

# GOULD CAPITAL

WEALTH WITH INTEGRITY

2323 N. 31ST STREET, STE 100, TACOMA, WA 98403

OFFICE: 253-272-9898 / GOULDCAPITAL.NET

## ITEM 1 – COVER PAGE

# Part 2A of Form ADV: Firm Brochure

MARCH 21, 2023

This brochure provides information about the qualifications and business practices of Gould Capital, LLC (“Gould Capital”). If you have any questions about the contents of this brochure, please contact us at **253-272-9898**. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Gould Capital is a Registered Investment Adviser. Registration as an Investment Adviser with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Gould Capital is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as an IARD number. The IARD number for Gould Capital is #300609.

## **ITEM 2 — MATERIAL CHANGES**

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website:

(IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

There are no material changes to report since our last SEC Annual Amendment filing on March 15, 2022

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer, Jennifer Emmons Carlson, at [jennifer.carlson@gouldcapital.net](mailto:jennifer.carlson@gouldcapital.net), or 253-272-9898.

We encourage you to read this document in its entirety.

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## ITEM 4 — ADVISORY BUSINESS

This Disclosure document is being offered to you by Gould Capital, LLC (“Gould Capital” or “Firm”) about the investment advisory services we provide. It discloses information about our services and the way those services are made available to you, the client.

Our Firm was registered as an Investment Adviser in March 2019 and is owned by Gary Gould, John Gould, and Charles Gould. We are committed to helping clients build, manage, and preserve their wealth, and to provide guidance that helps clients to achieve their stated financial goals. We specialize in counseling our clients to behave in ways that preserve and accrete wealth. We will offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and Gould Capital execute an Investment Management Agreement.

### Investment Management Services

We manage advisory accounts on a discretionary basis. Once we determine a client’s profile, income need, and investment plan, we execute the day-to-day transactions with or without prior consent, depending on the client’s agreement with our Firm. Account supervision is guided by the client’s written profile and investment plan. We may accept accounts with certain restrictions if circumstances warrant. We primarily allocate client assets among various equities, Exchanged Traded Funds (“ETFs”), mutual funds and debt securities in accordance with their stated investment objectives and income needs.

In personal discussions with clients, we determine their date and dollar specific objectives, time horizons, risk tolerance and liquidity and income needs. As appropriate, we also review their prior investment history, as well as family composition and background. Based on client needs and goals, we develop the client’s comprehensive financial and investment plan. We then create and manage the client’s investments based on their plan pursuant to achieving their goals. It is the client’s obligation to notify us immediately if circumstances have changed with respect to their goals and income needs.

Once we have determined the appropriate strategy for clients or client businesses and executed the strategy, we will provide ongoing investment review and management services. This approach requires us to periodically review client portfolios.

With our discretionary relationships, we will make changes to the portfolio, as we deem appropriate. As a policy we rebalance client portfolios at least annually to keep the target allocation intact. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

Clients may engage us to advise on certain investment products that are not maintained at their primary custodian, such as annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans).

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that adversely affect an account’s performance. This could result in capital losses in your account.

If a non-discretionary relationship is in place, calls will be placed to the client presenting the recommendation made including a rebalancing recommendation and only upon your authorization will any action be taken on your behalf.

# Employee Retirement Income Security Act Retirement Plan Advisory Services

For employer-sponsored retirement plans with participant-directed investments, our firm provides its advisory services as an investment advisor as defined under Section 3(38) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

When serving as an ERISA 3(38) investment manager, the plan sponsor is relieved of all fiduciary responsibility for the investment decisions made by Gould Capital. Gould Capital is a discretionary investment manager in accordance with the terms of a separate ERISA 3(38) Investment Management Agreement between Gould Capital and the Plan Sponsor. Our investment management is limited in that it has the discretion solely to replace funds in plan fund lineups and initiate the transfer of existing balances to the replacements without prior approval from the client. Gould Capital provides the following to the Plan Sponsors under our 3(38) management:

- Select the investments.
- Monitor the investments and replace investments when appropriate.
- Provide a quarterly monitoring report.
- Assist in education and enrollment of participants.
- Assist the plan sponsor in developing an Investment Policy Statement (“IPS”).
- Provide a comprehensive fiduciary investment review designed to meet Plan Sponsor fiduciary responsibility and enhance the participant experience. This includes fiduciary education as requested by the Department of Labor (DOL).

We can also be engaged to provide financial education to Plan participants. The scope of education provided to participants will not constitute “investment advice” within the meaning of ERISA and participant education will relate to general principles for investing and information about the investment options currently in the Plan. We may also participate in initial enrollment meetings and periodic workshops and enrollment meetings for new participants.

## Consulting Services

We provide investment advice on isolated areas of concern such as estate planning, real estate, retirement planning, or any other specific topic. Additionally, we provide non-securities advice related to estate planning, insurance, real estate, and annuities. In these cases, you will be required to select your own investment managers, custodians, and insurance companies to implement consulting recommendations. If you need brokerage and/or other financial services, we will recommend one of several investment managers, brokers, banks, custodians, insurance companies or other financial professionals (“Firms”). You must independently evaluate these Firms before opening an account or transacting business and have the right to effect business through any firm you choose. You have the right to choose whether to follow the consulting advice that we provide.

## Wrap Fee Programs

We do not provide a Wrap Fee Program.

## Disclosure Regarding Rollover Recommendations

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

A client or prospect leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) rollover to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Our Firm may recommend an investor roll over plan assets to an IRA for which our Firm provides investment advisory services. As a result, our Firm and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave their plan assets with their previous employer or roll over the assets to a plan sponsored by a new employer will generally result in no compensation to our Firm. Our Firm therefore has an economic incentive to encourage a client to roll plan assets into an IRA that our Firm will manage, which presents a conflict of interest. To mitigate the conflict of interest, there are various factors that our Firm will consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus those of our Firm, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. Our Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client has regarding the oversight.

## Assets

As of December 31, 2022, Gould Capital had \$134,509,978 in assets under management on a discretionary basis.

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### ITEM 5 — FEES AND COMPENSATION

## Investment Management Fees and Compensation

Our Firm charges an advisory fee as compensation for providing Investment Management services on client accounts. These services include advisory services, investment supervision, and other account-maintenance activities. Our custodian charges custodial fees, redemption fees, retirement plan and administrative fees or

commissions. Financial planning services by our firm are included in advisory fees outlined below. See Additional Fees and Expenses below for additional details on fees that may apply to your account.

A calendar quarterly investment management fee is billed in arrears based on the average daily balance of your account(s). Cash and cash equivalents and any margin debt balances are included in the calculation of advisory fees, unless otherwise noted and agreed to in the executed Agreement. **The relevant fee billed is defined in the following Fee Schedule:**

<b>ON THE FIRST \$1,000,000:</b>	<b>1.50% ANNUALIZED</b>
<b>ON THE NEXT \$2,000,000:</b>	<b>1.00% ANNUALIZED</b>
<b>ON THE NEXT \$2,000,000:</b>	<b>0.80% ANNUALIZED</b>
<b>ON THE NEXT \$5,000,000:</b>	<b>0.75% ANNUALIZED</b>
<b>ON THE NEXT \$10,000,000:</b>	<b>0.70% ANNUALIZED</b>
<b>ACCOUNTS IN EXCESS OF \$20,000,000:</b>	<b>NEGOTIABLE</b>

Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and the client. In certain circumstances, our advisory fees and timing of the fee payments may be negotiated.

Unless otherwise instructed by the Client, we will aggregate related client accounts for the purposes of determining the account size and annualized fee. The common practice is often referred to as “householding” portfolios for fee purposes and may result in lower fees than if fees were calculated on portfolios separately. Our method of householding accounts for fee purposes looks at the overall family dynamic and relationship. When applicable and noted in the Investment Management Agreement, concentrated stock positions may also be excluded from the fee calculation.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement to you on a quarterly basis indicating all the amounts deducted from the account including our advisory fees.

Either party giving written or verbal notice to the other may cancel the Investment Advisory Agreement at any time for any reason. Notice given by the client shall be effective upon actual receipt by Gould Capital at the address specified on the Investment Advisory Agreement or the then current address. The management fee will be pro-rated to the date of termination, for the quarter in which the cancellation notice was given and the earned fee billed to your account as indicated in your Agreement. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of client’s death or disability, our Firm will continue management of the account until we are notified and given alternative instructions by an authorized party.

We will not require prepayment of more than \$1200 in fees per client, six (6) or more months in advance of providing any services.

# Employer Sponsored Retirement Plan Services

For Retirement Plan Advisory Services compensation, we charge an annual fee as negotiated with the client and disclosed in the Employer Sponsored Retirement Plans Investment Advisory Agreement. The compensation method is explained and agreed upon in advance before any services are rendered. Asset based fees are assigned according to the management fee schedule outlined above and based on the aggregated assets of the Plan.

Plan advisory services begin with the effective date of the Employer Sponsored Retirement Plans Investment Advisory Agreement, which is the date you sign the Employer Sponsored Retirement Plans Investment Advisory Agreement. For that calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the Agreement was effective. Our fee is billed in arrears on the last business day of the calendar quarter as outlined in the Agreement. For Plans where our fee is billed to the custodian, the fee is deducted directly from the participant accounts. Written authorization permitting us to be paid directly from the custodial account is outlined in the Agreement.

Either party may terminate the Investment Advisory Agreement at any time upon immediate notice. You are responsible to pay for services rendered until the termination of the Agreement. If billed in arrears, any earned fee will be billed to the account. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

## Consulting Fees

We provide consulting services for clients who need advice on a limited scope of work. We will negotiate consulting fees with you. Fees for Consulting Services will vary based on the extent and complexity of the consulting project. Fees will be billed as services are rendered. Either party may terminate the agreement. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you as described in the Agreement.

## Additional Fees and Expenses

In addition to the advisory fees paid to our Firm, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges include custodial fees, charges imposed by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Our brokerage practices are described at length in Item 12, below. Neither our Firm nor its supervised persons accept compensation for the sale of securities or other investment products. Further, our firm does not share in any of these additional fees and expenses outlined above.



# Administrative Services Provided by Black Diamond Performance Reporting

We have contracted Black Diamond Performance Reporting to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, client database maintenance, quarterly performance evaluations, payable reports, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Black Diamond Performance Reporting will have access to client information, but Black Diamond Performance Reporting will not serve as an investment adviser to our clients. Gould Capital and Black Diamond Performance Reporting are non-affiliated companies. Black Diamond Performance Reporting charges our Firm an annual fee for each account administered by Black Diamond Performance Reporting. Please note that the fee charged to the client will not increase due to the annual fee Gould Capital pays to Black Diamond Performance Reporting, the annual fee is paid from the portion of the management fee retained by our Firm.

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## **ITEM 6 — PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees) nor engage in side-by-side management.

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## **ITEM 7 — TYPES OF CLIENTS**

We provide investment advice to individuals, high net individuals, foundations, employer sponsored retirement plans, charitable organizations, institutions, estates and trusts. The minimum initial account value for opening an account with our firm is \$1,000,000. We reserve the right to make exceptions, at our discretion, on a case-by-case basis.

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## **ITEM 8 — METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Investment Strategies**

Gould Capital provides proprietary investment strategies personalized to the needs and goals of each individual client.

Our strategies are developed and maintained in-house by our team and clients have direct access to the individuals doing the research and making decisions regarding their accounts and the investments and strategies in which they are involved.

We create diversified portfolios designed to maximize return per unit of risk assumed.

- We diversify portfolios by asset class, location, and sector and have a strict set of guidelines defining maximum position size within a given portfolio.
- We use principles of Game Theory in our evaluation of positions added to investment portfolios, in the interest of minimizing the risk of loss.
- In addition, we build income strategy overlays onto portfolios to provide insulation from downside risk and enhance upside potential for total return.

When combined with quality research and value-based fundamental analysis, we feel that this is the best prescription for consistent preservation and growth of wealth.

## Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Fundamental Analysis:** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company) to determine if the security is underpriced (indicating that it may be a good time to buy) or overpriced (indicating that it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk because the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

**Asset Allocation:** In addition to focusing on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Periodically we may encounter economic conditions that warrant temporary adjustments to the asset allocation of an investment strategy or portfolio. If we believe that these conditions present either an increase in risk or opportunity for that particular asset class we may alter the appropriate allocation to reflect this conviction.

**Mutual Fund and/or ETF Analysis:** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if the manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, because we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security thereby increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF which could make the holding(s) less suitable for the client's portfolio.

**Risks for all forms of analysis:** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

**Market Risk** — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

**Foreign Securities and Currency Risk** — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

**Capitalization Risk** — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

**Interest Rate Risk** — In a rising rate environment, the value of fixed-income securities generally declines, and the value of equity securities may be adversely affected.

**Credit Risk** — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

**Securities Lending Risk** — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the

value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

**Exchange-Traded Funds** — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

**Performance of Underlying Managers** — We select the mutual funds and ETFs in our portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

**Liquidity Risk** — Liquidity risk exists when particular investments would be difficult to purchase or sell, possibly preventing clients from selling such securities at an advantageous time or price.

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## **ITEM 9 — DISCIPLINARY INFORMATION**

We do not have any legal, financial or other "disciplinary" item to report.

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## **ITEM 10 — OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Our Firm and persons associated with our Firm do not have any other financial industry activities or affiliations to disclose.

Our firm does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

Our firm nor any of its management persons are registered or have an application pending to register as a broker dealer or a registered representative of a broker-dealer.

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## **ITEM 11 — CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, and the prohibition against the use of inside information.

The Code of Ethics is designed to:

- protect our clients,
- detect and deter misconduct,
- educate personnel regarding the firm's expectations and laws governing their conduct,
- remind personnel that they are in a position of trust and must act with complete propriety at all times,
- protect the reputation of our Firm,
- guard against violation of the securities laws,
- establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

Our Firm and persons associated with us are allowed to invest for their own accounts or to have a financial investment in the same securities or other investments that we recommend or acquire for your account and may engage in transactions that are the same as transactions made in your account. We recognize the fiduciary responsibility to act in your best interest and have established policies to mitigate conflicts of interest.

We have established the following restrictions in order to ensure our firm's fiduciary responsibilities:

1. A director, officer or employee of Gould Capital shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No supervised employee of Gould Capital shall prefer his or her own interest to that of the advisory client.
2. We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Gould Capital.
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.
4. We require that all supervised employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
5. Any supervised employee not in observance of the above may be subject to termination.

You may request a complete copy of our Code of Ethics by contacting us at the telephone number on the cover page of this Part 2; Attn: Chief Compliance Officer.

## ITEM 12 — BROKERAGE PRACTICES

### THE CUSTODIAN AND BROKERS WE USE

## Investment Management Services

Clients must maintain assets in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. Advisor Services (“CS&Co”), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated, and unaffiliated with CS&Co. CS&Co will hold client assets in a brokerage account, and buy and sell securities when we instruct them to.

While we recommend that clients use CS&Co as Custodian, client must decide whether to do so and open accounts with CS&Co by entering into account agreements directly with them. The Client opens the accounts with CS&Co. The accounts will always be held in the name of the client and never in Gould Capital’s name.

## How We Select Custodians

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
2. Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
4. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
5. Availability of investment research and tools that assist us in making investment decisions
6. Quality of services
7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices
8. Reputation, financial strength, and stability
9. Prior service to Gould Capital and our other clients
10. Availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from CS&Co)

## Client Brokerage and Custody Costs

For our clients’ accounts that CS&Co maintains, CS&Co generally does not charge separately for custody services. However, CS&Co receives compensation by charging ticket charges or other fees on trades that it

executes or that settle into clients' CS&Co accounts. We have determined that having CS&Co execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see How We Select Custodians).

## Products and Services Available to Us from CS&Co

Schwab Advisor Services™ (formerly called Schwab Institutional®) is CS&Co's business serving independent investment advisory firms like us. They provide Gould Capital and our clients with access to its institutional brokerage, trading, custody, reporting, and related services, many of which are not typically available to CS&Co retail customers. CS&Co also makes available various support services. Some of those services help us manage or administer our clients' accounts; others help us manage and grow our business. CS&Co's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. These are considered economic benefits because there is an incentive to do business with CS&Co. This creates a conflict of interest. We recognize the fiduciary responsibility to always act in best interest of our clients and have established policies in this regard to mitigate any conflicts of interest.

Following is a more detailed description of CS&Co's support services:

### SERVICES THAT BENEFIT OUR CLIENTS

CS&Co's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through CS&Co include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. CS&Co's services described in this paragraph generally benefit our clients and their accounts.

### SERVICES THAT MAY NOT DIRECTLY BENEFIT OUR CLIENTS

CS&Co also makes available to us other products and services that benefit us but may not directly benefit our clients or their accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both CS&Co's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at CS&Co. In addition to investment research, CS&Co also makes available software and other technology that:

1. Provide access to client account data (such as duplicate trade confirmations and account statements)
2. Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
3. Provide pricing and other market data
4. Facilitate payment of our fees from our clients' accounts
5. Assist with back-office functions, recordkeeping, and client reporting

### SERVICES THAT GENERALLY BENEFIT ONLY US

CS&Co also offers other services intended to help us manage and further develop our business enterprise. These services include:

1. Educational conferences and events
2. Consulting on technology, compliance, legal, and business needs
3. Publications and conferences on practice management and business succession
4. Access to employee benefits providers, human capital consultants, and insurance providers

CS&Co may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. CS&Co may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. CS&Co may also provide us with other benefits, such as occasional business entertainment of our personnel.

#### **OUR INTEREST IN CS&CO'S SERVICES**

The availability of these services from CS&Co benefits us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to CS&Co in trading commissions. We believe that our recommendation of CS&Co as custodian is in the best interests of our clients.

Some of the products, services and other benefits provided by CS&Co benefit Gould Capital and may not benefit our client accounts. Our recommendation or requirement that you place assets in CS&Co's custody may be based in part on benefits CS&Co provides to us, or our agreement to maintain certain Assets Under Management at CS&Co, and not solely on the nature, cost or quality of custody and execution services provided by CS&Co.

We place trades for our clients' accounts subject to its duty to seek best execution and its other fiduciary duties. CS&Co's execution quality may be different than other custodians.

## **Aggregation and Allocation of Transactions**

We may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client Investment Advisory Agreement. We may make trades in individual accounts (that are not aggregated with others) so that we may address that client's unique circumstances. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day.

We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

1. Our policy for the aggregation of transactions shall be fully disclosed to our existing clients (if any) and the Custodian(s) through which such transactions will be placed;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our Investment Advisory Agreement with you for which trades are being aggregated.



3. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client's participation in the transaction;
4. We will prepare a written statement ("Allocation Statement") specifying the participating client accounts and how to allocate the order among those clients;
5. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade's positions should be "first in line" to receive the next allocation.
6. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is reviewed by our compliance officer. Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account.
7. We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
8. Individual advice and treatment will be accorded to each advisory client.

## Trade Errors

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the custodian or our trading platform provider, the custodian or trading platform provider will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

## Soft Dollars

Soft dollars are revenue programs offered by broker-dealers/Custodians whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. Our Firm does not participate in soft dollar programs sponsored or offered by any broker-dealer/Custodian. However, we do receive certain economic benefits from the Custodians as detailed above.

## Brokerage Referrals

We do not receive any compensation from any third party in connection with the recommendation for establishing an account.

## Directed Brokerage

All Clients are serviced on a “directed brokerage basis”, where our firm will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s], unless specifically directed otherwise. We will not engage in any principal transactions (i.e., trade of any security from or to the Advisor’s own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client’s account[s]). In selecting the Custodian, our Firm will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

We do not routinely recommend, request or require that you direct us to execute transaction through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

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### **ITEM 13 – REVIEW OF ACCOUNTS**

## Account Reviews and Reviewers— Investment Supervisory Services

Our Investment Adviser Representatives will monitor client accounts on at least a quarterly basis and perform reviews with each client annually or as often as is agreed upon by the client and our firm. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder’s personal, tax or financial status. Geopolitical and macroeconomic specific events may also trigger reviews. Clients may request a review at any time.

## Statements and Reports

The custodian for the individual client’s account will provide clients with an account statement at least quarterly. Upon request, clients can receive a Gould Capital-prepared written report detailing their current positions, asset allocation, and year-to-date performance. You are urged to compare the reports and invoices provided by our firm against the account statements you receive directly from your account custodian.

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### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

Our Firm and its related entities do not directly compensate any person who is not an IAR of our firm nor receive any compensation for any client referrals.

## Lead Generation

Our Firm pays fees to participate in an online matching program that seeks to match prospective advisory clients with investment advisers. The program, which is operated by SmartAsset Advisors, LLC provides information about investment advisory firms to persons who have expressed an interest in such firms. The program also provides the name and contact information of such persons to the advisory firms as potential leads. The fees we pay for being provided with potential leads are payable regardless of whether the prospect becomes our advisory client.

## Non-cash Referral Arrangements

Our Firm may be asked to recommend a financial professional, such as an attorney, accountant, or mortgage broker. In such cases, our Firm does not receive any direct compensation in return for any referrals made to individuals or firms in our professional network. Clients must independently evaluate these firms or individuals before engaging in business with them and clients have the right to choose any financial professional to conduct business. Individuals and firms in our financial professional network may refer clients to our Firm. Again, our Firm does not pay any direct compensation in return for any referrals made to our Firm. Our Firm does recognize the fiduciary responsibility to place your interests first and have established policies in this regard to mitigate any conflicts of interest.

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### **ITEM 15 – CUSTODY**

Custody has been defined by regulators as having access or control over client funds and/or securities. Our firm does not have physical custody of funds or securities, as it applies to investment advisors.

## Deduction of Advisory Fees

Our firm has custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee. For all accounts, our firm has the authority to have fees deducted directly from client accounts. Our firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from our Firm. When you have questions about your account statements, you should contact our Firm or the qualified custodian preparing the statement. Please refer to Item 5 for more information about the deduction of adviser fees.

## Standing Letters of Authorization (“SLOA”)

Our firm is deemed to have custody of clients’ funds or securities when clients have standing authorizations with their custodian to move money from a client’s account to a third-party (“SLOA”) and, under that SLOA, it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest on any of the accounts we are deemed to have Custody where SLOAs are on file. In addition, account statements reflecting all activity on the account(s), are delivered directly from the qualified custodian to each client or the client’s independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from us. When you have questions about your account statements, you should contact us, your Advisor or the qualified custodian preparing the statement.

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### **ITEM 16 – INVESTMENT DISCRETION**

For discretionary accounts, prior to engaging our Firm to provide investment advisory services, you will enter a written Agreement with us granting the firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client’s investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable Gould Capital, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any stocks, bonds or other securities or assets and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such discretionary authority will be communicated to our Firm in writing by you, the client.

The limitations on investment discretion held by Gould Capital for you are:

1. For discretionary accounts, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
2. Any limitations on this discretionary authority shall be in writing. You may change/amend these limitations as required.

In some instances, we may not have discretion. We will discuss all transactions with you prior to execution or you will be required to make the trades if in an employer sponsored account.

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### **ITEM 17 – VOTING YOUR SECURITIES**

Our firm does not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm,

our firm will forward them to the appropriate client and ask the party who sent them to mail them directly to the client in the future. Clients may call us at 253-272-9898 or email us to discuss questions they may have about particular proxy votes or other solicitation.

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## **ITEM 18 — FINANCIAL INFORMATION**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.