periodically regarding remote work conditions.

### **Approval and Execution Authority**

The CCO is responsible for approving the Business Continuity plan and to execute when necessary.

### **Plan Location and Access**

BFALLC maintains copies of its BCP here within the company's Written Policies and Procedures Manual, which is kept in the following location: Microsoft Sharepoint-Advisors/BFA/Compliance/Year.

Each employee reviews the plan and its location/file within BFALLC's electronic systems so they have access.

### **Office Locations**

BFA LLC's primary office address and phone number are:

44 S Vail Ave, Suite 103  
Arlington Heights, IL 60005  
United States  
847-253-3185

BFA LLC's other office address, primarily due to storage of historic (Older than 6 years) client files, but also so that the Managing Owner can continue her work in financial education. :

301 South Burton Place  
Arlington Heights, IL 60005

United States  
847-253-3185

BFALLC engages in client servicing, order taking and entry at these locations.

### **Alternative Physical Location(s) of Employees**

In the event of an SBD that makes it impossible or impractical to use any or all of the company offices, BFALLC will move its staff from affected offices to their respective home office to continue work in secure online systems as described in the Business Continuation section.

### **Data Back-Up and Recovery (Hard Copy and Electronic)**

BFALLC maintains its primary records via Microsoft SharePoint assisted by Tech Team TEAMLOGIC IT.

The firm's CCO is responsible for the maintenance of these books and records. BFALLC maintains the following document types and forms Client Contracts and other related documents.

The firm backs up its electronic records often and automatically daily by online digital backup via Microsoft SharePoint system and TeamLogic IT, and maintains regulatory documents both online via the company website as well as within compliance firm RIA in a Box/Comply.

In the event of an internal or external SBD that causes the loss of its paper records, BFALLC will recover them from its online back-ups. If its primary site is inoperable, BFALLC will continue operations remotely. BFALLC obtains the Business Continuity Plans of its electronic storage partners for access to its records in case of any business-disruptive event.

### **Operational Assessments**

#### ***Operational Risk***

In the event of an SBD, BFALLC will continue to communicate via secure email, TEAMS, telephone or voice mail. In addition, BFALLC will maintain its activity records as described in the section above, Data Back-Up and Recovery. Employees will establish contact with the firm's Emergency Contacts and communicate key firm directives as they apply to operating remotely.

#### ***Mission Critical Systems***

BFALLC's "mission critical systems" are those that ensure client communication and access to client accounts. More specifically, these systems include the office computer systems. BFALLC has primary responsibility for establishing and maintaining its business relationships with its clients.

## Alternate Communications with Clients, Employees, and Regulators

### *Clients /Employees/ Regulators*

BFALLC now communicates with its clients using the telephone, corporate email, TEAMS, its Website, fax, U.S. mail, and in person visits at BFALLC's main office location. In the event of an SBD, BFALLC will assess and execute proper protocol.

## Regulatory Reporting

BFALLC is subject to regulation by the state of Illinois and other jurisdictions as applicable. BFALLC now files reports with its regulators using the IARD System. In the event of an SBD, BFALLC will check with the State of Illinois and other jurisdictions as applicable to determine which means of filing are still available to it, and use the means directed by the State as appropriate. In the event that BFALLC cannot contact its regulators, it will continue to file required reports using the communication means available to it and forward those reports at the earliest opportunity.

### **Regulatory Contact: <https://www.ilsos.gov>**

Illinois Securities Department  
421 E Capitol Ave, 2<sup>nd</sup> Fl  
Springfield, IL 62701  
(217) 782-2256

[BusinessServices@ilsos.gov](mailto:BusinessServices@ilsos.gov)

[Il.annual.filings@ilsos.gov](mailto:Il.annual.filings@ilsos.gov)

(Designated Principal Renewal, due by each Dec 31<sup>st</sup>) Jennifer Salmon, Secretary of State 217-785-4932, [jsalmon@ilsos.gov](mailto:jsalmon@ilsos.gov)

## Death of Key Personnel

The following personnel are identified as "Key Personnel" without which it would be difficult or impossible to continue operating the firm and/or properly service clients:

Kathleen B Leipprandt	Managing Owner, CERTIFIED FINANCIAL PLANNER® professional, Compliance Supervisor
Elizabeth A Grady	CERTIFIED FINANCIAL PLANNER® professional

If some event made it impossible for any person listed above able to continue to service the firm, BFALLC would implement the following succession plan:

The firm has worked with business succession attorneys to create a succession plan in the event of retirement, disability or death of either owner/manager Kate Leipprandt, and/or Elizabeth

Grady, financial advisor. In the event of disability, termination/retirement or death of the owner, Elizabeth will take over and run the practice and assist clients alongside the BFA team. In the event of disability, termination/retirement or death of Elizabeth Grady, Kate Leipprandt will take over, and then find a competent new CFP(R) credentialed financial advisor to train to ultimately run the practice. Succession documents are in place to address each situation to create a smooth transition for our clients. Our law firm, LaVelle Law, Ltd in Schaumburg, IL has created our documents.

In case of death of any key personnel, the following will assume the responsibility to make contact with the clients of the firm in the most efficient manner possible and as soon as possible.

Elizabeth A Grady	CERTIFIED FINANCIAL PLANNER® professional
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**Updates and Annual Review**

BFALLC will update this plan annually, or whenever it has a material change to its operations, structure, business or location. In addition, BFALLC will review this BCP annually, to modify it for any changes in its operations, structure, business, or location.

**Approval & Signature**

*Supervisor Approval*

Approve the firm’s Business Continuity Plan (BCP) program by signing below.

I have approved this Business Continuity Plan as reasonably designed to enable BFALLC to meet its obligations to clients in the event of a Significant Business Disruption.

Signed:

Officer Name and Title:	Kate B Leipprandt	
		3/27/2025
Supervisor Signature	Date	

## Cyber Security & Information Security Policy

BFALLC has appointed Kathleen B Leipprandt as the firm's Chief Information Security Officer ("CISO"). The CISO is responsible for managing BFALLC's information security program.

### Access Persons

Access Person: Any of BFALLC's supervised persons who have access to non-public information regarding any client's purchase or sale of securities, or information regarding the portfolio holdings of any reportable fund, or who is involved in making securities recommendations to clients, or who has access to such recommendations that are non-public.

The following employee(s) will manage non-public information:

Name	Title
Kathleen B Leipprandt	Managing Owner, CERTIFIED FINANCIAL PLANNING® professional, CCO
Elizabeth A Grady	CERTIFIED FINANCIAL PLANNING® professional
Penny L Quade	Client Relationship Manager
Katherine Kennedy	Financial Advisor
Doug Leipprandt	Client Liaison

### Inventory of Technology Infrastructure

The CCO of BFALLC maintains an inventory of the following:

- Physical devices and systems (computers, servers, etc.);
- Software platforms and applications (email applications, file management, etc.);
- Systems that house client data; and
- Third-party contractors that have access to systems, platforms, etc.

BFALLC's primary software platforms that may contain client data are summarized below.

Type of System	Name of System
Customer Relationship Management (CRM)	Redtail
Email Provider / Hosting	GoDaddy
Financial Planning	Money Guide Pro

Type of System	Name of System
Email / Social Media Archiving	GoDaddy archives our email (May consider TeamLogic IT to set up AppRiver, a Zix company.)
Document Management / Storage	Microsoft SharePoint
Portfolio Risk Management	MoneyGuide Pro, Risk Tolerance Questionnaire on Website. Also, Fact Finder.
Reporting / Financial Planning	N/A BFALLC does not sell product

BFALLC utilizes cloud-based technology systems, which it believes provide increased information security capabilities including:

- Ability to leverage the established infrastructure of trusted technology industry leaders; and
- Improved system alert capabilities including better user activity logging and alerts related to unusual user activity.

BFALLC also recognizes that cloud-based technology creates a greater reliance on passwords and user login security. In particular, BFALLC understands that certain users with administrative access to the firm’s cloud-based technology systems may pose risk given their expanded access to sensitive client data. As such, BFALLC has designed and will continue to further maintain and update our information security policies as prudent..

### Security of Technology Infrastructure

Additional cyber-security measures were implemented by using Microsoft SharePoint and TeamLogic IT. Each advisor must work securely within their SharePoint login for all client work done. BFALLC also uses the following firm-wide information security polices to help prevent unauthorized access to sensitive client data:

- All computers used to access client data will have a passcode to open.
- All on-site computers and Microsoft accounts (for remote user) are monitored by our tech team.
- All computers used to access client data will have antivirus software installed.
- All staff will utilize devices with up-to-date operating system software with all security patches and other software updates set to automatically install.
- All staff workstations (e.g. desktop, laptop, mobile device) are set to be locked automatically when the device is not in use.
- All staff workstations (e.g. desktop, laptop, mobile device) will be logged off completely at the end of each workday.
- All staff workstations (e.g. desktop, laptop, mobile device) will use proper data encryption when possible.

- All staff mobile devices used to access work email and files will be password protected and will have the capability to be remotely disconnected from data or wiped if lost or stolen
- All staff members are prohibited from accessing BFALLC systems from unsecured internet connections.

All staff should immediately alert the CCO of any suspicious behavior or potential incidents.

### **Detection of Unauthorized Activity or Security Breaches**

BFALLC has hired TEAMLOGIC IT to be responsible for monitoring on-site and cloud-based systems for suspicious activity and security breaches. Such unauthorized activity or security breaches may include:

- Logins to company systems after traditional business hours for the local region
- Logins to company systems from non-local regions (e.g. outside of the local region, the United States, etc.)
- Large transfers of files or data

When suspicious activity or a potential security breach is discovered, TEAMLOGIC IT will restrict access to the systems and begin to assess what information may have been accessed and what actions need to be taken to remediate the event.

Regardless of the severity, the CCO will keep a log of all incidents and note the action taken. This log will include the following information about each incident:

- Date and time of the incident
- How the incident was detected
- The nature and severity of the incident
- The response taken to address the incident
- Any changes made to the Cyber Security & Information Security Policy as a result of the incident

In addition, all staff should immediately alert the CCO, and if not available, TEAMLOGIC IT ([ahhelp@teamlogicit.com](mailto:ahhelp@teamlogicit.com) or [eperson@teamlogicit.com](mailto:eperson@teamlogicit.com)) of any suspicious behavior or concern.

If the incident is deemed by the CCO to have led to unauthorized release or use of sensitive client information, then the CCO will take the following steps:

- 1) Contact proper law enforcement and/or regulatory agencies as required by law (if necessary)
- 2) Determine if any staff disciplinary action needs to be taken
- 3) Determine if any third party vendors were involved in the incident
- 4) Communicate the details of the event and steps being taken to rectify the incident to impacted clients of the firm (if necessary)

## User Login Security

BFALLC workstations and laptops authorized for use each have screen lock passwords to safeguard all sensitive client data. Additional cyber-security measures were implemented in by using Microsoft SharePoint, wherein a secondary user name and password to begin working. Each advisor must work securely in their login for all client work done, whether onsite or working remotely.

Each BFALLC software program, including MoneyGuide Pro (dual authentication required) and Redtail (updated regularly as required by Redtail, and meeting minimum password guidelines) sets and regulates proper password security.

- All staff are required to have unique passwords to access each technology system (e.g., desktop computer, CRM system, etc.) CCO must have access to all passwords to monitor systems periodically or in an emergency.
- All staff are required to update passwords periodically
- No passwords are allowed to be stored in writing on paper or on any unsecured system. The approved password management system for BFALLC is LastPass. This password is updated quarterly, when new staff comes on board or leaves, and if there is ever a concern for security.
- Staff members should never share passwords with unapproved or non-background, checked and fingerprinted staff members and never to a third party
- When available, staff will utilize two-factor authentication

In addition, staff members are prohibited from disclosing personal information on any social media website that could allow a third party to gain access to BFALLC's systems. Such information includes but is not limited to:

- Birthdate
- Place of birth
- Place of wedding
- Name of high school
- Name of elementary school
- Best friend's name
- Name of favorite pet
- Name of favorite drink
- Name of favorite song
- Mother's maiden name
- Make and model of first car
- Favorite color
- Name of favorite teacher



## User Access Privileges

BFALLC has implemented the following firm-wide user access privilege policies to help prevent unauthorized access to sensitive client data:

- All new staff members login credentials will be created by the CCO;
- Staff members will only have access to systems deemed necessary by the CCO;
- Staff members, besides the CCO or other designated personnel, will not have access to administrative privileges on systems unless deemed necessary by the CCO; and
- Upon a staff member's departure or termination, the CCO will immediately remove the former staff member's access to all firm systems.

Staff members may request additional access to systems by contacting the CCO.

## Email Use Security and Guidelines

BFALLC has implemented the following firm-wide email use security policies and guidelines to help prevent unauthorized access to sensitive client data:

- All staff should only provide sensitive information electronically to clients via a secure email or client portal;
- All staff should never open or download any email attachments from unknown senders;
- All staff should never open or download any email attachments from known senders that look suspicious or out of the ordinary;
- All staff should never directly click on or open any links sent in emails; and
- All staff should be acutely aware of any attempted "phishing" emails seeking to obtain the staff member's user login credentials. Some warning signs to look for include:
  - Bad spelling or poor grammar in the email subject or body text;
  - A company or website with which the staff member is not familiar; and
  - A suspicious sender email domain.

When a staff member receives a suspicious email, the CCO should be immediately alerted. The CCO will then determine what steps are appropriate (quarantine, etc). CCO may choose to contact IT firm for confirmation of appropriate next steps, if any, are recommended.

## Mobile Device Usage Guidelines

In order to help prevent unauthorized access to sensitive client and firm data, BFALLC permits the limited use of personal mobile devices only under the following firm-wide mobile device usage guidelines:

- Before utilizing a personal mobile device to access company systems such as company email, the device must be inspected and approved by the CCO to ensure proper security features are activated on the device.

- The mobile device's built-in password / passcode security feature must be activated at all times.
- If available, the mobile device's local or remote wipe security features(s) should be activated.
- Staff members should take great caution to not use the mobile device in public places that could expose sensitive client or firm information.
- In the event a mobile device used to access company systems is lost or stolen, the staff member should immediately alert the CCO.
- Before disposing of any mobile device used to access company systems, all data must be wiped from the mobile device.

Sensitive client or firm information should never be stored or downloaded onto a personal mobile device. **If the staff member's mobile device does not offer a built-in password / passcode security feature, then the device is not permitted to be used to access company systems.**

### Third Party Vendor Security and Diligence

BFALLC has implemented the following firm-wide third party vendor security and diligence polices and guidelines to help prevent unauthorized access to sensitive client data:

- All third party vendors that have physical access to the office and/or the firm's systems are required to enter into a non-disclosure agreement (NDA) in order to protect sensitive client information before establishing a business relationship; and
- Proper due diligence will be performed on all relevant technology vendors prior to establishing a business relationship and then again on at least an annual basis and will include:
  - Review of the firm's information security policies;
  - Review of the firm's disaster recovery policies; and
  - Review of the firm's general capabilities to ensure it meets BFALLC's needs.

All of this information will be stored and maintained in BFALLC's vendor file.

### Significant Technology System Disruption Plan

In the event of a significant business disruption that results in a significant interruption in access to the firm's technology systems; BFALLC will implement its business continuity plan as detailed in this policies and procedures manual.

In the event of the theft, loss, unauthorized exposure, or unauthorized use or of access of client information, the incident will be investigated and documented by the CCO. In the event of a technology system breach, BFALLC will comply with all local and federal laws to communicate accordingly with the affected parties.

## Testing

On a regular basis, TeamLogic tests our current systems. BFA's CCO will include the following activities:

- Ensure all staff members have proper system access privileges;
- TeamLogic IT will ensure all relevant software patches designed to address security vulnerabilities have been implemented on the firm's internal server; and
- Make a physical inspection of the office to ensure that all workstations have the proper security measures including:
  - Attempt to access a random sample of firm devices to ensure that proper passwords are in place to prevent access;
  - Observe staff members access systems with the proper password to ensure that two-factor authentication has been activated;
  - Ensure computers used to access client data have an antivirus software subscription; and
  - Ensure no passwords are visibly stored in writing on paper or on any system.

Periodically, BFALLC will further test its current Cyber Security & Information Security Policy and capabilities. The test conducted by the CCO will include the following activities:

- Conduct a risk assessment to determine if any changes need to be made to information security policies and procedures;
- Review access for each user's account. Asking them to login with the proper password to ensure that two-factor authentication is in place where possible to prevent unauthorized system access;
- Perform any relevant third-party penetration tests or vulnerability scans and remediate any relevant discoveries; and
- Ask TeamLogic for confirmation of restoration process, to assure proper configuration in place to restore files and records from the system.

This review of BFALLC's Cyber Security & Information Security Policies is normally done during the review of Policies and Procedures completed each year and signed by CCO. .

## Data Back-Up Policies

BFALLC stores sensitive firm and client data in the SharePoint system as documented in BFALLC's *Inventory of Technology Infrastructure*. This data is backed up in accordance with BFALLC's data back-up and recovery procedures.

## BFALLC Personnel Review of P & P / Training

On an annual basis, BFALLC reviews the P & P document with all personnel. During this same time frame it is assessed by the CCO in collaboration with the BFALLC team as to what type of regulatory, firm-data security or other training would be useful to review. All staff members

will be equipped to maintain client and firm security, adhere to firm policy and comply with all regulatory obligations for an RIA associated person. New staff members will receive training, including a review of policies and procedures within one (1) month of their initial hire date. The training conducted will include the following topics:

- Review of the current Cyber Security & Information Security Policy, including a note of any changes to the policy since the last training session;
- Review of any relevant information security incidents or suspicious activity;
- Review of how to identify potential “phishing” or fraudulent emails;
- Review of how to identify potential “Ransomware” or similar attacks and;
- Review of any relevant regulatory compliance changes or developments

**Chief Compliance Officer Appointment**

The person herein named “Chief Compliance Officer” is stated to be competent and knowledgeable regarding the Advisers Act or applicable state rule or regulation and is empowered with full responsibility and authority to develop and enforce appropriate policies and procedures for the firm. The compliance officer has a position of sufficient seniority and authority within the organization to compel others to adhere to the compliance policies and procedures.

Chief Compliance Officer	Date Responsibility Assumed	Annual Review Completed
Kathleen B. Leipprandt	06/13/2014	3-27-2025

**Terminated or INACTIVE BFALLC Clients**

Details such as the clients name, reason for termination (if available) and date removed from “active” client status will be maintained in our REDTAIL CRM

**Outside Business Activity**

In order to comply with BFALLC’s policies and procedures, Advisers with the firm will use the portal at RIA IN A BOX website to log all Outside Business Activities. BFALLC employees, advisers and staff must obtain prior written permission to have any outside employment or to receive any employment compensation other than through your affiliation with BFALLC. Information to be collected there includes:

1. Listing any business , organization or entity with whom BFALLC employed person is currently employed by that is not affiliated with BFALLC

2. Whether there is any compensation involved with such employment
3. Whether they serve as a director of any organization not affiliated with BFALLC?

For each outside activity, the following data will be collected:

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Name of Company / Organization  
Title  
Start Date  
Description of duties  
Compensation  
Amount of time per month that will be spent on activity

## Email Review Checklist

Date: \_\_\_\_3/27/2025\_\_\_\_

Review Period:      From: 1/1/2024      To: 12/31/2024      (Periodic spot checks are made regularly as advisory emails cc the CCO)

The CCO, or the CCO's designee, has reviewed electronic communications as determined adequate (keyword, random sample and/or key issue search).

The review of emails was for content that may be deemed a violation of any compliance policies. Such content may include, for example, and is not limited to:

1. Inappropriate marketing (e.g., use of unapproved marketing materials or performance figures);
2. Indications of custody that raise issues regarding the actual possession of client funds and securities;
3. Relationships with broker-dealers, service providers or clients indicating conflicts of interest not otherwise addressed by the firm's policies and procedures;
4. Violations of the firm's Code of Ethics;
5. Inappropriate gifts;
6. Unreported client complaints

Were any emails reviewed that revealed suspicious or inappropriate activity?

If yes, attach a copy of such emails along with the Email Review Activity Report.

*If no, sign and date below to evidence review*

CCO Signature \_\_\_\_\_ Date 3/27/2025

## Checks for Planning Fees ONLY-

All Checks for Planning Fees are documented via Quick Books Online System

## Code of Ethics

The Code of Ethics, which is a separate document, describes the recordkeeping requirements surrounding the firm's access persons' personal securities transactions. RIA firms are required to make and keep true, accurate and current books and records relating to their access person's personal securities transactions and requiring access persons to submit securities transaction reports on a quarterly basis. The COE does not need to contain provisions requiring transaction reports on: securities held in accounts over which access persons have no influence or control, automatic investment plans, mutual funds, or Unit Investment Trust (UIT) transactions.

## Securities Holding & Transactions Record for BFALLC Employees, Advisers & Staff

In order to comply with BFALLC's record keeping and Code of Ethics requirements, All BFALLC employees, advisers and staff are required to provide a list of all securities in which any direct or indirect influence or control is held (e.g., joint or custodian ownership, securities owned by your spouse, etc.). *This is handled digitally via Quarterly requests within RIA IN A BOX and documented with appropriate statements uploaded in secure system*

Excluded from the reporting requirements are:

- Transactions in which Access Persons have no direct or indirect influence or control or beneficial ownership. Beneficial ownership includes securities owned by the Access Person's immediate family members sharing the Access Person's household.
- Transactions in direct obligations of the US (e.g., T-Bills, etc.), Bank CDs, commercial paper, high quality short-term debt (including repos).
- Transactions in shares of open-end investment companies. Transactions in shares of open-end mutual funds may be relieved from this record keeping requirement (unless BFALLC or a control affiliate acts as the investment adviser to or principal underwriter of the fund).

## Annual Review - Attestation Statement

BFALLC adviser, employee or staff dealing with or having access to client files and other public or non-public information must initially upon hiring, and then annually, read, review, and acknowledge to abide by at a minimum the following firm items:

- ❖ Privacy Policy
- ❖ Code of Ethics
- ❖ Policies and Procedures Manual
- ❖ AML Red Flag / Fraud

The firm's Chief Compliance Officer is responsible for documenting the completion of these tasks and therefore requires each of the firm's responsible parties and personnel to complete and sign the statement shown below.

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ATTESTATION STATEMENT

By signing this document, I certify that I have read BFALLC's above listed documents and fully understand the legal, regulatory, policy, and other requirements outlined therein and agree to abide by the ethics, procedures, policies, agreements, and other stipulations contained therein.

Printed Name: Elizabeth Grady Signature: \_\_\_\_\_

Date:    /   /   

ATTESTATION STATEMENT

By signing this document, I certify that I have read BFALLC's above listed documents and fully understand the legal, regulatory, policy, and other requirements outlined therein and agree to abide by the ethics, procedures, policies, agreements, and other stipulations contained therein.

Printed Name: Katherine Kennedy Signature: \_\_\_\_\_

Date:    /   /   

ATTESTATION STATEMENT

By signing this document, I certify that I have read BFALLC's above listed documents and fully understand the legal, regulatory, policy, and other requirements outlined therein and agree to abide by the ethics, procedures, policies, agreements, and other stipulations contained therein.

Printed Name: Penny Quade Signature: \_\_\_\_\_

Date:    /   /   

ATTESTATION STATEMENT

By signing this document, I certify that I have read BFALLC's above listed documents and fully understand the legal, regulatory, policy, and other requirements outlined therein and agree to abide by the ethics, procedures, policies, agreements, and other stipulations contained therein.

Printed Name:  Kate Leipprandt, CCO  Signature: \_\_\_\_\_  
Date:  \_\_\_/\_\_\_/\_\_\_

ATTESTATION STATEMENT

By signing this document, I certify that I have read BFALLC's above listed documents and fully understand the legal, regulatory, policy, and other requirements outlined therein and agree to abide by the ethics, procedures, policies, agreements, and other stipulations contained therein.

Printed Name:  Doug Leipprandt  Signature: \_\_\_\_\_  
Date:  \_\_\_/\_\_\_/\_\_\_

ATTESTATION STATEMENT

By signing this document, I certify that I have read BFALLC's above listed documents and fully understand the legal, regulatory, policy, and other requirements outlined therein and agree to abide by the ethics, procedures, policies, agreements, and other stipulations contained therein.

Printed Name: \_\_\_\_\_ Signature: \_\_\_\_\_  
Date:  \_\_\_/\_\_\_/\_\_\_

ATTESTATION STATEMENT

By signing this document, I certify that I have read BFALLC's above listed documents and fully understand the legal, regulatory, policy, and other requirements outlined therein and agree to abide by the ethics, procedures, policies, agreements, and other stipulations contained therein.

Printed Name: \_\_\_\_\_ Signature: \_\_\_\_\_  
Date:  \_\_\_/\_\_\_/\_\_\_

ATTESTATION STATEMENT

By signing this document, I certify that I have read BFALLC's above listed documents and fully understand the legal, regulatory, policy, and other requirements outlined therein and agree to abide by the ethics, procedures, policies, agreements, and other stipulations contained therein.

Printed Name:  XXX  Signature:  XXX   
Date:  \_\_\_/\_\_\_/\_\_\_

