



## Form ADV Part 2A Firm Brochure

### WAKE ROBIN FINANCIAL ADVISORS

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This brochure provides information about the qualifications and business practices of Carol J. Burton, CFP,<sup>®</sup> as agent for Wake Robin Financial Advisors.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Carol J. Burton, CFP,<sup>®</sup> as agent for Wake Robin Financial Advisors, is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration with the SEC and other state securities authorities as a registered investment adviser does not imply a certain level of skill or training.

If you have any questions about the contents of this brochure, please call 203-227-5077 or [caroljburton@wakerobinfinancialadvisors.com](mailto:caroljburton@wakerobinfinancialadvisors.com).

This brochure was last updated on March 18, 2016.

Carol J. Burton, CFP<sup>®</sup>

## Item 2: Material Changes

The firm brochure for Wake Robin Financial Advisors has only the following changes from its prior version:

Amount of Assets Managed. Assets under advisement increased to roughly \$84,640,679 as of December 31, 2015.

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## Summary

### **Carol J. Burton, CFP,<sup>®</sup> as agent for Wake Robin Financial Advisors**

I am a Certified Financial Planning Professional who specializes in financial planning and investment advisory services. In addition to my certification as a financial planner, my background in the field includes a degree in Finance and Economics from the University of California at Berkeley, tax planning at Paramount Financial Services in Palo Alto, California and 7 years as a Financial Consultant for Merrill Lynch in New York City. I have a fee-only practice and am not compensated by commissions. I have been in business as an independent financial planner and investment advisor for over 23 years and currently have over \$80 million of assets under management. I am currently 57 years old.

#### **Services include:**

**Financial Planning**—Separately or as part of an ongoing investment management program, I prepare a financial plan and review and modify the plan as needed with the client over time. With the consent of my clients, I often consult with clients' other professional advisors, attorneys, accountants and insurance agents, as planning recommendations are formulated and/or implemented.

Fees for planning are billed hourly with an estimate of hours needed provided after initial consultation.

**Investment Management Services**—I use asset allocation strategies to allocate a client's assets among stocks, bonds, and cash, according to the client's objectives and risk tolerance, as well as to prevailing economic conditions. I design a portfolio only after a comprehensive review of a client's financial picture. For more on my investment philosophy, and the risks of my investment strategies and/or specific investments recommended, please refer to Item 8.

Investment management fees are based on assets under management. I sell no products and accept no commissions.

I actively seek to avoid, or at least minimize, conflicts of interest which may exist between me and my clients. However, all investment advisory firms will likely possess some unavoidable conflicts of interest. In those instances when conflicts of interest arise, I maintain policies which seek to keep my clients' best interests paramount at all times. See Items 5, 11 and 12 of this Brochure, and other items, which explore in further detail how I act to keep clients' best interests first at all times during the course of our financial planning relationship.

## Item 4: Advisory Business

### **My firm's History**

In September of 1990 I left my position as a financial consultant with Merrill Lynch and launched my business as a fee-only financial planner and investment advisor. With the desire to avoid commission-based conflicts of interest and transaction oriented compensation, I re-established a clientele interested in truly objective investment and financial planning advice.

### **Principal Owners**

I am the only owner and decision maker of the firm.

### **Amount of Assets under Advisement**

As of December 31, 2015, I manage approximately \$84,640,679 of financial assets for approximately 68 family groups for continuous and ongoing advice on their investment portfolios. Of these assets under management, approximately \$78,183,190 is managed on a discretionary basis and \$6,457,489 is managed on a non-discretionary basis.

### **Non-Participation in Wrap Fee Programs**

I do not sponsor any wrap fee program. A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions.

### **Advisory Programs (Types of Services) Offered**

Financial Planning—Separately or as part of an ongoing investment management program, I prepare a financial plan and review and modify the plan as needed with the client over time. This plan includes a review of the client's finances (including current investments, cash flow, tax returns, retirement plans and insurance policies), followed by specific recommendations that can be implemented by the client throughout the year. Plans focus on the individual's needs, such as funding future college expenses or retirement. With the consent of my clients, I often consult with clients' other professional advisors, attorneys, accountants and insurance agents, as planning recommendations are formulated and/or implemented.

Fees for planning are billed hourly with an estimate of hours needed provided after an initial consultation.

**Investment Management Services**—I use asset allocation strategies to allocate a client’s assets among stocks, bonds, and cash according to the client’s objectives and risk tolerance, as well as to prevailing economic conditions. I design a portfolio only after a comprehensive review of a client’s financial picture. I generally recommend no load or load waived mutual funds and exchange traded funds with low annual expense ratios. At times I may recommend individual securities and other products where appropriate. For more on my investment philosophy and the risks of my investment strategies and/or specific investments recommended, refer to Item 8.

Investment management fees are based on assets under management.

### **My Services are Tailored to Meet Client Needs and Any Imposed Investment Restrictions.**

In general, advisory services are tailored to meet the needs of individual clients. While model portfolios may be utilized for many clients, for some clients their investment portfolio is individually designed with some modification from a model portfolio. Clients may impose restrictions on investing in certain securities or types of securities. This most often occurs when clients request certain social investing needs to be addressed.

Additionally, financial planning services are generally provided upon client request with planning issues prioritized and then addressed over the course of an appropriate time frame. Clients may engage me on an hourly basis to analyze a specific issue, such as cash flow planning, education planning and retirement planning.

### **Policies on Class Actions, Bankruptcies, and Other Legal Proceedings**

Clients should note that I will not advise nor act on behalf of the client in legal proceedings

that involve companies whose securities are held or previously were held in the client’s account(s), including, but not limited to, the filing of “Proofs of Claim” in class action settlements. If desired, clients may direct me to transmit copies of class action notices to the client or a third party. Upon such direction, I will make reasonable efforts to forward such notices in a timely manner.

## Item 5 Fees, Services and Compensation

Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, provides investment management services that use asset allocation strategies to allocate assets among stocks, bonds, and cash according to the objectives and risk tolerance of clients as well as to prevailing economic conditions.

### Investment management fees for 2013 and going forward are as follows:

\$0—500,000	65 basis points
\$500,001—1,000,000	50 basis points
\$1,000,001—1,500,000	37.5 basis points
\$1,500,001— 2,000,000	30 basis points
\$2,000,001—	25 basis points

A 15% discount to above outlined fees is available to clients with multiple family accounts. Fees are debited to the client's Fidelity Institutional Wealth Services account(s) in advance each quarter. However, clients can opt to send payment separately. A breakdown of fees appears on the invoice provided with each quarterly report. Should a client request that investment services be stopped, unused prorated fees will be promptly returned. If clients request services be stopped within 5 days after implementation, all fees are refunded. A minimum of \$250,000 under management is required. Investment management fees are negotiable in some circumstances.

I provide general financial planning services for clients with assets under my management.

Services include a periodic financial review by telephone appointment or in person which includes the following:

- Review of Client Profile: ascertain any changing financial circumstances;
- Review of progress toward client's attainment of their goals;
- Investment portfolio review and rebalancing, and/or tax loss harvesting;
- Discuss funding levels for retirement accounts and updated retirement projections;
- Discuss withdrawals from retirement or other accounts;
- Review of income tax return;
- Planning for cash flow needs for next 12 months;

Up to 3 hours per year of general financial planning services described above are provided at no additional cost to investment management clients. This includes email and phone communication, in person meetings, as well as research time, dedicated to a client's financial planning needs. Should additional services be requested, then the client will be charged \$125.00 per hour as described in the Financial Planning Fees section below. The client is notified in advance and an estimate is provided before additional services are provided. Payment is due upon completion of services.



**Financial Planning Fees:**

As an alternative to an ongoing investment management program, a financial plan is prepared and reviewed with the client on a periodic basis. This plan includes a thorough review of the clients' finances (including current investments, cash flow, tax returns, retirement plans, and insurance policies) followed by specific recommendations that can be implemented by the client throughout the year. These plans can be comprehensive in nature or limited to an isolated area(s) of concern such as funding future college expenses or retirement. Fees for financial planning services are billed at an hourly rate of \$175.00. An estimate of the total of hours needed to provide services requested is provided to the client after an initial consultation. Estimates for financial plans generally fall between \$850 and \$1,100. Financial planning fees are payable at completion of the meeting and review process. A planning engagement may be terminated by you at any time by written notice. Upon receipt of such notice, I will prepare and submit to you a bill for immediate payment for the time expended to date.

Approximately 25% of my work hours are used for financial planning purposes.

**Other Fees or Expenses Paid in Connection with Advisory Services: Products, Custodians.**

All fees paid to me for investment advisory and financial planning services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. Mutual fund expenses are generally described in each fund's prospectus. These expenses will generally include a management fee, other fund expenses, and possibly a distribution fee. In addition, mutual funds incur transaction costs and opportunity costs, which are not disclosed in the fund's prospectus or Statement of Additional Information, but which may be estimated. Clients will incur transaction fees by the custodian, Fidelity Institutional Wealth Services, in connection with trading of ETFs, individual stocks and bonds (and/or principal mark-ups and mark-downs for principal trades), and some mutual funds.

The transaction costs for stock trades vary from \$7.95 per trade to \$17.95 per trade, depending on whether an account has a minimum balance of \$1,000,000 or receives electronic statements instead of paper statements. Most mutual fund transactions do not have a transaction cost, however, for some fund families such as Vanguard and T.Rowe Price, a \$40 fee is incurred for each transaction through Fidelity. See Item 12 on page 22 for additional information regarding brokerage activity.

Accordingly, the client should review both the fees charged by the funds (including transaction and opportunity costs within funds which are not included in a fund's annual expense ratio), the transaction fees charged by the custodian, as well as the fees charged by me, to fully understand the total amount of fees and costs paid by the client, in connection with any recommended transaction.

Clients may also incur “account termination fees” upon the transfer of an account from one brokerage firm (custodian) to another. The range for these account termination fees is believed to range generally from \$0 to \$100 at present. Clients should contact their custodians (brokerage firms, bank or trust company, etc.) to determine the amount of account termination fees which may be charged and deducted from their accounts for any existing accounts which may be transferred.

**Comparable Services.** Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, believes that the charges and fees offered within her program are very competitive with alternative programs available through other firms offering a similar range of services. However, lower fees for comparable services may be available from other sources. A client could invest in mutual funds directly, without my services. In that case, the client would not receive the services provided by Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, which are designed, among other things, to assist the client in determining which mutual funds are most appropriate to each client’s financial condition and objectives. Moreover, I undertake a disciplined approach to portfolio rebalancing while taking into account tax ramifications and help clients avoid emotional reactions to short-term market events. Investment advisory clients may benefit from waived sales fees for some mutual funds available through the advisor program of Fidelity Institutional Wealth Services as well as access to advisory funds not available outside the program.

**Proper Management of Conflicts of Interest Relating to the Fees I Receive from You, Relating to the Receipt of Percentage-Based Compensation.** The vast majority of my clients pay fees based upon a percentage of the assets I advise upon. This is a very common form of compensation for registered investment advisory firms and avoids the multiple inherent conflicts of interest associated with commission-based compensation. Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, does not accept commission-based compensation of any nature or 12b-1 fees which are fees paid by some mutual funds to cover distribution and marketing expenses. Asset-advised-upon percentage method of compensation can still at times lead to conflicts of interest between advisory firms and clients. For example, conflicts of interest may arise relating to the following financial decisions in life: incur or pay down debt; gift funds to charities or to individuals; purchases of a (larger) home or cars or other non-investment assets; the purchase of a lifetime immediate annuity; expenditures of funds for travel or other activities; investment in private equity investments (private real estate ventures, closely held businesses, etc.), and the amount of funds to place in non-managed cash reserve accounts. My goal is to provide advice to you that remains at all times in your best interests, disregarding any impact of the decision upon my practice.

**Applicable to All Programs: Proper Management of Conflicts of Interest between Clients.**

My relationship with each client is non-exclusive; in other words, I provide investment advisory services and financial planning services to multiple clients. I seek to avoid any situations in which one client's interest may conflict with the interest of other clients.

**Cancellation and Termination of Investment Management Agreements**

Clients may cancel a new advisory agreement without penalty by providing written notice of such cancellation to me within five (5) business days of the date of signing the agreement. Thereafter, either party may terminate the agreement without penalty upon notice in writing to the other party. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, with the refund calculations based pro rata to the date of termination.

Termination of an agreement will not affect: (a) the validity of any action previously taken by me under the agreement; (b) liabilities or obligations of the parties from transactions initiated before termination of the agreement; or (c) a client's obligation to pay advisor fees (prorated through the date of termination). Upon the termination of the agreement, Carol J. Burton, CFP® will not possess any obligation to take any action with regard to the securities, cash, or other investments in a client's account.

## Item 6: Performance-Based Fees and Side-by-Side Management

Item 6 is inapplicable to Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors.

Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, does not accept performance-based fees, nor manage accounts which impose performance-based fees.

Performance-based fees are fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle). Such acceptance or management would pose a significant conflict of interest to clients because performance-based fees may provide an incentive to favor such accounts over the accounts of clients under other advisory programs. Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, considers avoidance of such conflict a paramount policy in maintaining my fiduciary duty to my clients.

## Item 7: Types of Clients

Carol J. Burton, CFP,<sup>®</sup> as agent for Wake Robin Financial Advisors, provides investment advice primarily to individuals and their families, including high net worth individuals. I also may provide investment advice to pension and profit sharing plans and plan participants as well as foundations, trusts, business entities and other institutions.

### **Required Minimum Client Assets under Management:**

There is a minimum level of assets under management of \$250,000 for clients in the investment management program. Minimums are subject to negotiation.

For Financial Planning clients subject to hourly fees only, there is no minimum account size.

Generally, Carol J. Burton, CFP,<sup>®</sup> as agent for Wake Robin Financial Advisors, provides the investment strategy and its implementation for all clients utilizing a variety of securities or pooled investment vehicles (such as mutual funds). Clients receive the benefit of my investment philosophies and strategies, research and due diligence, account monitoring, and personal financial planning recommendations.

Carol J. Burton, CFP,<sup>®</sup> as agent for Wake Robin Financial Advisors, establishes the overall investment strategies employed and selects the current recommended custodian, Fidelity Institutional Wealth Services.

Carol J. Burton, CFP,<sup>®</sup> as agent for Wake Robin Financial Advisors, draws upon academic research, investment information, and certain proprietary analyses in order to provide investment advisory services. Each client receives a written Investment Plan which sets forth a recommended strategic asset allocation. Specific no-load mutual funds and other investment products and securities are then recommended to clients. Clients' portfolios are then periodically monitored, and changes to investment portfolios are suggested when appropriate. A disciplined approach to rebalancing is employed in order to maintain asset class exposures within desired risk tolerances subject to variances permitted for tax reduction, tax planning or other reasons.

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

### Methods of Analyses and Investment Strategies, Generally

In designing investment plans for clients, I rely upon the information supplied by the client and the client's other professional advisors. Such information may pertain to the client's financial situation, estate planning, tax planning, risk management planning, short-term and long-term lifetime financial goals and objectives, investment time horizon, and perceived tolerance for risk. This information becomes the basis for the strategic asset allocation plan which I believe will best meet the client's stated long term personal financial goals. The strategic asset allocation provides for investments in those asset classes which I believe (based on historical data and current economic conditions) will possess attractive combinations of return, risk, and correlation over the long term.

A tremendous amount of academic research reveals that strategic asset allocation determines the majority of the expected long-term gross returns of investor's portfolios. The investment advice I provide is based upon long-term investment strategies which incorporate the principles of Modern Portfolio Theory (MPT). MPT is a mathematical formulation of the concept of diversification in investing, with the aim of selecting a collection of investment assets that has collectively lower risk than any individual asset. By combining different assets whose returns are not perfectly positively correlated, MPT seeks to reduce the total variance of the portfolio return. Some criticisms of MPT include the fact that financial returns do not follow a symmetric distribution, and that correlations between asset classes are not fixed but can vary depending on external events (especially in crises). However, the use of several different asset classes as part of an investor's portfolio has been shown to reduce risk in a portfolio over long periods of time. Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, allocates and diversifies the client's assets among various asset classes and then among individual investments, following the investment plan prepared for the client.

Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, investment approach is firmly rooted in the belief that markets are fairly efficient (although not always rational) and that investors' gross returns are determined primarily by asset allocation decisions. A focus is provided on developing and implementing globally diversified portfolios, principally through the use of low-cost ETFs, index funds and managed mutual funds. Overall portfolio weightings as between equities and fixed income are customized to meet the specific circumstances of a client, the presence of investments in 401(k) or other accounts, as well as a perception of the client's understanding of the fundamental forces affecting risk and return in the capital markets. In addition, a client's initial or revised strategic asset allocation may be influenced by a review of the relative valuation levels of various asset classes and the investment time horizon of that client.

**Methods of Analysis; Sources of Information**

Security analysis is based upon a number of factors including those derived from commercially available software technology, securities rating services, current economic and market information, due diligence reviews, and specific investment analyses that a client may request. The main sources of information include commercially available investment information and evaluation services, financial newspapers and journals, academic white papers and periodicals. Prospectuses, statements of additional information, other issuer prepared information, and data aggregation services (Morningstar Advisor, etc.) are also utilized. Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, also attends various investment and financial planning conferences.

**Types of Investments**

Each client typically receives an investment portfolio which consists mainly of no-load stock and bond mutual funds and Exchange traded funds (ETFs).

Some investment portfolios may also include individual fixed income investments (bonds,

C.D.'s, etc.) and/or bond funds (primarily from Fidelity and Vanguard). Client portfolios may also include some individual equity securities, but these are generally part of clients' investment holdings prior to becoming a client.

Insurance products such as annuities and various types of life insurance products may also be evaluated.

Recommendations may be made to clients to invest in low-cost, no-load (no commission) variable or fixed deferred or immediate annuities when appropriate to the circumstances and tax situation of the client. This often occurs when a client possesses an existing high-cost variable annuity and a rollover of the annuity is recommended in order to lower the total fees paid by the client and/or to provide different investment choices.

There are times a client may be advised to retain an existing annuity previously purchased by the client, following an evaluation of the annuity contract including any surrender fees which may be imposed by the insurance company. Although a lower cost annuity is often preferred, I may recommend that a client keep an annuity contact until after high surrender fees have decreased over time.

New clients' existing investments are evaluated in light of the desired investment policy objectives. I work with new clients to develop a plan to transition from a client's existing portfolio to the desired portfolio. Investment advice may be offered on any investments held by a client at the start of the advisory relationship. Each client's portfolio holdings and strategic asset allocation are then monitored periodically, taking into account the cash flow needs of the client. Client review meetings by phone or in person are held regarding their investment assets under management and other personal financial planning issues.

**Risk of Loss, Generally**

Investing in securities involves a risk of loss that clients should be prepared to bear. The investment recommendations seek to limit risk through global diversification in equities (through broadly diversified stock mutual funds and/or Exchange traded funds (ETFs) and investments in high quality fixed income securities or diversified bond funds. However, the investment methodology can still subject the client to potential declines in the value of their portfolios, which can at times, be dramatic. Given the long-term nature of the expected equity premium (i.e., the additional expected return for investing in the overall stock market, relative to less “risky” U.S. Treasury bills), Carol J. Burton, CFP<sup>®</sup>’s, as agent for Wake Robin Financial Advisors, investment philosophy is best suited for investors who desire a buy and hold strategy for a substantial portion of their funds. While both macroeconomic and microeconomic risks are evaluated on an on-going basis, Carol J. Burton, CFP<sup>®</sup>, as agent for Wake Robin Financial Advisors, does not generally engage in market-timing activities. While I seek to reduce risk where possible, investment risks (including but not limited to the risk of a general stock market decline) may be assumed in order to seek to attain the client’s longer-term financial goals and objectives. However, I cannot provide any guarantee that the client’s goals and objectives will be achieved.

**Risk of Loss, Certain Higher-Risk Securities**

Certain securities recommended, such as U.S. small cap stock mutual funds, and similar pooled investment vehicles inside variable annuities, possess higher levels of volatility (as individual asset classes within a portfolio). Carol J. Burton, CFP<sup>®</sup>, as agent for Wake Robin Financial Advisors, may employ these securities as part of an overall strategic asset allocation for a client with a reasonable belief that the risk-return relationship for these securities will likely be beneficial for the investor over the long term.

While I do not recommend the purchase or holding of individual common stocks, clients at times desire to retain certain existing holdings, or to purchase same. Reasons for clients’ desires might include emotional ties to the stock and/or the presence of substantial unrealized capital gains or other reasons.

When individual common stocks (and related types of individual securities, such as American Depository Receipts) are held in a client’s investment portfolio, the client remains exposed to “specific company risk.”

Individual U.S. government, government agency, AAA-rated and AA-rated corporate, and municipal bonds may be recommended to clients. All bonds bear a risk of default, and such individual corporate and municipal bonds generally possess somewhat higher risks.

Carol J. Burton, CFP<sup>®</sup>, as agent for Wake Robin Financial Advisors, undertakes annual due diligence on all corporate and municipal bond issuers, as to bonds held by my clients, and recommends the sale of such bonds when, in my view, the risks of owning such bonds outweigh the benefits after taking into account the costs of disposition.

While all Certificates of Deposit (CDs) purchased for my clients are FDIC-insured, the pricing of certain of these CDs, which trade in the secondary market, can vary accordingly due to price declines and/or transaction costs associated with trading. CDs can lose value if redeemed prior to maturity. When CDs are recommended to clients, it is my intent that clients hold the CDs to maturity.

### **Cash Balances in Client Accounts**

Cash in clients' investment accounts are typically swept into Fidelity's money market mutual funds. I discuss periodically with each client upcoming cash flow needs and plan accordingly to meet those needs. While it is not the practice to encourage clients to maintain a large amount of cash in their accounts, such may be undertaken at the request of the client. Should the client desire a "cash reserve account," I can assist the client in establishing a separate, non-managed cash reserve account, which is not monitored thereafter by me, typically either with Vanguard or with an online bank (offering FDIC-insured money market funds, up to certain limits). I then seek to review with the client, during periodic conferences, whether any funds are needed to restore cash reserves. I exclude separate accounts established for cash reserve purposes in the calculation of assets under advisement, and exclude the value of cash reserve accounts from a client's fee calculations. Additionally, small cash amounts may be maintained in order to facilitate billing of investment management fees, which may possess the effect of slightly reducing the portfolio's returns in periods when overall positive returns occur in the portfolio in excess of the interest rate paid on cash or cash equivalent deposits.



## Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events of their firm or certain management personnel which would be material to your evaluation of Carol J. Burton, CFP®'s , as agent for Wake Robin Financial Advisors, management of your investment portfolio.

Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, has never been the subject of any complaints nor has been involved in any disciplinary proceedings since starting a financial planning practice. Hence, nothing is required to be disclosed under the guidelines for such disclosure promulgated by the U.S. Securities and Exchange Commission.

## Item 10: Other Financial Industry Activities and Affiliations

I am a member in good standing of the Certified Financial Planner Board of Standards, the Financial Planning Association (FPA) as well as a member of 2 local chapters, FPA of Greater Hudson Valley NY and the FPA of Fairfield County, CT.

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification: no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

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

**Education**—Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning:

**Examination**—Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances:

**Experience**—Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

**Ethics**—Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

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

**Continuing Education**—Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and

**Ethics**—Renew an agreement to be bound by the Standard of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interest of their clients.

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

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

### **Generally, I Seek to Avoid Material Conflicts of Interest.**

Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, seeks to avoid any material conflicts of interest. Accordingly, I receive no third party direct monetary compensation (i.e., commissions, 12b-1 fees, or other fees) from brokerage firms or mutual fund companies. However, some additional services and non-direct monetary or other forms of compensation are offered and provided to me as a result of my relationship with Fidelity Institutional Wealth Services. For example, I may be invited to attend educational conferences sponsored by Fidelity. Other services may be provided as outlined in item 12. I believe that the services and benefits provided to me by Fidelity do not materially affect the investment management recommendations made to my clients. However, in the interest of full disclosure of any potential conflicts of interest, I discuss the possible conflicts herein. Although I believe that my business methodologies, ethics rules, and adopted policies are appropriate to eliminate, or at least minimize, potential conflicts of interest, clients should be aware that no set of rules can possibly anticipate or relieve all potential conflicts of interest.

### **Code of Ethics**

Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, adheres to the code of Ethics and Professional Responsibility adopted by the Certified Financial Planner Board of Standards, Inc., the principals of which are outlined below. Additional copies are made available to clients and prospective clients upon request.

**Principle 1—Integrity.** Provide professional services with integrity, acting in the best interest of each and every client.

**Principle 2—Objectivity.** Provide professional services objectively.

**Principle 3—Competence.** Maintain the knowledge and skill necessary to provide professional services competently.

**Principle 4—Fairness.** Be fair and reasonable in all professional relationships. Disclose conflicts of interest.

**Principle 5—Confidentiality.** Protect the confidentiality of all client information.

**Principle 6—Professionalism.** Act in a manner that demonstrates exemplary professional conduct.

**Principle 7—Diligence.** Provide Professional services diligently.

**Participation or Interest in Client Transactions and Personal Trading**

As a matter of policy, I do not recommend to clients, or buy or sell for client accounts, securities in which I have a material financial interest. I may buy or sell securities for my personal accounts identical to those recommended to clients when my interests correspond with the clients' best interests. Client purchases and sales are made in advance of those for my personal portfolio during the course of the trading day. Securities purchased are widely held and widely traded. Hence, any additional purchases made for clients should not directly affect movement of the stocks and therefore, should not directly benefit my portfolio. While this may represent a potential conflict of interest, this is fully disclosed to the clients.

Moreover, I am too small an investor to noticeably affect the market. However, it is the expressed policy of my firm that I shall not prefer my own interest to that of a client, nor make personal investment decisions based on investment decisions of clients.

The Code of Ethics further includes my firms' policy of prohibiting the use of material nonpublic information and protecting the confidentiality of client information

## Item 12: Brokerage Practices

### Use of Brokerage Firms (Custodians), Generally

Carol J. Burton, CFP,<sup>®</sup> as agent for Wake Robin Financial Advisors, utilizes the services of Fidelity Institutional Wealth Management Services which provides me with access to institutional trading and custody services, services which are typically not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Fidelity. However, not all independent investment advisors recommend their clients utilize particular custodians. While there is no direct linkage between the investment advice I provide and participation in the Fidelity Institutional Wealth Services program, I do receive economic benefits which would not be received if I did not use Fidelity as a custodian, which may provide an incentive for me to recommend Fidelity as broker-dealer. Those economic benefits are discussed below:

### Discussion of Benefits to Carol J. Burton, CFP,<sup>®</sup> as agent for Wake Robin Financial Advisors, for using Fidelity Institutional Wealth Services:

The benefits provided by Fidelity include assistance with practice management and assistance with the management of client accounts, including but not limited to:

(a) receipt of duplicate client confirmations; (b) receipt of electronic duplicate statements; (c) access to a trading desk serving investment adviser firm participants exclusively; (d) access to research, pricing information, and other market data; (e) access to the investment advisor web site which includes practice management articles, compliance updates, and other financial planning related information and research materials (including, for example, rating reports on individual companies from Standard and Poor's or other sources); (f) access to other vendors (such as insurance or compliance providers, or providers of research or other materials) on a discounted fee basis through discounts arranged by Fidelity; (g) access to an electronic communication network for client order entry; (h) access to clients' account information including recordkeeping and client reporting; and (i) conferences which I may attend (with no registration fees) and receive education on issues such as practice management, marketing, investment theory, financial planning, business succession, regulatory compliance, and information technology.

Many of these services are utilized to service my investment management clients' accounts. My requirement that investment management clients maintain their assets in accounts at Fidelity Institutional Wealth Services is in part based on the benefit to me of the availability of many of these products and services and hence, may pose a potential conflict of interest.

Fidelity Institutional Wealth Services does not charge separately for providing custody services but is compensated by account holders through commissions or other transaction-related fees for security trades that are executed through Fidelity. Fidelity is considered a low cost provider of financial services charging comparable fees for services that are charged at

competitor, Schwab. Fidelity fees, in general, are considerably lower than full service firms such as Merrill Lynch, however, not as low as the lowest cost provider. Clients may, therefore, pay higher transaction fees, commissions (for individual stock and ETF trades), than those charged by other discount brokers. However, I have selected Fidelity Institutional Wealth Services for its generally low fees relative to other custodians. Also, I have chosen to recommend Fidelity

Institutional Wealth Services due to its significant size and financial resources, for purposes of enhanced safety of clients funds. For all of these reasons, I chose not to recommend the lowest cost custodian for my clients which may pose a potential conflict of interest.

Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, primarily uses no-load, low cost mutual funds and ETF's when implementing a client's investment plan. It is important that my investment management clients understand that they pay two advisory fees for assets under my management which are invested in mutual funds and ETF's. One fee goes directly to Carol J. Burton, CFP® and one indirectly to the mutual fund/ETF manager.

### **Recommendations of Brokerage Firms**

As discussed, clients who utilize my investment management services are required to use Fidelity Institutional Wealth Services. However, clients may opt to utilize my hourly financial planning services in which I can recommend investments that are available at their desired full service or discount brokerage provider. In these cases, I may not possess access to certain mutual funds and other investments that may be generally available to Fidelity Institutional Wealth Service accounts or which may require a higher minimum initial investment, commission rates or transaction fees. These recommendations are implemented by the client and are only reviewed by me at the direction of the client as part of a future investment review. Investments are not monitored between reviews when hourly financial planning services are provided.

### **Non-Aggregation of Client Trades.**

Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, has chosen to not aggregate (combine for purposes of securing reduced commissions or transaction fees) the trades of its clients. This is due to the fact that all trade decisions are reviewed for near-term and long-term tax efficiency, which requires individual analysis of most trading decisions. As a result, my clients do not receive the benefits of reduced transaction fees such aggregation of trades could provide. However, my clients may receive benefits from enhanced tax-efficient portfolio management, which clients of other investment advisers that aggregate trades may not be receiving.

### **Non-Participation in Client Referral Programs of Custodians**

Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, avoids certain relationships with custodians (brokerage firms, etc.) and investment product providers which I believe might materially hamper my independence in providing advice to my clients or result in clients paying higher mutual fund management, administrative, or other product-related fees and costs. For this and other reasons, I do not participate in any client referral programs.

## Item 13: Review of Accounts

### **Portfolio Reviews and Rebalancing of the client's portfolio, for the assets held under management:**

I perform Periodic Portfolio Reviews on investment management portfolios to ascertain if the values in any asset class have strayed beyond their target minimums or maximums, and for purposes of meeting a client's cash flow needs. Even if one or more asset classes fall outside their target minimums or maximums, I may determine not to rebalance the asset class for various reasons, such as avoidance of short-term capital gains, deferring long-term capital gains realization, minimization of transaction costs. I also take into consideration whether an asset class is undervalued or overvalued relative to historic norms as well as macroeconomic conditions to which an asset class may be exposed. I use Morningstar XRay analysis services extensively to review how portfolio assets are allocated inside mutual funds at any given point in time.

I give preference to purchasing additional shares in those stock and/or bond mutual funds which the client currently owns, unless a fund is closed to new investments or when a substitute fund is, in my judgment, more appropriate. I may also undertake sales and purchases to effect tax loss harvesting in addition to rebalancing actions. In undertaking rebalancing actions, I seek to rebalance one or more asset classes closer to the targets.

Additional Portfolio Reviews are undertaken upon request by the client, such as when special cash needs arise or when additional cash or securities are added to the investment portfolio. I will respond to such requests within a reasonable period of time. Review and rebalancing of portfolios are performed solely by me.

### **Portfolio Reports Provided to Clients**

Carol J. Burton, CFP,<sup>®</sup> as agent for Wake Robin Financial Advisors, provides quarterly reports of the client's investment portfolio, including a performance report as well as portfolio statements showing the asset allocation breakdown of current holdings.

In addition, in January or February of each calendar year, clients are provided, as needed, realized gain and loss reports as well as a summary of investment management fees so that clients may provide this information to their CPA/accountant/tax preparer to aid in income tax preparation.

Clients have access to Online Account Information through [www.Fidelity.com](http://www.Fidelity.com) which utilizes a combination of secure online account aggregation and online data reporting services to provide updated account values as of the preceding business day for assets held at Fidelity.

While I believe that the information supplied by Fidelity is reliable, I cannot guarantee its accuracy. Fidelity sends monthly account statements directly to my investment management clients. These statements reflect the assets in Fidelity's custody, together with confirmations of each transaction executed in the account(s). The client may elect to receive these statements by e-mail rather than U.S. mail.

I strongly encourage clients to review the monthly or quarterly statements they receive from Fidelity, as I believe it is important for clients to verify their investment holdings. I also encourage clients to compare the quarterly report portfolio statements I provide with those received directly from Fidelity. Should a client detect any unauthorized trading in an account, please contact me as soon as possible. Please note that I have never had any unauthorized withdrawals, trades or transfers from my clients' accounts. However, your assistance in reviewing monthly and/or quarterly account statements aids in deterring any such activity in the future.

## Item 14: Client Referrals and Other Compensation

Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, does not provide to or accept compensation from, any person for client referrals. Referrals to other professionals may be undertaken where appropriate to meet the client's needs. These situations are discussed below.

- Upon request, I may refer a client to a CPA/tax preparer for preparation of the client's tax projections. Generally, upon direction of the client, I assist the client's current CPA or tax preparer by providing various information for purposes of preparing the clients income tax return and/or income tax projections.

The client's CPA/tax preparer provides these services directly to the client. The client is charged directly by the CPA/tax preparer in accordance with the client's agreement with that person or firm.

- Upon request, I may refer clients to attorneys for preparation of any recommended estate planning documents, for the implementation of various strategies relating to asset protection planning or other legal services. Generally, I work with clients' existing attorney relationships. Wake Robin Financial Advisors is not a law firm and does not provide legal services.



## Item 15: Custody

It is my policy to not accept custody of a client's securities. In other words, I am not granted access to any clients funds which would enable me to withdraw or transfer or otherwise move funds or cash from any client account to my accounts or the account of any third party (other than for purposes of fee deductions, as explained below). This is for the safety of my clients' assets.

However, with a client's consent, I may be provided with the authority to seek deduction of investment management's fees from a client's accounts; this process is generally more efficient for both the client and my firm. There may be tax benefits for the client to use this method when fees can be paid from certain tax-deferred accounts of clients.

All of my investment management clients receive account statements directly from Fidelity Institutional Wealth Services. Clients should carefully review these account statements and compare them to the quarterly reports I make available to you. I urge all clients to compare statements in order to ensure that all account transactions, including deductions to pay advisory fees, remain proper. Clients should contact me with any questions.

## Item 16: Investment Discretion

Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, accepts limited forms of discretion over clients' accounts with the consent of the client. Each client's grant of discretion is detailed in the signed client services contract which notes whether the client is to be contacted before each trade or whether I have discretion to invest assets as outlined in the clients' current investment plan. Authority to enter trades for an investment management client is further evidenced to Fidelity Institutional Wealth Services through a limited power of attorney contained in Fidelity's new account form agreement signed by the client or a separate limited power of attorney document signed by the client. Generally, all investment management clients appoint me, as the client's agent and attorney-in-fact with respect to undertaking trades in client accounts; Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, ability to enter trades electronically for clients often provides reduced transaction fees and other benefits to the client. Please note that I prefer to contact clients in advance of all trades. In cases of high volatility or limited time, I may contact clients after a trade, if their investment contract gives me the authority to trade their account according to their investment plan without prior consent to each transaction. Moreover, I seek to undertake a minimal amount of trading in client accounts in order to keep transaction fees, other expenses, and tax consequences associated with trading, to minimal levels.

## Item 17: Voting Client Securities

As a matter of policy and practice, I do not accept authority to vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Generally, clients will receive their proxies or other solicitations directly from the custodian or transfer agent. However, clients may contact me with questions regarding a particular proxy or other solicitation.

## Item 18: Financial Information

Since I accept limited forms of discretion over clients' accounts, as described in Item 16 of this Brochure, I am required to disclose any financial condition that is reasonably likely to impair my ability to meet contractual commitments to clients. I currently possess no such financial condition and have never been the subject of a bankruptcy proceeding.

## Item 19: Requirements for State-Registered Advisers

Wake Robin Financial Advisors, is a sole proprietorship and Carol J. Burton, CFP® is responsible for management of the firm. In addition to her certification as a financial planner, her background in the field includes a degree in Finance and Economics from the University of California at Berkeley, tax planning at Paramount Financial Services in Palo Alto, California and 7 years as a Financial Consultant for Merrill Lynch in New York City

In addition to Investment Management Services, Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, provides Financial Planning Services. I prepare a financial plan and review and modify the plan as needed with the client over time. With the consent of my clients, I often consult with clients' other professional advisors, attorneys, accountants and insurance agents, as planning recommendations are formulated and/or implemented.

Fees for planning are billed hourly with an estimate of hours needed provided after initial consultation.

Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors has never been involved in an arbitration claim nor has been found liable in any actions related to investment-related business activity, fraud, false statements or omissions, theft, embezzlement or other wrongful taking of property, bribery, forgery, counterfeiting, or extortion or dishonest, unfair or unethical practices.

Carol J. Burton, CFP®, as agent for Wake Robin Financial Advisors, has no relationship or arrangement with any issuer of securities.