

Firm Brochure  
ADV Part 2A

# WASHPARK CAPITAL, LLC

*a Registered Investment Adviser*

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[www.WashParkCapital.com](http://www.WashParkCapital.com)

This brochure provides information about the qualifications and business practices of WashPark Capital, LLC (hereinafter “WPC” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. This brochure provides information about the qualifications and business practices of WashPark Capital, LLC (hereinafter “WPC” or the “Firm”). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Registration does not imply any level of skill or training.

Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (CRD 281306).

## Item 2. Material Changes

Since the last annual amendment dated March 21, 2022, the following are material changes:

- Item 4 has been amended to reflect current assets under management.
- Item 11 has been amended to include information about when we provide advice regarding retirement accounts, including IRAs.

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## Item 4. Advisory Business

WPC offers a variety of advisory services, which include financial planning & investment management services. Prior to WPC rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with WPC setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

WashPark Capital, LLC was formed in August 2015 and is wholly owned by Justin Arnold. As of December 31, 2022, WPC has \$1,748,947 in discretionary assets under management. WPC does not manage any assets on a non-discretionary basis.

While this brochure generally describes the business of WPC, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on WPC’s behalf and is subject to the Firm’s supervision or control.

### Types of Advisory Services

#### Investment Management & Comprehensive Financial Planning Services

WPC specializes in investment management and financial planning for individuals and high net worth Clients, with a particular focus on retirement income transition planning and distribution planning.

#### Investment Management

WPC manages client investment portfolios on a discretionary basis. The Client will authorize WPC discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

WPC provides continuous advice to clients regarding the investment of client funds based on the individual needs of the client. During our data-gathering process we determine the client’s objectives, time horizon, tolerance for risk, and liquidity needs which guides the household asset allocation and investment portfolios. Once asset allocation and asset location decisions have been established, WPC primarily

allocates client assets among various mutual funds, and exchange-traded funds (“ETFs”) in accordance with their stated investment objectives. Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios.

Clients may engage WPC to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, WPC directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company, or the custodian designated by the product’s provider.

WPC tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. WPC consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios.

Clients are advised to promptly notify WPC if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if WPC determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm’s management efforts. These restrictions should be discussed during our initial data-gathering process or when the WPC investment recommendations are made and agreed upon.

### Comprehensive Financial Planning

At the Client's election, WPC provided comprehensive financial planning. WPC Clients will be taken through a series of strategy meetings and step-by-step process to establish goals. Once client information has been reviewed, their plan will be built, and iterated in a collaborative way. The findings, analysis, and potential adjustments to improve their situation will be reviewed with the Client.

Clients will receive a written or electronic report, providing the client with a financial plan designed to achieve their financial goals and objectives. The plan and the Client’s financial situation and goals will be monitored and on an annual basis, we will attempt to engage the client in a full review of their plan to ensure its accuracy and ongoing relevance. Any required updates and adjustments will be implemented.

In general, comprehensive financial planning will address all the following areas, should they be applicable. Our core financial planning topic areas include, but are not limited to, the following and Clients will be required to provide information to help complete the following areas of analysis:

- **Cash Flow:** WPC will review the Clients income and consider how any surplus can improve their plan. We may also recommend an appropriate cash reserve considering their household asset allocation and income stability and potential.
- **Insurance and Risk Management:** a risk management review will include an analysis of exposure to major risks that could have a significant adverse impact on a Client's financial picture such as; premature death, disability, or the need for long-term care. Advice can be provided on ways to minimize such risk and about weighing the costs and benefits of purchasing insurance. We always recommend consulting with a licensed insurance professional to ensure proper coverage.
- **Investments:** This may involve reviewing current portfolios for the expenses of underlying holdings, tax efficiency, diversification and ESG implementation. Other than incidental advice, financial planning services do not include any of the services listed in the "*investment management services*" section above, unless otherwise retained to do so with our Wealth Management Service.
- **Retirement Planning:** WPC retirement transition planning services typically include projections on the likelihood of achieving financial goals, focused on creating a secure and sustainable retirement income for life. WPC will make recommendations such as, but not limited to, working longer, planning to spend less, saving more, adjusting household asset allocations, and establishing a HECM line of credit, where appropriate. If the client is near retirement, we will provide recommendations on what to consider when transitioning into retirement (Retirement Transition Planning) where advice will include appropriate distribution strategies to reduce the chance of outliving Client resources. For Clients already retired, we can assess their current plan and make recommendations on improving their chances to create a sustainable income.

## Hourly and Fixed-Fee Financial Planning and Consulting

With our hourly or fixed-fee planning agreement, WPC offers clients a broad range of financial planning and consulting services (see sample topics above). The client and advisor will work to select the specific area(s) to cover.

We also offer fixed-fee financial planning in the form of a one-time *comprehensive financial plan*, *retirement income transition plan*, and *comprehensive retirement income plan*, depending on what stage of life the client is currently in and their current needs. While each of these services is available on a stand-alone basis, certain of them may also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement. In performing these services, WPC is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. WPC may recommend clients engage the Firm for additional related services and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists because WPC may recommend that the Firm provide additional services for compensation.

Clients retain all rights and absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by WPC under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising WPC's recommendations and/or services.

## Item 5. Fees and Compensation

WPC offers services on a fee basis, which may include fixed and/or hourly fees, as well as fees based upon assets under management or advisement.

### Investment Management & Comprehensive Financial Planning Services

#### Investment Management

WPC offers investment management services for an annual fee based on the amount of assets under the Firm's management and the services to be rendered. This management fee varies up to 85 basis points (0.85%), depending upon the size and composition of a client's portfolio.

Fees are negotiable. Fees may differ based on several factors:

- Size of the relationship.
- Level and complexity of services needed – Accounts requiring more services may have higher fees.

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by WPC on the last trading day of the previous billing period.

If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis (from the time the assets begin to be managed until the end of that quarter). In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), WPC may negotiate a fee rate that differs from the range set forth above.



### Comprehensive Financial Planning

Client's with at least \$250,000 of assets under management have the option to receive our ongoing comprehensive financial planning service. If so elected, clients paying the annual portfolio management fee will then receive ongoing comprehensive financial planning services at no additional cost.

### Hourly and Fixed-Fee Financial Planning

For stand-alone financial planning services WPC will charge an hourly or fixed fee. Specific fees will depend upon the scope and complexity of the services and or the nature and scope of the project. These fees are negotiable, but generally will be assessed at:

- i) \$250 per hour for consulting
- ii) \$1,000-\$2,500 for a high-level Retirement Income Trail Map assessment
- iii) \$5,000-\$10,000 for a comprehensive Financial Plan
- iv) \$5,000-\$10,000 for a Retirement Income Transition Plan
- v) \$5,000-\$10,000 for a Retirement Income Plan

Financial plans are delivered between three and six months depending on the scope and complexity of the work. This is contingent on the quality and timeliness of information we receive from clients. Fees for one-time financial planning are paid in two parts. 50% is due at commencement of the advisory agreement and 50% is due at completion of the financial plan.

Financial Planning and consulting fees may be paid by personal check, or the client may elect by written authorization to have their fee debited from investment management non-qualified accounts approved for such fee debit payments. In all instances, WPC will send the client a written invoice including the fee, the formula used to calculate the fee(s) and the time-period covered by the fee(s).

Clients may cancel within five (5) business days of signing an Agreement with no obligation and without penalty. If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client, or any unpaid earned fees will be due. WPC reserves the right to waive the fee should the Client implement the plan through WPC.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and WPC generally requires one-half of the fee (estimated hourly or fixed) payable

upon execution of the Advisory Agreement. The outstanding balance is generally due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not, however, take receipt of \$500 or more in prepaid fees in excess of six months in advance of services rendered.

#### Fee Discretion

WPC may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria and reserves the right to waive the fee should the Client implement the plan through WPC.

#### Additional Fees and Expenses

In addition to the advisory fees paid to WPC, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, reporting charges, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

#### Direct Fee Debit

Clients provide WPC and/or certain Independent Managers with the written authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to WPC.

## Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to WPC's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients may withdraw account assets on notice to WPC, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. WPC may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

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

WPC does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## Item 7. Types of Clients

WPC generally provides asset management and financial planning services to the following types of clients:

- Individuals
- High-Net-Worth Individuals

WPC Minimum Account Size: WPC has a \$750,000 household minimum. WPC reserves the right to accept households with less than \$750,000.

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

### Methods of Analysis

WPC primarily employs fundamental analysis as well as Modern Portfolio Theory (“MPT”) methods in developing investment strategies for clients. Research and analysis used or developed by WPC is derived from numerous sources, including third-party research materials and analytical software.

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For WPC, this process typically involves an analysis of an issuer’s management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm’s model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that WPC will be able to accurately predict such a reoccurrence.

Modern Portfolio Theory (“MPT”) is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such, the factors for which MPT does not account (e.g., tax implications, regulatory constraints and brokerage costs) may negate the upside or add to the actual risk of a particular allocation. Nevertheless, WPC’s investment process is structured in such a way to integrate those assumptions and real-life considerations for which MPT analytics do not account.

## General Investment Strategies

WPC generally employs a long-term and broadly diversified investment strategy for its clients, as consistent with their financial goals, return objectives, risk tolerance, time horizon, tax situation, liquidity needs, legal considerations, and any other relevant factors. WPC will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of clients. At times, WPC may also buy and sell positions that are more short-term in nature, depending on the goals of the client and/or the fundamentals and/or technicals of the security, sector or asset class.

In implementing the portfolio WPC generally relies on lower cost mutual funds that incorporate Environmental, Social, and Governance (“ESG”) metrics into their fundamental analysis (ex. Dimensional Funds). We are of the belief that incorporating ESG into the investment process will reduce risk (regulatory, environmental, etc.) and potentially increase risk-adjusted returns for client portfolios over the longer term. We believe incorporating ESG metrics into our investment process upholds the highest standards of fiduciary responsibility for our clients.

WPC draws from a wealth of high quality research; to build portfolios that we hope will perform as well or better than the broad universe of investments from which the Firm is selecting portfolio holdings. WPC believes that by investing in mutual funds and/or ETFs that incorporate ESG factors into the investment process, the Firm can improve risk-adjusted returns in our portfolios.

## Risk of Loss

### General Risks of Loss

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. Securities may fluctuate in value or lose a large amount or all of their value. Clients should be prepared to bear the potential risk of loss. WPC will assist clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that WPC will be able to predict price movements accurately or capitalize on any such assumptions nor that clients will meet their investment goals.

The risks associated with a particular strategy are provided to each client in advance of investing client accounts. The Firm will work with each client to determine their tolerance for risk as part of the portfolio construction process, and to develop an Investment Policy Statement for managed assets. Both the Firm and managers of investment vehicles selected or recommended by the Firm may underperform any benchmarks, expectations or projections, and the client understands that the selection of securities or managers may result in lower returns and/or higher risk than their benchmarks, despite Firm's best efforts

## Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

## Use of Independent Managers

As stated above, WPC may select certain Independent Managers to manage a portion of its clients' assets. In these situations, WPC continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, WPC generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

## Management through Similarly Managed "Model" Accounts

WPC manages certain accounts through the use of similarly managed "model" portfolios, whereby the Firm allocates all or a portion of its clients' assets among various mutual funds and/or securities on a discretionary basis using one or more of its model portfolios. In managing assets through the use of models, the Firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients' net after tax gains. While the Firm seeks to ensure that clients' assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client's individual tax ramifications. Clients should contact the Firm if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

## Frequent Trading

Frequent trading in securities can result in higher transaction costs in the client's accounts. For taxable accounts, frequent trading can also result in taxable transactions each year that would not be present in a buy- and-hold strategy. There are no guarantees that a frequent trading strategy will correctly time purchases and sales of any particular security.

## Options

The Firm only expects to use options on rare occasions. Options allow investors to buy or sell a security at a contracted “strike” price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

## Item 9. Disciplinary Information

WPC has not been involved in any legal or disciplinary events that are material to a client’s evaluation of its advisory business or the integrity of its management.

## Item 10. Other Financial Industry Activities and Affiliations

This item requires investment advisers to disclose certain financial industry activities and affiliations. The Firm does not have any other financial industry activities or affiliations that need to be disclosed.



## Item 11. Code of Ethics

WPC has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. WPC’s Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of WPC’s personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person will access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact WPC to request a copy of its Code of Ethics.

When we provide investment advice to you regarding your retirement plan account or individual retirement account (IRA), we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

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

\* It should be noted that the fiduciary duties enumerated above do not differ from those we observe in all our advisory activities.

## Item 12. Brokerage Practices

### Recommendation of Broker/Dealers for Client Transactions

WPC generally recommends that clients utilize the custody, brokerage and clearing services of TD AMERITRADE Institutional, a division of TD AMERITRADE, Inc. ("TD Ameritrade") for investment management accounts. WPC participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA, an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. WPC receives some benefits from TD Ameritrade through its participation in the program.

Factors which WPC considers in recommending TD Ameritrade or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. TD

Ameritrade may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by TD Ameritrade may be higher or lower than those charged by other Financial Institutions.

The commissions paid by WPC's clients to TD Ameritrade comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where WPC determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. WPC seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist WPC in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because WPC does not have to produce or pay for the products or services.

WPC periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution and act in the best interest of all clients.

## Software and Support Provided by Financial Institutions

WPC may receive without cost from TD Ameritrade computer software and related systems support, which allow WPC to better monitor client accounts maintained at TD Ameritrade. WPC may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at TD Ameritrade. The Firm currently discloses that the receipt of these services are "soft dollar benefits," but the software and support is not provided in connection with securities transactions of clients. The software and related systems support may benefit WPC, but not its clients directly. In fulfilling its duties to its clients, WPC endeavors at all times to put the interests of its clients first. Clients should be aware, however, that WPC's receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of

broker/dealer over another that does not furnish similar software, systems support or services. The Firm has policies and procedures in place to ensure that the benefits received are in the best interest of clients.

Specifically, WPC may receive the following benefits from TD Ameritrade:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

There is no direct link between WPC's participation in TD Ameritrade's institutional customer program and the investment advice it gives to its clients, although WPC receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. Additionally, WPC may receive the following benefits from TD Ameritrade through its registered investment adviser division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Adviser participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. The Firm also has the ability deduct advisory fees directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the Firm by third party vendors. TD Ameritrade may fund business consulting and professional services received by WPC's related persons.

Some of the products and services made available by TD Ameritrade through the program may benefit WPC but not its client. These products or services may assist WPC in managing and administering client

accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help WPC manage and further develop its business enterprise. The benefits received by WPC's participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade.

## Brokerage for Client Referrals

WPC does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party, nor does it receive referrals from its broker/dealer.

## Directed Brokerage

The client may direct WPC in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to “batch” client transactions for execution through other Financial Institutions with orders for other accounts managed by WPC (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, WPC may decline a client’s request to direct brokerage if, in the Firm’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

## Trade Aggregation

Transactions for each client generally will be effected independently, unless WPC decides to purchase or sell the same securities for several clients at approximately the same time. WPC may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among WPC’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which WPC’s Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. WPC does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when

only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## Item 13. Review of Accounts

### Account Reviews

WPC monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with WPC and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from WPC and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. In accordance with several states' securities laws, the Firm also sends clients fee invoices. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from WPC or an outside service provider.

## Item 14. Client Referrals and Other Compensation

### Client Referrals

WPC does not currently provide compensation to any third-party solicitors for client referrals. Furthermore, the Firm does not receive any compensation for referring clients to third-parties.

## Item 15. Custody

The Advisory Agreement and/or the separate agreement with any Financial Institution generally authorize, in writing, WPC and/or the Independent Managers to debit client accounts for payment of the Firm's fees and to directly remit those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to WPC.

Where required, WPC also sends to clients a written invoice itemizing the fee, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

In addition, as discussed in Item 13, WPC may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from WPC.

## Item 16. Investment Discretion

WPC requires clients to give the Firm authority to exercise discretion on behalf of clients. WPC is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. WPC is given this authority through a power-of-attorney included in the agreement between WPC and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). WPC takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

## Item 17. Voting Client Securities

### Declination of Proxy Voting Authority

WPC does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

## Item 18. Financial Information

WPC is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$500 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.



## Item 19. Requirement for State Registered Advisers

### **Principal Executive Officer and Management Person JUSTIN**

#### **M. ARNOLD**

Born 1978

#### **Post-Secondary Education**

University of Delaware | BA, Psychology | May 2001

#### **Recent Business Background**

WashPark Capital, LLC | Chief Compliance Officer | August 2015 – Present

Royal Alliance Associates, Inc. | Investment Adviser Representative and Registered Representative | July 2004– August 2015

#### **Additional Information**

Neither the Firm nor its Supervised Persons are compensated for advisory services with performance-based fees. Neither the Firm nor its Supervised Persons have been the subject of the type of disciplinary event that warrants disclosure pursuant to this Item. Neither the Firm nor its Supervised Persons have a material relationship or arrangement with any issuers of securities.