

Firm Brochure

(Part 2A of Form ADV)

Taddei, Ludwig & Associates, Inc.

999 Fifth Avenue, Suite 300

San Rafael, CA 94901

415-482-1561

415-456-2935 (Fax)

www.tlfinancial.com

compliance@tlfinancial.com

This brochure provides information about the qualifications and business practices of Taddei, Ludwig & Associates, Inc. If you have any questions about the contents of this brochure, please contact us at: 415-482-1561, or by email at: compliance@tlfinancial.com. 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 Taddei, Ludwig & Associates, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. CRD # 152506.

03/21/2017

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Summary of Material Changes (Since March 2016)

- In July 2016 the firm principals made the decision to end their affiliation as registered representatives of Cambridge Investment Research. As a result the firm principals will no longer offer securities investments on a commission basis. Please refer to **Item 10 Other Financial Industry Activities and Affiliations** for more information.
- In December 2016 the firm updated their total assets under management to \$260,085,028. Please refer to **Item 4 Advisory Business** for more information
- In March 2017 the firm updated their fee schedule for new clients and increased their minimum fee. Please refer to **Item 5 Fees and Compensation** for more information.
- In March 2017 the firm added financial and insurance consultation for family law attorneys and individuals in pre-divorce, trial, and post-divorce situations. Please see **Item 4 Advisory Business** for more information.

Full Brochure Available

If you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 415-482-1561 or by email at: compliance@tlafinancial.com

To view our ADV Part 2A on line, please visit our website at www.TLAFinancial.com , go to

“My Account” tab, and click the “Narrative ADV Part 2A “link.

Table of Contents

Material Changes.....	i
Annual Update	i
Summary of Material Changes (Since March 2016)	i
Full Brochure Available	i
Advisory Business	1
Firm Description.....	1
Principal Owners.....	1
Types of Advisory Services.....	1
Tailored Relationships	2
Types of Agreements.....	2
Financial Planning Engagement	2
Investment Management Services Agreement	3
Third Party Money Management.....	3
Business Consulting	4
Retirement Plan Advisory Services.....	4
Hourly Planning Engagements	10
Termination of Agreement	10
Fees and Compensation.....	10
Description	10
Fee Billing	11
Other Fees.....	11
Expense Ratios.....	11
Past Due Accounts and Termination of Agreement	11
Performance-Based Fees	12
Sharing of Capital Gains	12
Types of Clients.....	12
Description	12
Account Minimums.....	12
Methods of Analysis, Investment Strategies and Risk of Loss.....	12
Methods of Analysis.....	12
Investment Strategies	12
Risk of Loss	13

Disciplinary Information	14
Legal and Disciplinary.....	14
Other Financial Industry Activities and Affiliations	15
Financial Industry Activities.....	15
Affiliation with Insurance Agencies.....	15
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	15
Code of Ethics.....	15
Participation or Interest in Client Transactions.....	16
Personal Trading.....	16
Brokerage Practices.....	16
Selecting Brokerage Firms.....	16
Best Execution	17
Order Aggregation	17
Review of Accounts	17
Periodic Reviews	17
Review Triggers.....	17
Regular Reports.....	17
Client Referrals and Other Compensation.....	18
Incoming Referrals.....	18
Referrals Out	18
Custody.....	18
Account Statements.....	18
Performance Reports.....	18
Net Worth Statements.....	19
Investment Discretion.....	19
Discretionary Authority for Trading.....	19
Limited Power of Attorney.....	19
Voting Client Securities	19
Proxy Votes	19
Financial Information	19
Financial Condition	19

Business Continuity Plan	20
General	20
Disasters	20
Alternate Offices	20
Loss of Key Personnel	20
Information Security Program.....	20
Information Security	20
Privacy Notice	20
Brochure Supplement (Part 2B of Form ADV)	21
Education and Business Standards	21
Professional Certifications	22
Kirk M. Ludwig, ChFC [®] , CFP [®] , Chief Financial Officer, Chief Investment Officer	23
Matthew F. Taddei, ChFC [®] , CFP [®] , President & Chief Executive Officer	24
Diane McCracken, ChFC [®] , C(k)P [®] , AIF [®] Chief Compliance Officer, Chief Operating Officer & Secretary.....	26
Jack Nixon, ChFC [®] , Financial Advisor	27
John F. Hammond, ChFC [®] , Financial Advisor	28
Meghan M. Nelson, Financial Advisor.....	30
Sonya Rech Danne, Financial Advisor.....	31

Advisory Business

Firm Description

Taddei, Ludwig & Associates, Inc., (TLA) was founded in 1989 and incorporated in 2007 and previously offered advisory services through AXA Advisors (1989-2007) and Cambridge Investment Research Inc. (2007-2010). TLA provides personalized confidential financial planning, qualified plan and business consulting, and investment management to individuals, pension and profit sharing plans, defined benefit plans, trusts, estates, charitable organizations, and small to mid-size businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

TLA's business model is to charge fees for its suite of services.

TLA provides fee based financial planning, qualified plan consulting, business consulting & fee based investment advisory services. Investment Advisor Representatives of TLA Investment advice is an integral part of financial planning. In addition, TLA advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

TLA does not act as a custodian of client assets. The client always maintains asset control. TLA places trades for clients under a limited power of attorney.

A written evaluation of each client's financial condition is provided to the client, often in the form of a net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is complimentary and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owners

Kirk M Ludwig is a 35% stockholder. Matthew Taddei is a 35% stockholder
Diane McCracken is a 30% stockholder.

Types of Advisory Services

TLA provides investment supervisory services, also known as investment management services.

TLA manages approximately \$260,085,028 in assets as of 12/31/2016 for approximately 295 clients of which \$242,597,383 is managed on a discretionary basis and \$17,487,644 is managed on a non-discretionary basis.

TLA provides advice to clients on matters not involving securities, such as financial planning matters, qualified plan design issues, business planning issues, taxation issues, and trust services that often include estate planning.

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Types of Agreements

The following agreements define the typical client relationships.

Financial Planning Engagement

A financial plan is designed to help the client with all aspects of financial planning.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; education planning with funding recommendations; and negotiation of purchase of substantial assets, e.g., home or automobile.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The fee range is \$3,000 to \$5,000 depending on the complexity and scope for comprehensive plans and is negotiable for limited scope plans. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to six months. Follow-up implementation work is billed separately at the rate of \$300 per hour.

Investment Management Services Agreement

An Investment Management Services Agreement may be executed when financial planning is not provided as part of the relationship. The annual fee for an Investment Management Services Agreement is based on assets under management and is *negotiable*. The annual Advisory Service Agreement fee is based on a percentage of the investable assets. Below is an example of a typical fee schedule:

On the first \$100,000	1.35%
On the next \$400,000	1.15%
On the next \$500,000	0.85%
On the next \$2,000,000	0.60%
On amounts over \$3,000,000	0.30%

The minimum annual fee is \$8,000 and is *negotiable*. Current client relationships may exist where the fees are higher or lower than the fee schedule above. TLA or the individual Investment Advisor Representative may agree to pay ticket charges on household accounts of \$500,000 or more under management.

Although the Investment Management Services Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Third Party Money Management

Lockwood Advisors, Inc.

TLA has established a relationship with Lockwood Advisors, Inc. ("Lockwood") offers a variety of asset management programs that TLA advisor representatives may utilize to manage their client accounts using third party money managers or sub-advisors approved through the Lockwood programs. Lockwood provides administrative and performance reporting services within its program. A complete description regarding this program will be provided in the Lockwood Form ADV Part 2A or similar disclosure document containing at least the information in Form ADV Part 2A, a copy of which will be provided to clients with the TLA advisor representative recommending the use of the Lockwood program.

Schwab Managed Account Services

TLA has established a relationship with Schwab Managed Account Services, a third party managed money program which consists of the Schwab Managed Account Select®

Program, the Schwab Managed Account Access[®] Program, and the Schwab Managed Account Marketplace[®] Program. These programs provide TLA Advisor Representatives with access to programs that specialize in separate account management, private account management, and timing and multi-disciplined account services. Program sponsors provide full-time professional investment management by quality investment managers. The client's TLA Advisor Representative will assist the client to select the manager(s) most aligned with client's investment style based on the client's individual personal and financial goals, investment objectives, and risk tolerance. A complete description regarding this program and fees will be provided in the Schwab disclosure brochure as well as the sub-advised ADV Part 2A or similar disclosure document, a copy of which will be provided to clients with the TLA advisor recommending the use of the Schwab Managed Account Services.

Business Consulting

TLA consults with business owners on areas of their business such as key employee retention, succession planning, legacy planning, how to transition the business to family or key employees and how to protect the business against the risk of the owner's premature death or disability. Fees for this service is \$300 per hour and or fixed fees range from \$1,000-\$10,000. Fees may be increased, decreased or waived on an individual basis and will be agreed upon in advance, between the Investment Advisory Representative and the Client. All fees are payable to TLA.

TLA provides financial and insurance consultation for family law attorneys and individuals in pre-divorce, trial, and post-divorce situations. Scope of services includes financial modeling and projections, analysis and advice on life, disability, and long term care insurance, and general financial planning advice. Consultation services include court testimony. Fees are \$600 for the first hour or portion thereof and \$300 per hour thereafter. Fees can also be negotiated on a per project basis. All fees are payable to TLA

Retirement Plan Advisory Services

TLA provides comprehensive qualified and non-qualified retirement plan consulting, investment advice and fiduciary due diligence services, employee and investment education, asset allocation services, plan service provider proposal and vendor research and analysis, and plan design guidance to individuals, qualified and non-qualified retirement plan sponsors, and business entities.

As disclosed above, we offer pension consulting services designed to assist plan sponsors in meeting their management and fiduciary obligations to participants under the Employee Retirement Income Securities Act ("ERISA"). In addition, in providing portfolio management services to Plans, we offer to act as an ERISA 3(38) investment manager. Pursuant to adopted regulations of the U.S. Department of Labor under ERISA Section 408(b)(2), we

are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we received for providing those services, and our status.

The services we provide to Plans and the compensation for these services are described in the service agreement. Our firm does not reasonably expect to receive any additional compensation, direct or indirect, for the services we provide to the Plan or Participants.

In providing services to the Plan and Participants, our status is that of an investment adviser registered under the Investment Advisers Act of 1940, and we are not subject to any disqualifications under Section 411 ERISA. In performing ERISA fiduciary services, we are acting as a fiduciary of the Plan as defined in ERISA Section 3(21).

Investment Advice (Plan Level)

TLA shall provide research and analysis with regard to investment advice and fiduciary due diligence services for the Client. TLA shall also provide research and analysis that covers the investment products of several qualified and non-qualified retirement plan providers. The goal of the investment due diligence process is to establish a logical, technical, and comprehensive process that is consistently employed in the selection and ongoing monitoring of funds for plan sponsors and individuals, accompanied by an investment policy statement (for plan sponsors only), that defines the process utilized to recommend the investments to plan sponsors and individuals.

The Employer (Client of TLA), sponsors a Qualified (or nonqualified) Retirement Plan for the benefit of its employees. The Plan is a qualified or non-qualified employee benefit plan intended to comply with all applicable federal laws and regulations, including the Internal Revenue Code of 1986, as amended, and the Employee Retirement Income Security Act of 1974 (ERISA), as amended, if applicable. In addition, applicable Plans are intended to comply with ERISA Section 404(c). TLA may employ many different calculations, processes, and screening techniques to arrive at specific recommended individual investments within the array of investments offered by each investment provider that is being analyzed, including but not limited to the following:

- Investment analysis by asset class (domestic equity, international equity, income, hybrid/managed accounts), including market capitalization (small, medium, and large), and investment objective (value, blend, and growth orientation);
- Performance relative to other investments in the same asset class;
- Investment performance relative to benchmark performance for the same asset class;
- Percentile ranking of investment performance for the same asset class;

- Style-based analysis to determine the impact of an investment being managed differently than its stated investment objective (which is usually a combination of the stated market capitalization category and investment objective category);
- Macro screens to eliminate long term underperforming investments, funds with total managed assets of less than the minimum threshold deemed to be adequate by TLA;
- Review of Upside and Downside capture, to estimate upside potential and downside risk of each investment;
- Common objective risk and return statistical measurements, such as Sharpe ratio, Treynor ratio, standard deviation, alpha, and betas;
- Common statistically relevant manager value measurements such as information ratio and tracking error;
- R-squared, correlation coefficients, and other statistically relevant information;
- Short and long term historical analysis with any of the above measurements;
- Financial strength, stability, and reputation of the investment provider, and individual investments offered by and through the investment provider;
- Tenure and experience of investment management personnel;
- Investment philosophy, process, and style; and
- Investment fees.

TLA shall provide a draft of the statement of Investment Policy for Client's review. In addition, TLA will evaluate Client's existing Investment Policy Statement and provide recommendations that are consistent with assisting the Client in meeting their fiduciary obligations, if applicable, under ERISA Section 404(c).

Employee Plan and Investment Education

TLA shall provide group employee enrollment, re-enrollment, and investment education support. The goal of this process is to help employees make educated and informed choices about the plan and investment allocation under the investment education guidelines set forth by the U.S. Department of Labor. Meetings are offered on an annual, semi-annual, quarterly, or as requested basis. The scope of the meetings will be group and/or individual, and will be conducted on-site and/or as data conferencing.

Employee (Participant) Investment Advice and/or Asset Allocation Models

TLA shall assist Plan Participants in finding the asset mix which is most likely to meet their investment objectives within acceptable risk parameters. Asset class sub-types can include domestic large cap value equity, domestic large cap growth equity, domestic mid-cap value equity, domestic mid-cap growth equity, domestic small cap value equity, domestic small cap growth equity, international equity, core fixed income,

short term fixed income, high yield fixed income, and other appropriate asset classes and investments.

401(k) Proposal Vendor Research and Analysis

TLA shall assist Clients with the selection of a plan provider or providers for their plan, based on detailed research and analysis of several vendors. The vendor review process includes an evaluation of administrative, recordkeeping, compliance, and employee communications services, administrative and investment-related fees, and an investment overview that incorporates a very similar analysis to the investment due diligence process described above.

Newsletters

Periodic employer newsletters may include industry and marketplace updates, plan design and compliance suggestions, and legislative updates.

TLA shall provide in-depth plan reviews that include an analysis of relevant design features, including: age and length of service eligibility requirements; vesting; forfeitures; employer matching contribution formulas; entry and re-entry dates; and other pertinent design features.

Management of Conversion Process

TLA is to help facilitate plan conversion. Included in this process is providing sample letters and correspondence related to the plan conversion, and monitoring the action items identified in the Plan Sponsor Conversion Checklist.

Fiduciary Plan Review

The Fiduciary Plan Review™ includes a compliance checklist, plan design analysis, and other related analysis designed to address plan compliance and efficiency. This document typically includes a list of action items and suggestions, based on plan demographics and a discussion between Client's plan fiduciaries and 401(k) Advisors.

404(c) Audit

TLA shall provide a comprehensive checklist of the latest industry accepted standards with respect to 404(c) compliance, and will work with Client to facilitate completion of the checklist. The responsible party for addressing and verifying each item will either be; The Plan provider, The Client, or in some instances TLA will provide the research and analysis.

Fiduciary Role under ERISA

For those services stated under Investment Advice (Plan Level), TLA acknowledges that it is a fiduciary with respect to the Plan under Section 3(21)(A)(ii) of the Employee Retirement Income Security Act of 1974, (ERISA) as amended and, as such, is a co-fiduciary with the trustee(s) of the Client's Plan solely with respect to (a) the provision of investment education of the employer and/or plan participants (depending on the specific advisory services provided); (b) the periodic reporting on, and analysis of, the investment options available under the Plan; and (c) the provision of advice to the trustee(s) regarding the elimination or addition of investment options available under the Plan; provided, however, that the trustee(s) acknowledge and agree that the trustee(s) have the final and conclusive responsibility for the investment options selected to be available under the Plan. The Advisor will not be responsible for investment decisions made by the Plan participants with respect to the investment of their accounts.

Reports to Client

For those services stated under Employee Plan and Investment Education, Employee (Participant) Investment Advice, and Other Investment Advisory Services (Third Party Money Managers) based on the results of the periodic (quarterly or semi-annual) analysis, TLA may recommend changes to the core group of investment recommendations offered by one or more of the investment managers included in the analysis. As such, TLA will provide plan fiduciaries with a periodic report that includes fund rankings in each category.

Custody

All assets in Client's account shall be held for safekeeping with a designated custodian as selected by the Client. TLA shall not act as Custodian for any assets in the Client's account and shall not take possession of cash and/or securities of the Client's account. TLA shall not be liable to Client for any act, conduct or omission by Custodian. TLA is only authorized or empowered to issue instructions to Custodian or to request information about the Account from Custodian for the limited purpose of managing the asset allocation of the Models. TLA shall have no other discretion or control in regards to Custodian instruction.

Fees

For TLA's services, Client will pay a fee based on either the market value of the Plan assets, or a flat fee in accordance with the schedule of fees described and selected below, unless otherwise agreed to by both parties. The fee range for the above services is negotiable, and may vary according to the facts and circumstances, including the scope of services to be provided, the duration of services and the size of the client (number of employees, plan or individual assets, and other demographic factors).

Under these services, clients will be charged a flat base fee plus a percentage of total Plan assets, based on the sliding scale below. Therefore, clients will be charged a total fee that is the sum of the base fee and the appropriate percentage fee for that portion of the Plan which falls within the value ranges as specified below. TLA may receive fees directly from a client (plan sponsor or individual), for providing any or all of the services described above. In these instances, fees may be paid on a one-time only or ongoing basis, depending on the scope of the services and the desired length of time that those services will be provided.

TLA's fees are in addition to any fees assessed by the mutual funds that the Client's accounts are invested in. The annual fees will be determined based on the ending aggregate market value of the Plan assets each quarter and Client will not be charged a greater fee for that portion of the assets in the Client's account which falls below the aggregate size listed below.

Fee Structure

(i) Asset-based Fee

Asset-based fees may be charged based on the market value of the plan assets and may range from 0.25% - 1.25% of Plan assets, depending on the scope of the project and duration of services.

(ii) Flat Fee

A flat fee may be charged ranging from \$1,000 – \$100,000 or more depending on the scope of the project and duration of services.

(iii) Hourly Fee

An hourly fee of \$300 may be charged depending on the scope of the project.

TLA Fees may be billed directly to the plan sponsor or deducted from plan assets and are billed in advance. Fees for investment advisory services are billed in advance.

ERISA

This section shall apply if the managed account(s) is for (i) a pension or other qualified employee benefit plan (including a 401(k) plan) governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (ii) a tax-qualified retirement plan under section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and not covered by ERISA; or (iii) an individual retirement account ("IRA") under Section 408 of the Code. Client represents that TLA and the Investment Advisory Representative have been furnished complete copies of all documents that establish and govern the plan and evidencing client's authority to retain TLA and the Investment Advisory Representative. Client shall promptly furnish to TLA and the Investment Advisory Representative any amendments to the plan, and client agrees that, if any amendment affects the rights or obligations of TLA and/or the

Investment Advisory Representative, such amendment shall be binding on TLA or the Investment Advisory Representative only when agreed to by TLA or the Investment Advisory Representative in writing. Client agrees to maintain appropriate ERISA bonding for the managed account(s) and to include within the coverage of the bond TLA, and the Investment Advisory Representative, as applicable, and their personnel and representatives as may be required by law.

TLA Acknowledgment:

If client is a pension or other qualified plan subject to ERISA, and client appoints TLA or the Portfolio Manager as “investment manager” and the Portfolio Manager(s) accepts the appointment, as “investment manager” for purposes of ERISA and the Code, the Portfolio Manager(s) acknowledges that their firm is a fiduciary within the meaning of Section 3(21) of ERISA and Section 497(e)(3) of the Code (but only with respect to the provision of services normally associated with a Portfolio Manager(s)).

Hourly Planning Engagements

TLA provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$300.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying TLA in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, TLA will refund any unearned portion of the advance payment.

TLA may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, TLA will refund any unearned portion of the advance payment.

Fees and Compensation

Description

TLA bases its fees on a percentage of assets under management, hourly charges, fixed fees (not including subscription fees), subscription fees, commissions.

Some *Retainer Agreements* may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Financial plans are priced according to the degree of complexity associated with the client’s situation and generally range from \$3,000-\$5,000 fixed or \$300 per hour.

Fees are *negotiable*.

Fee Billing

Investment management fees are billed quarterly, in ADVANCE, meaning that we invoice you BEFORE the three-month billing period has BEGUN. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing and the fees are indicated on each TLA quarterly performance report. The client must consent in advance to direct debiting of their investment account.

Fees for Financial Plans, Advisory Fees and Consulting Fees are billed in advance.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

TLA in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

New Advisory Service Agreement fees are calculated on a formula basis and adjusted for complexity of individual situations. *The formula is based on gross income, gross assets and other financial considerations.*

Financial planning fees described above do not include the fees you will incur for other professionals (i.e. personal attorney, independent Investment Advisor, or accountant) in connection with the financial planning process.

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to TLA

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted. Please review the mutual fund prospectus and disclosures for exact information.

Past Due Accounts and Termination of Agreement

TLA reserves the right to stop work on any account that is more than 60 days overdue. In addition, TLA reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in TLA's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 60 days.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

TLA does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

TLA generally provides investment advice to individuals, banks or thrift institutions, investment companies, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities, or foundations

Client relationships vary in scope and length of service.

Account Minimums

Taddei, Ludwig & Associates, Inc. typically does not impose an account minimum to establish a managed account advised by our RIA. However, we have a minimum annual Investment Management Services fee of \$8,000. Depending upon circumstances, TLA has the discretion to waive this minimum fee or to sign an hourly agreement with the client.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that TLA may use include Morningstar Principia mutual fund & ETF, Standard & Poors Stock analysis information, Morningstar Principia stock information, Value Line, Charles Schwab & Company's "SchwabLink" service, Advisor Intelligence, and the World Wide Web.

Investment Strategies

The primary investment strategy used for client accounts is strategic asset allocation utilizing a core and satellite approach. This means that we use passively-managed index and exchange-traded funds as the core investments, and then add actively-managed funds

where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Options Risk:** Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- **Fixed Income Risk:** When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- **Longevity Risk:** As we live longer, we are faced with the risk of outliving our funds.
- **Political Risk:** Stock and bond markets can be positively or negatively effected by world political events.
- **ETF and Mutual Fund Risk:** When investing in a an ETF or mutual fund, there are additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs. Leveraged and inverse ETFs may not be suitable for all investors and have unique characteristics and risks. Although there are limited occasions where a leveraged or inverse ETF may be useful for some types of investors, it is extremely important to understand that, for holding periods longer than a day, these funds may not give you the returns you may be expecting.

Disciplinary Information

Legal and Disciplinary

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our

management. Our firm and our management personnel have no reportable disciplinary events to disclose

Other Financial Industry Activities and Affiliations

Financial Industry Activities

TLA is not and does not have a related company that is an (1) broker-dealer (2) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund), (3) futures commission merchant, commodity pool operator, or commodity trading advisor, (4) banking or thrift institution, or (5) sponsor or syndicator of limited partnerships.

However, TLA does have certain partnerships with entities as disclosed below.

Affiliation with Insurance Agencies

TLA Advisor Representatives may be licensed life insurance agents with various insurance companies and may sell insurance products to TLA’s advisory clients. Therefore, the client’s TLA Advisor Representative, in the capacity as a licensed life agent, may be able to implement insurance recommendations for advisory clients electing to receive this service. In this event, TLA Advisor Representatives, in their separate capacities as licensed insurance agents, will receive separate and typical commission compensation for insurance and/or annuity sales. There may be a conflict of interest present in that the TLA Advisor Representative has an incentive to recommend products to be purchased through the TLA Advisor Representative thus increasing the compensation earned by the TLA Advisor Representative. Clients of TLA are not obligated in any manner to use the insurance services provided by TLA Advisor Representatives.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The employees of TLA have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request by calling 415-482-1565 or emailing a request to kirk@tlafinancial.com .

Participation or Interest in Client Transactions

TLA and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the TLA *Investment Advisory Written Policies and Procedures Manual*.

Personal Trading

The Chief Compliance Officer of TLA is Diane McCracken. Diane reviews all employee trades monthly. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

TLA does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services.

TLA recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

TLA recommends discount brokerage firms and trust companies (qualified custodians), such as Charles Schwab & Co., Inc.

TLA *DOES NOT* receive fees or commissions from any of these arrangements

TLA seeks to recommend a custodian/broker that will hold Client Assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETGs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services

- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
 - Reputation, financial strength, and stability
 - Prior service to us and our other clients
 - Availability of other products and services that benefit us and our clients
-

Best Execution

TLA reviews the execution of trades at each custodian each year. The review is documented in the Best Execution File under the TLA *Books and Records*. Trading fees charged by the custodians is also reviewed on an annual basis. TLA does not receive any portion of the trading fees.

Order Aggregation

TLA aggregates trade orders and allocates orders on a pro rata basis for partially filled orders. TLA will not favor any client over any other client and each client participating in the order will participate at an average share price of all TLA transactions in that security on the day of execution and transaction costs will be determined at an account level by the custodian. Mutual funds are not aggregated as they do not garner any client benefit.

Review of Accounts

Periodic Reviews

Account reviews are performed quarterly by advisors. Account reviews may be performed more frequently when market conditions dictate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis; Investment Management clients receive written quarterly updates. The written updates may include a net worth statement, portfolio statement, and a summary of objectives and progress towards meeting those objectives.

Client Referrals and Other Compensation

Incoming Referrals

TLA has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

TLA receives an economic benefit from custodians such as Schwab in the form of support products and services it makes available to us and other independent investment advisors whose clients maintain an account.

Some custodians offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal and business needs
- Publication and conferences on practice management and business succession
- Access to employee benefits provider, human capital consultants, and insurance providers.

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

Referrals Out

TLA does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Custody

Account Statements

All assets are held at qualified custodians, which mean the custodians provide account statements directly to clients at their address of record at least quarterly. TLA encourages clients to review account statements

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by TLA.

Net Worth Statements

Clients are frequently provided net worth statements and net worth graphs that are generated from our client relationship management system. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

Investment Discretion

Discretionary Authority for Trading

TLA accepts discretionary authority to manage securities accounts on behalf of clients. TLA has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, TLA consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. TLA does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. Client signs a limited power of attorney so that TLA may execute the trades that client has approved.

Voting Client Securities

Proxy Votes

TLA does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, TLA will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

TLA does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because TLA does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

Business Continuity Plan

General

TLA has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services and key people.

Disasters

The Business Continuity Plan covers natural disasters such as earthquakes, snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel

TLA has signed a Business Continuation Agreement to support TLA in the event of one of the owner's serious disability or death.

Information Security Program

Information Security

TLA maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

TLA recognizes its obligation to keep information about our clients secure and confidential. TLA does not sell client information to anyone. TLA restricts access to non-public personal information about its clients to those representatives and employees who need to know that information to provide products or services to the Client. TLA also maintains physical, electronic, and procedural safeguards to guard non-public client information. This notice describes how we handle client financial information that TLA collects while conducting business.

TLA collects information about clients (such as name, address, social security number, assets and income) from discussions with you, and from documents that client may deliver to TLA in the course of providing services. TLA may use this information to open an account for the client or to process a transaction for clients' account. In order to service the account and effect client transactions, TLA may provide personal client information to firms that assist TLA in servicing the client account and have a need for such information, as

permitted by law. TLA may also disclose such information to the Securities & Exchange Commission, or state of California, the regulatory agencies that oversee our activities.

TLA does not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist TLA with the providing of services to the client. Unrelated third parties may include broker/dealers, mutual fund companies, insurance companies, and the custodian with which your assets are held. In such situations, we stress the confidential nature of information being shared.

Former Clients: Even if TLA ceases to provide client with financial products or services, TLA's Privacy Policy will continue to apply and we will continue to treat client's nonpublic information with strict confidentiality.

Anti-Money Laundering Procedures: To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for the client: When client opens an account, TLA will ask for name, address, date of birth, and other information that will allow us to identify the client. TLA may also ask to see a current government issued identification including driver's license or other identifying documents.

TLA will notify client in advance if its privacy policy is expected to change. TLA is required by law to deliver this *Privacy Notice* to clients annually, in writing.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

TLA requires that advisors in its employ have a bachelor's degree or equivalent experience and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP[®], a CFA, a ChFC[®], JD, CTFA, EA, C(k)P[®] or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Additional information about each advisor is available on the SEC's website at www.adviserinfo.sec.gov.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP®): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board (www.cfp.net).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Consultant (ChFC®): Chartered Financial Consultants receive the ChFC® designations from the American College after completing courses in key financial planning disciplines, including investments, retirement planning, insurance, income taxes and estate planning.

- Completion of 7 out of 9 college level courses set by the American College <http://www.theamericancollege.edu/>
- Three-year qualifying full-time work experience

Certified 401k Professional (C(k)P®): Certified 401k Professionals receive the C(k)P® designation by The Retirement Advisor University at UCLA Anderson School of Management Executive Education after completing rigorous courses and have demonstrated competency and experience in the retirement field, completed a rigorous education course which includes classroom, online, and web cast courses, as well as assessments, exams and a case study

- The Retirement Advisor University at UCLA Anderson School of Management Faculty www.TRAUniv.com
- 12-24 months for completion of program
- Education and practical requisites must be met

Accredited Investment Fiduciary® (AIF®) Accredited Investment Fiduciary designees receive the AIF® designation from fi360 after completing rigorous training and exam that focusses on the ability to have a sound investment management process grounded in industry best practices, and understanding the basis for and benefits of fiduciary standards

of excellence. One of the following combinations of education, industry experience, and/or professional development is required to attain the AIF[®] credential.

- Minimum of two (2) years of relevant experience; a bachelor's degree (or higher); and a professional credential.
- Minimum of five (5) years of relevant experience; a bachelor's degree (or higher) or a professional credential.
- Minimum of eight (8) years of relevant experience.
- Pass the AIF[®] Examination
- Submit the application and dues

Certified Divorce Financial Analyst (CDFA[®]): Certified Divorce Financial Analysts earn their certification through the Institute of Divorce Financial Analysts (IDFA[®])

To acquire the designation, a candidate must meet the following qualification:

- Be in good standing with their Broker Dealer (if applicable) and the FINRA/SEC or other licensing or regulatory agency.
- Three years of experience in the financial services, field, accounting or family law
- Completion of self-study course (four modules) <https://www.institutedfa.com/>
- Successfully pass the computer based exam after each module with minimum score of 70%
- Submit the application and dues

Kirk M. Ludwig, ChFC[®], CFP[®], Chief Financial Officer, Chief Investment Officer

Date of Birth

- 10/26/1962

Educational Background:

- Linfield College; Bachelor of Arts – Business, 1985
- American College; MS - Financial Services, 1995

Business Experience:

- Taddei, Ludwig & Associates, Inc. Feb 2010 - Present
- Taddei, Ludwig & Associates, Inc. Jan 1989 - Feb 2010 (Pre-RIA)
- Cambridge Investment Research Inc., Jan 2007 - June 30, 2016
- AXA Advisors Oct 1985 - Jan 2007

Disciplinary Information None

Other Business Activities: Independent insurance agent for various independent insurance companies.

Additional Compensation:

Independent insurance agent: Advisor is independently licensed to sell fixed insurance and fixed annuity products through various insurance companies. When acting in this capacity, Advisor may receive commissions for selling fixed insurance and fixed annuity products or may charge a fee for such services. Clients may choose any independent insurance agent and insurance company to purchase insurance products and are not obligated to purchase insurance products through your Advisor. Regardless of the insurance agent selected, the insurance agent or agency may receive normal commissions from the sale. The receipt of compensation and other potential incentive benefits creates an incentive to recommend products to clients. At the time of any recommendations your Advisor will discuss the products, your needs and any compensation arrangements.

Certain product sponsors may provide your Advisor with economic benefits as a result of your Advisor's recommendation or sale of the product sponsor's investments. The economic benefits received can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards payment of travel expenses, and tools to assist your Advisor in providing various services to clients. These economic benefits may be received directly by your Advisor or indirectly through TLA. These economic benefits could influence your Advisor to recommend certain products/programs over others.

Supervision:

Kirk Ludwig is supervised by Diane McCracken, CCO. She reviews Kirk's work through frequent office interactions as well as remote interactions. She also reviews Kirk's activities through our client relationship management system.

Diane McCracken's contact information:

415-482-1561 diane@tlafinancial.com

Matthew F. Taddei, ChFC®, CFP®, President & Chief Executive Officer

Date of Birth

- 05/25/1961

Educational Background:

- Linfield College; Bachelor of Arts - Business, 1983
- American College; MS - Financial Services, 1995
- American College; MS - Management, 2000
- Institute for Divorce Financial Analysts, 2016

Business Experience:

- Taddei, Ludwig & Associates, Inc. Feb 2010 - Present
- Taddei, Ludwig & Associates, Inc. Jan 1989 - Feb 2010 (Pre-RIA)
- Cambridge Investment Research Inc., Jan 2007 - June 30, 2016
- AXA Advisors Nov 1983 - Jan 2007

Disciplinary Information None

Other Business Activities: Independent insurance agent for various independent insurance companies, Member of Rotary Club of Marin, Sunrise Marin.

Additional Compensation: Independent insurance agent: Advisor is independently licensed to sell fixed insurance and fixed annuity products through various insurance companies. When acting in this capacity, Advisor may receive commissions for selling fixed insurance and fixed annuity products or may charge a fee for such services. Clients may choose any independent insurance agent and insurance company to purchase insurance products and are not obligated to purchase insurance products through your Advisor. Regardless of the insurance agent selected, the insurance agent or agency may receive normal commissions from the sale. The receipt of compensation and other potential incentive benefits creates an incentive to recommend products to clients. At the time of any recommendations your Advisor will discuss the products, your needs and any compensation arrangements.

Certain product sponsors may provide your Advisor with economic benefits as a result of your Advisor's recommendation or sale of the product sponsor's investments. The economic benefits received can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards payment of travel expenses, and tools to assist your Advisor in providing various services to clients. These economic benefits may be received directly by your Advisor or indirectly through TLA. These economic benefits could influence your Advisor to recommend certain products/programs over others.

Supervision:

Matthew Taddei is supervised by Diane McCracken, CCO. She reviews Matt's work through frequent office interactions as well as remote interactions. She also reviews Matt's activities through our client relationship management system.

Diane McCracken's contact information:
415-482-1561 diane@tlafinancial.com .

Diane McCracken, ChFC[®], C(k)P[®], AIF[®] Chief Compliance Officer, Chief Operating Officer & Secretary

Date of Birth

- 11/06/1959

Educational Background:

- San Diego State University, 1982
- UCLA Anderson School of Business; Certified 401k Professional CKP[®], 2012

Business Experience:

- Taddei, Ludwig & Associates, Inc. Feb 2010 - Present
- Taddei, Ludwig & Associates, Inc. Sept 1994 - Feb 2010 (Pre-RIA)
- Cambridge Investment Research Inc., Jan 2007 - June 30, 2016
- AXA Advisors Sept 1994 - Jan 2007

Disciplinary Information: None

Other Business Activities: Independent insurance agent for various independent insurance companies, President Wild Animals Worldwide

Additional Compensation: Independent insurance agent: Advisor is independently licensed to sell fixed insurance and fixed annuity products through various insurance companies. When acting in this capacity, Advisor may receive commissions for selling fixed insurance and fixed annuity products or may charge a fee for such services. Clients may choose any independent insurance agent and insurance company to purchase insurance products and are not obligated to purchase insurance products through your Advisor. Regardless of the insurance agent selected, the insurance agent or agency may receive normal commissions from the sale. The receipt of compensation and other potential incentive benefits creates an incentive to recommend products to clients. At the time of any recommendations your Advisor will discuss the products, your needs and any compensation arrangements.

Certain product sponsors may provide your Advisor with economic benefits as a result of your Advisor's recommendation or sale of the product sponsor's investments. The economic benefits received can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards payment of travel expenses, and tools to assist your Advisor in providing various services to clients. These economic benefits may be received directly by your Advisor or indirectly through TLA. These economic benefits could influence your Advisor to recommend certain products/programs over others.

Supervision:

Diane McCracken is supervised by Matthew Taddei, President & CEO. He reviews Diane's work through frequent office interactions as well as remote interactions. He also reviews Diane's activities through our client relationship management system.

Matthew Taddei's contact information:
415-482-1562 matt@tlafinancial.com

Jack Nixon, ChFC[®], Financial Advisor

Date of Birth

- 08/15/1932

Educational Background:

- University of Missouri at Kansas City; Bachelor of Arts, Sociology, 1953
- Harvard University; MBA, 1961
- Dominican University of Calif.; MA Humanities, 2013

Business Experience:

- Taddei, Ludwig & Associates, Inc. Jan 2010 - Present
- Taddei, Ludwig & Associates, Inc. Jan 2007 - Feb 2010 (Pre-RIA)
- Cambridge Investment Research Inc., Jan 2007 - June 30, 2016
- LPL: Jan 2004 - Jan 2007
- Allmerica Financial: Dec 1963 - Jan 2004

Disciplinary Information: None

Other Business Activities: Consultant & Independent insurance agent for various independent insurance companies

Additional Compensation: Consulting Fees & Independent insurance agent: Advisor is independently licensed to sell fixed insurance and fixed annuity products through various insurance companies. When acting in this capacity, Advisor may receive commissions for selling fixed insurance and fixed annuity products or may charge a fee for such services. Clients may choose any independent insurance agent and insurance company to purchase insurance products and are not obligated to purchase insurance products through your Advisor. Regardless of the insurance agent selected, the insurance agent or agency may receive normal commissions from the sale. The receipt of compensation and other potential incentive benefits creates an incentive to recommend products to clients. At the

time of any recommendations your Advisor will discuss the products, your needs and any compensation arrangements.

Certain product sponsors may provide your Advisor with economic benefits as a result of your Advisor's recommendation or sale of the product sponsor's investments. The economic benefits received can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards payment of travel expenses, and tools to assist your Advisor in providing various services to clients. These economic benefits may be received directly by your Advisor or indirectly through TLA. These economic benefits could influence your Advisor to recommend certain products/programs over others.

Supervision:

Jack Nixon is supervised by Diane McCracken, CCO. She reviews Jack's work through frequent office interactions as well as remote interactions. She also reviews Jack's activities through our client relationship management system.

Diane McCracken's contact information:

415-482-1561 diane@tlafinancial.com

John F. Hammond, ChFC®, Financial Advisor

Date of Birth

- 06/09/1940

Educational Background:

- City College of San Francisco – Spring 1958
- University of California – Fall 1958 – June 1960
- University of Maryland extension courses
- Diablo Valley College – Fall 1963
- University of Arizona; BS – Business, December 1963 – May 1965

Business Experience:

- Taddei, Ludwig & Associates, Inc. April 1, 2011 - Present
- Cambridge Investment Research Inc., April 1, 2011 - June 30, 2016
- The Strategic Financial Alliance, Inc., 2000 to March 31, 2011
- IFG 1997 – 2000
- Self Employed Life Insurance Broker 1975 – Present
- Connecticut Mutual Life Insurance – Agent and Agency Supervisor July 1965 – November 1975

Disciplinary Information: None

Other Business Activities: Independent insurance agent for various independent insurance companies Cert & Spring Bulb Chairman Las Gallinas Lions Club, Marinwood Task Force committee member.

Additional Compensation: Independent insurance agent: Advisor is independently licensed to sell fixed insurance and fixed annuity products through various insurance companies. When acting in this capacity, Advisor may receive commissions for selling fixed insurance and fixed annuity products or may charge a fee for such services. Clients may choose any independent insurance agent and insurance company to purchase insurance products and are not obligated to purchase insurance products through your Advisor. Regardless of the insurance agent selected, the insurance agent or agency may receive normal commissions from the sale. The receipt of compensation and other potential incentive benefits creates an incentive to recommend products to clients. At the time of any recommendations your Advisor will discuss the products, your needs and any compensation arrangements.

Certain product sponsors may provide your Advisor with economic benefits as a result of your Advisor's recommendation or sale of the product sponsor's investments. The economic benefits received can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards payment of travel expenses, and tools to assist your Advisor in providing various services to clients. These economic benefits may be received directly by your Advisor or indirectly through TLA. These economic benefits could influence your Advisor to recommend certain products/programs over others.

Supervision:

John Hammond is supervised by Diane McCracken, CCO. She reviews John's work through frequent office interactions as well as remote interactions. She also reviews John's activities through our client relationship management system.

Diane McCracken's contact information:
415-482-1561 diane@tlafinancial.com

Meghan M. Nelson, Financial Advisor

Date of Birth

- 02/23/1993

Educational Background

- U.C. Berkeley, CA Extension; Certified Financial Planner Program, Sept 2015-Present
- Dominican University of California; Bachelor of Arts in both Business and Political Science, 2011-2015
- Johannes Kepler University, Study abroad in International Business, 2014

Business Experience:

- Taddei, Ludwig & Associates, Inc., June 2015 - Present
- Dominican University of California, Aug 2011- May 2015
- The Trident, June 2013 - Sept 2014
- U.S. Capital Partners, May 2013 - Sept 2013
- Avani Media and Marketing Solutions, Sept 2012 - July 2013
- Anthony's Woodfire, June 2012 - Sept 2012
- Blazing Onion, June 2009 - July 2011

Disciplinary Information: None

Other Business Activities: None

Supervision:

Meghan Nelson is supervised by Kirk M Ludwig, CFO,CIO. He reviews Meghan's work through frequent office interactions as well as remote interactions. He also reviews Meghan's activities through our client relationship management system.

Kirk Ludwig contact information:

415-482-1565 kirk@tlafinancial.com

Sonya Rech Danne, Financial Advisor

Date of Birth

- 09/28/1970

Educational Background

- Bucknell University; Bachelor of Arts – Economics, 1992
- Columbia University; MBA – Finance, 1998

Business Experience:

- Taddei, Ludwig & Associates, Inc., July 2016 - Present
- Sand Hill Global Advisors, Portfolio Manager, Sept 2013 - March 2016
- Merrill Lynch, Director/Vice President, Aug 1998 - April 2005

Disciplinary Information: None

Other Business Activities: None

Supervision:

Sonya Rech Danne is supervised by Kirk M Ludwig, CFO,CIO. He reviews Sonya's work through frequent office interactions as well as remote interactions. He also reviews Sonya's activities through our client relationship management system.

Kirk Ludwig contact information:

415-482-1565 kirk@tlafinancial.com