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

***February 24, 2025***

This brochure provides information about the qualifications and business practices of Holland Advisory Services, Inc. If you have any questions about the contents of this brochure, please contact us at 386.671.7526. 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.

Holland Advisory Services, Inc. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Holland Advisory Services, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our CRD Number is 136302.



## *Item 2: Material Changes*

The most recent annual update of Holland Advisory Services, Inc.'s disclosure brochure was on February 21, 2024. Since that date, we have made the following material changes to our brochure:

- ❖ Removed four Indexed Strategic Strategies (Moderately Conservative, Moderate, Moderately Aggressive and Aggressive) and invested the accounts in these Strategies into the appropriate Active Strategic Strategies based on the former account risk tolerance and investment objective.
- ❖ The affiliated entity Holland, Tacinelli CPAs, P.A. changed its name to Holland, Tacinelli & Klayer, Inc. due to the purchase of CPA firm Klayer and Associates, Inc.
- ❖ As of 3/31/2024, David Holland is no longer participating in any real estate transactions as a sales associate of Florida Business Exchange, Inc. or any other real estate broker.

We send a summary of any material changes to our brochures by April 29th of each year. We may also provide updated disclosure information about material changes on a more frequent basis. Any summaries of changes include the date of the last annual update of our brochure.

You may request a copy of our complete brochure by contacting Kalon Hoard, Chief Compliance Officer at 386.671.7526 or [kalon.hoard@hollandfinancial.com](mailto:kalon.hoard@hollandfinancial.com). We will provide you with our most recent brochure at any time without charge.

Additional information about our company is also available via the SEC's website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with us who are registered as investment adviser representatives of Holland Advisory.

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## *Item 4: Advisory Business*

Holland Advisory Services, Inc. (“Holland Advisory, we, our, ours”) is a corporation organized under the laws of Florida. David Holland founded the Ormond Beach-based investment advisory firm in 1997. Holland Advisory is a wholly owned subsidiary of Holland Financial, Inc., of which David Holland is the sole owner. Holland Advisory is a registered investment adviser. As of December 31, 2024, we managed approximately \$263.5 million in client assets where we made the investment decisions for our clients on a discretionary basis.

We use asset allocation and Modern Portfolio Theory (MPT) as the cornerstone of portfolio construction in our active strategic strategies. MPT is the analysis of a portfolio of securities as opposed to selecting them based on their unique investment opportunity. The objectives of MPT are to determine a client’s preferred level of risk, then construct a portfolio that maximizes their expected return for that given level of risk. We offer, or assign, you to one of our investment strategies or, based on certain circumstances, may customize a portfolio for you. This is determined through a series of meetings with you to determine the most appropriate solution for your financial situation.

In managing your investment portfolio, we consider your financial situation, risk tolerance, investment horizon, liquidity needs, tax considerations, investment objectives, and any other issues important to your state of affairs. Information concerning specific investment strategies can be found under the section entitled “Methods of Analysis, Investment Strategies and Risk of Loss” later in this disclosure document. You should notify us promptly if there are any changes in your financial situation or investment objectives or if you wish to impose any reasonable restrictions upon the management of your account.

### *Active Strategic Strategies*

Mutual funds and ETFs are primarily used to implement the asset allocation of these strategies. These strategies are constructed using indexed and actively managed mutual funds and/or ETFs. Index funds are used to provide diversification which may not be present with some mutual funds that maintain concentrated security positions. Additionally, index funds allow for precise exposure to certain sectors, global region, or market-cap equities that we believe may provide a better opportunity.

The actively managed mutual funds are selected and allocated according to the current market climate and chosen in an attempt to outperform their respective benchmark and peers. In the selection of mutual funds, we concentrate on funds with long-term consistent management, performance, and reasonable expense ratios. Adjustment of these strategies is performed approximately three to five times per year. Each strategy consists of a different asset mix. Shown below are the asset allocation ranges for the Active Strategic Strategies.

<b>Active Strategic Asset Allocation Model</b>	<b>% Equity Target</b>	<b>% Bonds Target</b>	<b>%Cash Target</b>
Growth – Tax Sensitive	90-100%	0-10%	0-4%
Growth	90-100%	0-10%	0-4%
Balanced Growth – Tax Sensitive	65-85%	20-30%	0-5%
Balanced Growth	65-85%	20-30%	0-5%
Balanced – Tax Sensitive	40-60%	40-60%	0-8%
Balanced	40-60%	40-60%	0-8%
Conservative Income	20-30%	65-75%	0-10%
Conservative	0-10%	80-100%	0-15%

*Financial Planning*

Financial planning is an evaluation of the investment and financial options available to you based upon your defined economic criteria. This kind of planning includes but is not limited to:

- ❖ attempt to make optimal decisions;
- ❖ projecting the consequences of these decisions for the client in the form of a specific, targeted financial plan – a working blueprint;
- ❖ implement the financial plan in an attempt to achieve your objectives;
- ❖ comparing future performance against the working blueprint; and,
- ❖ making modifications as needed to the blueprint as your situation and economic conditions change.

In general, our financial planning encompasses one or more of the following areas of financial need as presented by the client:

- ❖ **Financial Analysis**: Analyzing investment accounts to compare overall appropriateness of existing portfolio to risk tolerance and investment objectives.
- ❖ **Investment/Insurance Recommendations**: Advise Client on how to reallocate existing investment accounts and/or evaluate their situation to determine if insurance products and/or investment portfolios are appropriate.
- ❖ **Investment Reallocation**: Examining investment choices available and advising how to reallocate existing investment accounts based upon financial goals and investment objectives.
- ❖ **Retirement Income**: Providing an income projection based on available assets and unique needs.
- ❖ **Survivorship Income**: Determining how long current and future assets will last, based on income needs, retirement date, and assumptions about interest, growth, inflation, and longevity.
- ❖ **Long-term Care Strategies**: Analyzing specific situations and developing strategies to mitigate the financial risks of the need for long-term care.
- ❖ **Life Insurance**: Analyzing the need for Life Insurance and determining if existing insurance policies, if applicable, are proper for the client's current situation.

### *Financial Advice*

Financial advice involves recommendations tailored to your goals and objectives. Recommendations may be for you to take or refrain from taking a specific action, such as selling assets and/or purchasing other assets, including insurance products and investment advisory services. Such an engagement is not financial planning, which takes into consideration a broad range of subjects or your complete financial picture. Financial Advice is more limited in scope and provides recommendations in one or more of the following areas as presented by the client:

- ❖ **Life Insurance**: Analyze your situation and provide life insurance recommendations.
- ❖ **Disability Insurance**: Analyze your situation and provide disability insurance recommendations.
- ❖ **Long-term Care Insurance**: Analyze your situation and provide long-term care recommendations.
- ❖ **Annuity**: Evaluate risk tolerance, income needs, and time frame to determine whether an annuity should be purchased.
- ❖ **Investment**: Providing written investment recommendations based upon risk tolerance, investment objectives, and time frame. Recommendations will be tailored to the need for income and will consider tax treatment of various investment accounts.
- ❖ **Reallocation**: Provide written allocation recommendations for retirement plans or other accounts based on risk tolerance and investment objectives.

For both financial planning and financial advice, we gather the necessary information to complete the particular area of analysis through a financial profile questionnaire and personal interviews. Information gathered could include but is not limited to your current financial status, a list of assets and liabilities, insurances, wills and/or trusts documents, current monthly income and expenses, and future goals. Related documents that you supply are carefully reviewed and discussed with you.

### *Pension Consulting Services*

Holland Advisory provides pension consulting services to retirement plans and the plan sponsors based upon the needs of the plan and the desired services of the trustees and named fiduciaries. Our services include but are not limited to; plan design and needs assessment, investment policy statement generation or review, recommendation of investment options, recommendation of investment models, monitoring of investments in the plan, review of plan fees, investment committee services, recommendation of service providers, and employee education regarding topics such as investment risk, return, time horizon, and asset allocation. All services agreed to by plan trustees and fiduciaries will be detailed in a Retirement Plan Advisory Service Agreement. The fees charged for the services provided by Holland Advisory shall be negotiated with the plan sponsors and named fiduciaries on an individual basis.

### *Trustee Services*

Although a grantor may name himself as trustee of a living trust during his lifetime, a grantor often names a successor trustee to act when the grantor is incompetent or deceased. At the grantor's death, the successor trustee must administer the assets of the trust in accordance with the directions in the trust document. David Holland, CPA, or Steve Tacinelli, CPA, in their respective individual capacities, serve as trustee or successor trustee for certain client estates. Mr. Holland and Mr. Tacinelli also serve in other roles as personal representatives and/or attorney-in-fact for certain clients.

Neither Holland Advisory nor its affiliated companies is a trust company or bank. Accordingly, estate and trust services are separate and distinct from the financial services available from Holland Financial, Inc.'s affiliated companies. Neither David Holland nor Steve Tacinelli is an attorney and they do not offer legal advice or prepare legal documents. Clients are encouraged to seek legal advice from an attorney of their choosing regarding their estate planning, as well as the documents they may need to accomplish their objectives.

### *Acknowledgement of Fiduciary Status*

Holland Advisory is deemed to be a fiduciary to employee benefit plans (plan sponsors) or advisory clients who hold individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA") and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates conflicts with client interests, so we operate under a special rule that requires us to act in the client's best interest and not put our interest ahead of client. Under this special rule's provisions, we must, 1) Meet a professional standard of care when making investment recommendations (give prudent advice), 2) Never put our financial interests ahead of client when making

recommendations (give loyal advice), 3) Avoid misleading statements about conflicts of interest, fees, and investments, 4) Follow policies and procedures designed to ensure that we give advice that is in our client's best interests, 5) Charge no more than is reasonable for our services, and 6) Give client's basic information about our conflicts of interest.

### *Item 5: Fees and Compensation*

Investment advisory fees for our portfolio management services are charged in advance of a quarter based on the account value as provided by Orion Advisory Services. For accounts where Orion Advisory Services cannot obtain account values, Holland Advisory will use account values directly from the account custodian. Our fee is calculated as follows: [(number of days in the quarter) / (number of days in the year)] X [applicable annual fee percentage] X [market value on the last day of the previous quarter].

Broker-dealers and other financial institutions that hold client accounts are referred to as custodians ("custodian/ broker-dealer"). Your custodian/broker-dealer determines the values of the assets in your portfolio, which can and do differ from values provided by Orion Advisory Services. There are various reasons for these balance differences which include, but is not limited to, unsettled trading activity, different pricing sources, delayed reporting of dividend payments by either the custodian/broker-dealer or mutual fund company, or correcting entries processed after quarter-end.

If a relationship begins on a day other than the first day of a calendar quarter, the fees will be prorated for the first partial quarter and calculated based on the account balance at the end of the first partial quarter. Our annual fees range from 0.50 – 2.0% and are negotiable at our discretion.

You must authorize us to have the custodian/broker-dealer pay us directly by charging your account. This authorization must be provided in writing. Your custodian/broker-dealer provides you with statements that show the amount paid directly to us. You should review your custodian/broker-dealer's statement and verify the calculation of our fees. Your custodian/broker-dealer does not verify the accuracy of fee calculations.

In addition to our fee, you may be required to pay other charges such as custodial/broker-dealer fees, commissions, transaction fees, and internal fees and expenses charged by mutual funds, variable contracts or exchange traded funds ("ETFs"). Internal fees and expenses are explained in the prospectuses for each investment. You are strongly encouraged to read these explanations before investing any money. You may ask us any questions you have about fees and expenses.

If you purchase mutual funds through the custodian/broker-dealer, you may pay a transaction fee that would not be charged if the transactions were made directly through the mutual fund company. Additionally, you may not have available institutional share class funds that typically have lower expense charges than retail shares due to the minimum initial purchase requirements. Also, mutual funds held in accounts at brokerage firms may pay internal fees that are different from funds held at the mutual fund company. While you may purchase shares of mutual funds directly from the mutual fund company without a transaction fee, those investments would not be part of our advisory relationship with you. This means that they would not be included in our



investment strategies, investment performance monitoring, or portfolio reallocations. Please be sure to read the section entitled “Brokerage Practices,” which follows later in this brochure.

You must pay our advisory fees in advance of receiving our services. Should either one of us terminate the advisory agreement we have entered before the end of the billing period, any unearned fees that were deducted from your account will be returned to you by us. The amount refunded to you is calculated by dividing the most recent advisory fee you paid by the total number of days in the quarter. This daily fee is then multiplied by the number of calendar days in the quarter that our agreement was in effect. This amount, which equals the amount we earned for the partial quarter, is subtracted from the total fee you paid in advance to determine your refund.

### *Fees for Financial Planning*

If we determine it will be necessary to charge a fee for planning services, such plan services will be offered on an hourly or flat fee basis, as agreed by both parties. All fees will be itemized for the client. You have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with Holland Advisory. Financial planning can be terminated at any time. We will bill you for any services rendered from the date of the last bill up to the date of termination at the agreed rate.

### *Fees for Financial Advice*

If we determine it will be necessary to charge a fee for financial advice, such services will be offered on an hourly or flat fee basis, as agreed by both parties. All fees will be itemized for the client. You have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with Holland Advisory.

Financial advice can be terminated at any time. We will bill you for any services rendered from the date of the last bill up to the date of termination at the agreed rate.

### *Fees for Pension Consulting Services*

Fees for pension services are negotiated on a case-by-case basis depending upon the range and complexity of service required.

### *Fees for Trustee Services*

The fee schedule for David Holland or Steve Tacinelli’s Trustee Services is described below:

In the performance of their duties as trustees, David Holland or Steve Tacinelli will appoint one or more of Holland Financial Inc’s affiliated or common ownership companies to perform certain services for the trusts and estates over which Mr. Holland or Mr. Tacinelli serve as trustee, personal representative, and/or attorney in fact. This may include but is not limited to the appointment of Holland Advisory for the ongoing investment management of clients’ assets, or Holland, Tacinelli & Klayer, Inc. for tax and accounting services, per the terms of the trust. This presents a conflict of interest because David Holland is the sole owner of Holland Advisory and 90 percent owner of Holland, Tacinelli & Klayer, Inc. Steve Tacinelli, Vice President of Tax

Services for Holland, Tacinelli & Klayer, Inc. is a 10 percent owner. Both David Holland and Steve Tacinelli have a financial incentive to recommend the appointment of Holland Advisory for the ongoing asset management of trust and estate assets or Holland, Tacinelli & Klayer, Inc. for tax and accounting services. This arrangement is disclosed and acknowledged by clients who engage David Holland or Steve Tacinelli to perform services for their trusts and estates. Nonetheless, clients are under no obligation to engage David Holland or Steve Tacinelli for estate and trust services or to have trust and estate assets managed by Holland Advisory.

Trust assets that are to be managed ongoing by Holland Advisory will be assessed an annual management fee to be collected quarterly by Holland Advisory, in accordance with the Investment Advisory Agreement between the Trust and Holland Advisory. Beginning the second quarter of 2025, the fee schedule of all trust assets under management will be 1% and will not change depending on the asset balance. However, all fees are negotiable at our sole discretion.

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

Performance-based fees are designed to give a portion of the returns of an investment to the investment adviser as a reward for positive performance. The fee is generally a percentage of the profits made on the investments. We do not currently manage accounts that are charged a performance fee.

### ***Item 7: Types of Clients***

We provide advisory services primarily to pre-retirees and retired individuals, including their trusts, estates, and retirement accounts. As a condition for establishing and maintaining an advisory relationship, we generally require the following minimums:

- ❖ The Active Strategic Portfolios is available for account sizes \$40,000 and up.
- ❖ Portfolio customization is available for account sizes of \$500,000 or greater.

We, at our sole discretion, accept clients with smaller portfolios based upon certain factors including 1) anticipated future earning capacity, 2) anticipated future additional assets, 3) account composition, 4) related accounts, and 5) pre-existing client relationships. We consider the portfolios of your family members to determine if your portfolio meets the minimum size requirement.

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

We select specific investments for your portfolios through the use of fundamental and technical analysis.

Fundamental analysis is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the issuing company's security to determine whether to purchase, sell or hold the security.

Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.

Asset allocation and Modern Portfolio Theory is the cornerstone of portfolio construction in our active strategic strategies. Asset allocation is the process of selecting a mix of asset classes and the efficient allocation of capital to those assets by matching rates of return to a specified and quantifiable tolerance for risk.

Modern Portfolio Theory (MPT) is the analysis of a portfolio of securities as opposed to selecting them based on their unique investment opportunity. The objectives of MPT are to determine a client's preferred level of risk, then construct a portfolio that maximizes their expected return for that given level of risk. Our investment methodology is based on five (5) premises, each of which is derived from MPT.

- ❖ Clients are inherently risk averse.
- ❖ The markets are basically efficient.
- ❖ The focus of attention is shifted away from individual securities analysis to consideration of portfolios as a whole, predicated on explicit risk-reward parameters. The allocation of capital among asset classes (e.g., US Large Cap equities, US Small Cap equities, Investment Grade Corporate Bonds, etc.) will have far more influence on long-term portfolio results than the selection of individual securities.
- ❖ For any level of risk that the client is willing to accept, there is a rate of return that should be targeted.
- ❖ Portfolio diversification is not so much a function of how many securities are involved, but more a function of the relationships, proportions and correlations of each asset class to other asset classes within the portfolio.

Our Active Strategic accounts are disciplined and focused on resisting the temptation to react to short-term market fluctuations. Our investment strategies include long-term and short-term purchases and sales. You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

All investments involve risks that can result in loss of principal, a reduction in earnings (including interest, dividends, and other distributions), and loss of future earnings. Additionally, these risks may include market risk, geopolitical risk, interest rate risk, issuer risk, and general economic risk. Although we manage your portfolio in a manner consistent with your stated risk tolerances, we cannot guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

### ***Item 9: Disciplinary Information***

We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

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

David Holland is the owner of Holland Financial, Inc. Holland Financial is a parent holding company, which owns Holland Advisory and Holland Insurance Services. Investment advisory services are offered through Holland Advisory, a registered investment advisory firm. Insurance products are offered through Holland Insurance Services. Tax planning and preparation services, and estate and trust services (in David Holland and Steve Tacinelli's individual capacities) are offered through Holland, Tacinelli & Klayer, Inc. The media company, Holland Productions, d/b/a PlanStronger Media produces educational videos and PlanStrongerTV™, a financial television program. Holland, Tacinelli & Klayer, Inc. and Holland Productions are separate, affiliated companies sharing common ownership under David Holland.

Some of our investment advisory representatives are also licensed as resident Life, Health, and Fixed Annuity Insurance Agents with the State of Florida, and as non-resident agents in other states. In their capacity as licensed insurance agents, they sell insurance-related products to Holland Advisory clients and earn commissions (which are assigned to Holland Insurance Services) from the sale of such products.

If requested by the client to implement any insurance recommendations, we will execute such transactions through those insurance companies with which our personnel are licensed and appointed representatives. In such cases, the agents will receive and assign the normal commissions associated with such insurance transactions to Holland Insurance Services.

Since the agents offer financial products from those insurance companies in which they are appointed, such recommendations are limited to that pool of products. Therefore, it is possible that the client might be able to execute similar insurance transactions elsewhere with greater performance at lower costs.

These arrangements also present a conflict of interest because they create an incentive to make recommendations based upon the amount of compensation your advisory representative's firm can receive rather than based upon your needs. Selection of specific programs, products, or investments also results in an increase in the total fees and commissions received by Holland Insurance Services. We will explain the specific costs associated with any recommended investments to you upon request.

In addition to Holland Insurance Services and Holland, Tacinelli & Klayer, Inc., referring clients to or receiving referrals from parties related to or affiliated with Holland Advisory presents a conflict of interest because it increases the overall profits to the common owner. Clients are under no obligation to have any related parties that Holland Advisory recommends prepare planning documents (e.g., financial, estate, insurance, tax, etc.) or provide specific products or services. Nor are they under any obligation to execute documents or custody assets with broker-dealers recommended by the Company. Clients are free to choose any entity to implement any recommendations.

If a client received funds from a reverse mortgage loan obtained through Holland Mortgage Services, Inc. prior to its dissolution, neither Holland Advisory nor Holland Insurance Services may invest said funds for client.

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

We have adopted a Code of Ethics (“Code”) to address the securities-related conduct of our advisory representatives and employees. The Code includes our policies and procedures developed to protect your interests in relation to the following:

- ❖ the duty, at all times, to place your interests ahead of ours;
- ❖ all personal securities transactions of our advisory representatives and employees be conducted in a manner consistent with the Code and avoid any actual or potential conflict of interest, or any abuse of an advisory representative’s or employee’s position of trust and responsibility;
- ❖ advisory representatives may not take inappropriate advantage of their position;
- ❖ information concerning the identity of your security holdings and financial circumstances are confidential;
- ❖ independence in the investment decision-making process is paramount

We will provide a copy of the Code to you or any prospective client upon request. We do not buy or sell securities for our firm that we also recommend to clients. Our advisory representatives and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account(s). Personal securities transactions by advisory representatives and employees raise potential conflicts of interest when they trade in a security that is owned by you or considered for purchase or sale for you.

We have adopted policies and procedures that are intended to address these conflicts of interest.

- ❖ the interests of client accounts shall at all times be placed first,
- ❖ all personal securities transactions shall be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual’s position of trust and responsibility,
- ❖ supervised persons must not take inappropriate advantage of their positions, and
- ❖ advisory representative and employee trades are reviewed by the Chief Compliance Officer or designee at least quarterly.

Advisory representatives and employees are also required to report any violations of our Code of Ethics. We also maintain and enforce written policies reasonable designed to prevent the misuse or disclosure of material, non-public information about you or your account holdings.

## ***Item 12: Brokerage Practices***

We have discretion as to the selection of custodian/broker-dealers for your accounts. We will recommend brokers such as Fidelity Brokerage Services, LLC (“Fidelity”) through its Institutional Wealth Service Group. Although we recommend clients establish accounts with Fidelity, it is the client’s decision to custody assets with Fidelity or another custodian.

Fidelity will assist us in servicing your accounts. We are independent of and not affiliated with Fidelity. Our use of Fidelity is, however, a beneficial business arrangement for us and for Fidelity. Information regarding the benefits of this relationship is described below.

In recommending Fidelity as custodian and the securities brokerage firm responsible for executing transactions for your portfolios, we consider at a minimum Fidelity's, 1) existing relationship with us, 2) financial strength, 3) reputation, 4) reporting capabilities, 5) execution capabilities, 6) pricing, and 7) types and quality of research.

The determining factor in the selection of Fidelity to execute transactions for your account(s) is not the lowest possible transaction cost, but whether Fidelity can provide what is in our view the best qualitative execution for your account.

Fidelity provides us with access to its institutional trading and custody services, which includes brokerage, custody, research, and mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

We are not required to affect a minimum volume of transactions or maintain a minimum dollar amount of client assets to receive these services. Fidelity does not charge separately for holding our clients' accounts but may be compensated by you through other transaction-related fees associated with the securities transactions it executes for your accounts. Mutual funds and exchange traded funds usually pay Fidelity fees for access to Fidelity's mutual fund network or ETF platform.

Fidelity also makes available to us other products and services that benefit us but may not benefit you directly. Some of these products and services assist us in managing and administering our client accounts, such as software and other technology that:

- ❖ provide access to account data such as:
  - duplicate trade confirmations,
  - bundled duplicate account statements, and
  - access to an electronic communication network for client order entry and account information;
- ❖ facilitate trade execution, including:
  - access to a trading desk serving advisory participants exclusively, and
  - access to block trading which provides the ability to combine securities transactions and then allocate the appropriate number of shares to each individual account;
- ❖ provide research, pricing information and other market data;
- ❖ facilitate payment of our fees from client accounts;
- ❖ assist with back-office functions, record keeping and client reporting; and
- ❖ receipt of compliance publications.

Fidelity also makes available to us other services intended to help us manage and further develop our business. These services may include:

- ❖ consulting,
- ❖ publications and conferences on practice management,
- ❖ information technology and software,
- ❖ business succession,
- ❖ merger and acquisition,
- ❖ regulatory compliance, and
- ❖ marketing.

Fidelity may also make available or arrange for these types of services to be provided to us by independent third parties. Fidelity may discount or waive the fees it would otherwise charge for some of the services it makes available to us. It may also pay all or a part of the fees of a third party providing these services to us. Thus, we receive economic benefits as a result of our relationship with Fidelity, because we do not have to produce or purchase the products and services listed above.

Because the amount of our compensation or the products or services we receive may vary depending on the custodian/broker-dealer we recommend being used by our clients, we have a conflict of interest in making that recommendation. Our recommendation of specific custodian/broker-dealers is based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. We, nonetheless, strive to act in your best interests at all times.

Commissions and other fees for transactions executed through Fidelity may be higher than commissions and other fees available if you use another custodian/broker-dealer firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our clients by Fidelity outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

Many of the services described above benefit all or a substantial number of our accounts, including accounts not maintained through Fidelity. We do not attempt to allocate these benefits to specific clients.

It is our policy not to accept client directed brokerage instructions. However, you may direct us in writing to use a particular custodian/broker-dealer to execute some or all of the transactions for your account. If you do so, you are responsible for negotiating the terms and arrangements for the account. We have not been able to negotiate commissions, obtain volume discounts, or best execution. In addition, under these circumstances a difference in commission charges may exist between the commissions charged to clients who direct us to use a particular broker or dealer and other clients who do not direct us to use a particular broker or dealer. In the event we change our policy because of such a request, any such change must be approved by our management, and any directed brokerage instructions would only be allowed after appropriate reviews and approvals are received in writing.

We engage in block trading, which is the purchase or sale of a security for the accounts of multiple clients in a single transaction. If a block trade is executed, each participating client receives a price that represents the average of the prices at which all the transactions in a given



block were executed. Each account or client participating in the block transaction will experience transaction costs as if the trade was purchased individually in their respective account. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner.

Blocked trades are placed only when we reasonably believe that the combination of the transactions provides better prices for clients than had individual transactions been placed for clients. Clients/accounts included in the block transaction receive the same average price and pay the same commissions and other transaction costs as if the transactions were executed on an individual account basis. Transactions for the accounts of our advisory representatives or employees will not be favored over transactions for client accounts.

We are not obligated to include any client account in a blocked trade. Blocked trades will not be affected for any client's account if doing so is prohibited or otherwise inconsistent with that client's investment advisory agreement. No client will be favored over any other client.

It is our policy that you must not be disadvantaged if a trade entered into your account contains an error (e.g., wrong number of shares, wrong product, or wrong account, etc.). Trades are amended to reflect the original intent of the trade order. If this change results in a trading loss, we will reimburse this loss to you. If this change results in a trading gain, that gain is held by Fidelity and applied to a charity of our choosing, currently St. Jude Children's Research Hospital.

### ***Item 13: Review of Accounts***

Each account is reviewed on an ongoing basis to ensure that your needs and objectives are being met. All accounts are reviewed in the context of your stated investment objectives and risk tolerance guidelines as dictated by our Suitability Questionnaire for each account.

You will receive statements from the custodian/broker-dealer at least quarterly. These statements identify your current investment holdings, the current share price of each of those investments, and their current market values. All clients will receive, at Client's request, performance analysis reports prepared by us which will provide a quarterly performance report that details Time-Weighted-Return performance at the account, registration and/or household level.

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

We do not directly or indirectly compensate any person who is not one of our advisory representatives or employees for client referrals.

We receive certain economic benefits as a result of our participation in Fidelity's institutional program. Those benefits are described in detail in the preceding section entitled "Brokerage Practices."

### ***Item 15: Custody***

You will receive statements from the custodian/broker-dealer that holds your investment account at least a quarterly. We urge you to carefully review these statements. You should verify that the



transactions in your account are consistent with your investment goals and the objectives for your account. We also encourage you to contact your advisory representative or our Chief Compliance Officer should you have any questions or concerns regarding your account.

While Mr. Holland and Mr. Tacinelli act as trustee, personal representative, and/or attorney in fact of certain client assets, Holland Advisory is considered to have custody of those client assets. Accordingly, we will maintain the funds and securities at a qualified custodian and follow the safekeeping requirements provided for in Rule 206(4)-2 under the Investment Advisers Act of 1940. Client funds and securities of which we are considered to have custody are subject to an annual surprise audit by an independent accountant.

Holland Advisory manages retirement account(s) (e.g., 401k, 403b) through custodians other than Fidelity, our primary custodian. Holland Advisory uses a third-party provider, Pontera (f/k/a FeeX) to assist us in the management of client retirement account(s). Through this provider, Holland Advisory does not take possession of the username and password for access to retirement account(s) for purposes of asset allocation, reallocation and rebalancing. Therefore, we are deemed to not have custody of these accounts.

### ***Item 16: Investment Discretion***

We offer our advisory services on a discretionary basis. This means that we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts. We do not, however, have the ability to choose the custodian/broker-dealer through which transactions will be executed. Additionally, we do not have the ability to withdraw funds from your account (other than to withdraw advisory or trustee fees which may only be done with your prior written authorization.) This discretion is used in a manner consistent with the stated investment objectives for your account if you have given us written authorization to do so. We only exercise discretion in accounts where we have been authorized by you. This authorization is included in the investment advisory agreement.

### ***Item 17: Voting Client Securities***

We do not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. In addition, we do not take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits. We will, however, forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

### ***Item 18: Financial Information***

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you and we have not been the subject of a bankruptcy proceeding.