

**Part 2A of Form ADV: Firm Brochure  
Item 1: Cover Page  
March 2016**

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This brochure provides information about the qualifications and business practices of Argyle Capital Partners, LLC (hereinafter "ACP CRD# 162246"). If you have any questions about the contents of this brochure, please contact Adam B. Scott at (310) 772-2201. 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 Argyle Capital Partners, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Argyle Capital Partners, LLC is a state registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2: Material Changes to Our Part 2A of Form ADV: Firm Brochure**

This Item discusses only the material changes that have occurred since ACP's last annual update. Since our last annual update filed on February 26, 2015 the following changes have been made:

- ACP offers a Retirement Plan Consulting service, which is further described in Items 4 and 5 below.
- ACP now offers comprehensive financial planning as part of our investment advisory service on a case-by-case basis. We recognize that not all investment management clients will need, or want, financial planning.

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## Item 4: Advisory Business

ACP provides investment management services. Prior to engaging ACP to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with ACP setting forth the terms and conditions under which ACP renders its services (collectively the "Agreement").

ACP has been conducting its advisory business since June 2012 and is currently owned by Adam Scott and Joshua Rudoy. ACP has \$33,100,000 of assets under management as of December 31, 2015, all of which are managed on a discretionary basis.

This Disclosure Brochure describes the business of ACP. Certain sections will also describe the activities of Supervised Persons. Supervised Persons are any of ACP's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on ACP's behalf and is subject to ACP's supervision or control.

### **Investment Management Services**

Clients can engage ACP to manage all or a portion of their assets on a discretionary basis. Clients can also elect to engage ACP for financial planning services, which is outlined in the Investment Management Agreement. As further discussed in response to Item 8, ACP primarily allocates clients' investment management assets among index funds, and individual debt and equity securities. ACP also provides advice about any type of investment held in clients' portfolios.

ACP also may render investment management services to discretionary clients on those accounts which are not charged an annual management fee relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, ACP either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

ACP tailors its advisory services to the individual needs of clients. ACP consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. ACP ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify ACP if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon ACP's management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in ACP's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

We may utilize outside advisors or consultants to assist with financial planning, technology, or trading-based consulting. Before selecting any advisors or consultants, ACP accepts the responsibility of ensuring each is properly licensed or registered in the capacity for which they may be engaged.

## **Retirement Plan Consulting**

Our firm provides retirement plan consulting services to employer plan sponsors on an ongoing basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure and participant education.

Retirement Plan Consulting services typically include:

- i. Establishing an Investment Policy Statement – Our firm will assist in the development a statement that summarizes the investment goals and objectives along with the broad strategies to be employed to meet the objectives.
- ii. Investment Options – Our firm will work with the Plan Sponsor to evaluate existing investment options and make recommendations for appropriate changes.
- iii. Asset Allocation and Portfolio Construction – Our firm will develop strategic asset allocation models to aid Participants in developing strategies to meet their investment objectives, time horizon, financial situation and tolerance for risk.
- iv. Investment Monitoring – Our firm will monitor the performance of the investments and notify the client in the event of over/underperformance and in times of market volatility.

In providing services for retirement plan consulting, our firm does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”).

All retirement plan consulting services shall be in compliance with the applicable state laws regulating retirement consulting services. This applies to client accounts that are retirement or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the client accounts are part of a Plan, and our firm accept appointments to provide services to such accounts, our firm acknowledges its fiduciary standard within the meaning of Section 3(21) or 3(38) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

## **Item 5: Fees & Compensation**

### **Investment Management Fee**

ACP provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by ACP. ACP’s annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. ACP does not, however, receive any portion of these commissions, fees, and costs. ACP’s annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by ACP on the last day of the previous quarter. Fees will be adjusted for deposits and withdrawals made during the quarter. The annual fee varies depending upon the market value of the assets under management and the type of investment management services to be rendered, as follows:

<b>PORTFOLIO VALUE</b>	<b>BASE FEE</b>
Up to \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%
\$1,000,001 - \$5,000,000	1.00%
above \$5,000,000	0.75%

ACP, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.). Lower fees for comparable services may be available from other sources.

We pay compensation to other advisors or consultants for services rendered by these firms to our clients and our firm. This compensation is typically equal to a percentage of the overall investment advisory fee charged by our firm or an agreed upon fixed fee. The fee paid to other advisors or consultants shall be negotiable in certain circumstances, but a client's total fee to ACP shall never exceed the amount in our published fee statement.

### **Retirement Plan Consulting**

Our Retirement Plan Consulting services are billed on a percentage of Plan assets under management. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. Fees based on a percentage of managed Plan assets will not exceed 1.25%. The fee-paying arrangements for Retirement Plan Consulting service will be determined on a case-by-case basis and will be detailed in the signed consulting agreement. Clients will be invoiced directly for the fees.

### **Fees Charged by Financial Institutions**

As further discussed in response to Item 12 (below), ACP generally recommends that clients utilize the brokerage and clearing services of an independent broker-dealer for investment management accounts.

ACP may only implement its investment management recommendations after the client has arranged for and furnished ACP with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to any broker-dealers recommended by ACP, broker-dealers directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are 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. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to ACP's fee.

ACP's *Agreement* and the separate agreement with any *Financial Institutions* may authorize to debit the client's account for the amount of ACP's fee and to directly remit that management fee to ACP. Any *Financial Institutions* recommended by ACP have agreed to send a statement to the client, at least

quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to ACP. Alternatively, clients may elect to have ACP send an invoice for payment. If ACP debits a fee directly from a client account, it will send a statement to the client showing the amount of the fee, the value of the client's assets upon which the fee was based, and the specific manner in which the fee was calculated and reminding clients that it is the client's responsibility to verify the accuracy of the fee calculation as the *Financial Institution* will not do so.

### **Fees for Management During Partial Quarters of Service**

For the initial period of investment management services, the fees are calculated on a *pro rata* basis.

The *Agreement* between ACP and the client will continue in effect until terminated by either party by written notice pursuant to the terms of the *Agreement*. ACP's fees are prorated through the date of termination and any remaining balance is refunded to the client.

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

If assets are deposited into or withdrawn from an account after the inception of a quarter that exceed \$25,000, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter.

Either party to a Retirement Plan Consulting Agreement may terminate at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing an agreement. After five (5) business days from initial signing, either party must provide the other party thirty (30) days written notice to terminate billing. Billing will terminate 30 days after receipt of termination notice. Clients will be charged on a pro-rata basis, which takes into account work completed by our firm on behalf of the client. Clients will incur charges for bona fide advisory services rendered up to the point of termination (determined as 30 days from receipt of said written notice) and such fees will be due and payable.

### **Item 6: Performance-Based Fees & Side-By-Side Management**

ACP does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains or on capital appreciation of the assets of a client.

## Item 7: Types of Clients & Account Requirements

ACP provides its services to individuals, high net worth individuals, corporations and business entities.

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

### Methods of Analysis

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ACP's primary methods of analysis are fundamental and technical.

*Fundamental analysis* involves the fundamental financial condition and competitive position of a company. ACP will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

*Technical analysis* involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using 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 ACP will be able to accurately predict such a reoccurrence.

### Investment Strategies

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ACP takes an active approach to asset management. The firm primarily utilizes index funds, individual equities and fixed income securities to incorporate a fundamental, total-return strategy. ACP focuses on using highly liquid assets to try and reduce interest rate and credit risk, but also incorporate technical analysis in an effort to obtain reasonable, risk-adjusted returns.

When implementing its strategy, the firm evaluates each client's needs, developing a dynamic plan based on net worth, risk tolerance, and specific tax situation. The firm may manage client accounts through the use of similar investment vehicles, but will customize the portfolio to account for individual client circumstances.

### Risks of Loss

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#### *Market Risks*

The profitability of a significant portion of ACP's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that ACP will be able to predict those price movements accurately.

#### *Management Through Similarly Managed Accounts*

For certain clients, ACP may manage portfolios by allocating portfolio assets among various securities on a discretionary basis using one or more of its proprietary investment strategies



(collectively referred to as “*investment strategy*”). In so doing, ACP buys, sells, exchanges and/or transfers securities based upon the *investment strategy*.

ACP’s management using the *investment strategy* complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, or similar State requirements, as amended. Rule 3a-4 provides similarly managed accounts, such as the *investment strategy*, with a safe harbor from the definition of an investment company.

Securities in the *investment strategy* are usually exchanged and/or transferred without regard to a client’s individual tax ramifications. Certain investment opportunities that become available to ACP’s clients may be limited. As further discussed in response to Item 12B (below), ACP allocates investment opportunities among its clients on a fair and equitable basis.

#### *Exchange Traded Funds (ETFs)*

An investment in an ETF involves risk, including the loss of principal. 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 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 ETFs are listed on securities exchanges. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and 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 50,000 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 Margin*

To the extent that a client authorizes the use of margin, and margin is thereafter employed by ACP in the management of the client’s investment portfolio, the market value of the client’s account and corresponding fee payable by the client to ACP will not be increased.

While the use of margin borrowing can substantially improve returns, such use may also increase the adverse impact to which a client’s portfolio may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by the client’s securities and/or other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the client’s obligations and if the client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the client’s obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the client’s borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the client’s profitability.

#### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

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

ACP is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. ACP does not have any required disclosures to this Item.

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

ACP is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. ACP does not have any required disclosures to this Item.

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

ACP and persons associated with ACP ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with ACP's policies and procedures.

ACP has adopted a code of ethics ("*Code of Ethics*") made up of its personal securities transaction and insider trading policies and procedures. In general, when ACP is purchasing or considering for purchase any security on behalf of a client, no *Covered Person* (as defined below) may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when ACP is selling or considering the sale of any security on behalf of a client, no *Covered Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. However, ACP will always act in our fiduciary duty.

Unless specifically defined in ACP's procedures (summarized above), neither ACP nor any of ACP's Associated Persons may effect for himself or herself, for an Associated Person's immediate family (i.e., spouse, minor children, and adults living in the same household as the Associated Person), or for trusts for which the Associated Person serves as a trustee or in which the Associated Person has a beneficial interest (collectively "*Covered Persons*"), any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of ACP's clients.

The foregoing policies and procedures are not applicable to (a) transactions effected in any account over which neither ACP nor any of its *Supervised Persons* (as defined in this Form ADV) has any direct or indirect influence or control; and (b) transactions in securities that are: direct obligations of the government of the United States; bankers' acceptances, bank certificates of deposit, commercial paper, and high quality short-term debt instruments, including repurchase agreements; or shares issued by registered open-end investment companies.

This policy has been established recognizing that some securities being considered for purchase and sale on behalf of ACP's clients trade in sufficiently broad markets to permit transactions by clients to be completed without any appreciable impact on the markets of such securities. Under certain limited circumstances, exceptions may be made to the policies stated above. ACP will maintain records of these trades, including the reasons for any exceptions.

In accordance with Section 204A of the Advisers Act, or similar State statutes or rules, ACP also maintains and enforces written policies reasonably designed to prevent the unlawful use of material non-public information by ACP or any of its *Supervised Persons*.

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

## Item 12: Brokerage Practices

ACP generally recommends that clients utilize the brokerage and clearing services of Charles Schwab & Co., Inc. ("*Schwab*") for investment management accounts.

Factors which ACP considers in recommending *Schwab* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Schwab* enables ACP to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. In addition, *Schwab* has agreed to compensate clients for any transfer fees that may be assessed for moving their account(s) to *Schwab*. The commissions and/or transaction fees charged by *Schwab* may be higher or lower than those charged by other *Financial Institutions*. We are aware of other custodians available for use, but ACP has performed extensive due diligence on Schwab and we feel they are the best fit for our clients. However, every 2-3 years, ACP will review the custodial relationship with Schwab to make sure they continue to be the best fit for our clients.

The commissions paid by ACP's clients comply with ACP'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 ACP 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. ACP seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

ACP periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct ACP 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 ACP 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 ACP (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, ACP may decline a client's request to direct brokerage if, in ACP's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless ACP decides to purchase or sell the same securities for several clients at approximately the same time. ACP 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 ACP's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among ACP's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that ACP determines to aggregate client orders for the purchase or sale of securities, including securities in which ACP's *Supervised Persons* may invest, ACP generally does so in accordance with applicable rules promulgated under the Advisers Act or similar state statutes and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. ACP does not receive any additional compensation or remuneration as a result of the aggregation. In the event that ACP 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, ACP 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.

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 ACP in its investment decision-making process. Such research generally will be used to service all of ACP'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 ACP does not have to produce or pay for the products or services.

### **Software and Support Provided by Financial Institutions**

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ACP may receive from *Schwab*, without cost to ACP, computer software and related systems support, which allow ACP to better monitor client accounts maintained at *Schwab*. ACP may receive the software and related support without cost because ACP renders investment management services to clients that maintain assets at *Schwab*. The software and support is not provided in connection with securities transactions of clients (i.e. not "soft dollars"). The software and related systems support may benefit ACP, but not its clients directly. In fulfilling its duties to its clients, ACP endeavors at all times to put the interests of its clients first. Clients should be aware, however, that ACP's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence ACP's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services. In addition to Schwab related systems support, ACP also utilizes Morningstar Office for report generation such as: performance, cash flow, asset allocation and management fees. ACP also utilizes a client relationship manager program entitled Highrise for all client/prospect note taking.

Additionally, ACP may receive the following benefits from *Schwab* through its Schwab Institutional division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the Schwab Institutional 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.

### **Item 13: Review of Accounts or Financial Plans**

For those clients to whom ACP provides investment management services, ACP monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by one of ACP's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with ACP and to keep ACP informed of any changes thereto. ACP contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom ACP provides investment advisory services will also receive a report from ACP that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance as clients may request from time to time. Clients should compare the account statements they receive from their custodian with those they receive from ACP.

ACP also conducts reviews of client portfolios on an "as needed" basis and will provide written reports summarizing its analysis and conclusions as requested by the client. These reports will also include management fees which have been charged to the client.

Retirement Plan Consulting clients receive reviews of their retirement plans for the duration of the service. Our firm also provides ongoing services where clients are met with upon their request to discuss updates to their plans, changes in their circumstances, etc. Retirement Plan Consulting clients do not receive written or verbal updated reports regarding their plans unless they choose to engage our firm for ongoing services.

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

ACP is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, ACP is required to disclose any direct or indirect compensation that it provides for client referrals.

ACP may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

### **Item 15: Custody**

ACP's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize ACP through such *Financial Institution* to debit the client's account for the amount of ACP's fee and to directly remit that management fee to ACP in accordance with applicable custody rules.

The *Financial Institutions* recommended by ACP have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to ACP. These quarterly reports will be directly sent to the client depicting the amounts billed and the calculations associated with said quarterly management fees. In addition, as discussed in Item 13, ACP also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from ACP.

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

ACP is given the authority to exercise discretion on behalf of clients. ACP is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. ACP is given this authority through a power-of-attorney included in the agreement between ACP and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). ACP 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**

ACP is required to disclose if it accepts authority to vote client securities. ACP does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

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

ACP does not require or solicit the prepayment of more than \$500 in fees six months or more in advance. In addition, ACP is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. ACP has no disclosures pursuant to this Item.

## Item 19: Requirements for State-Registered Advisers

### Principal Executive Officers and Management Persons

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Below is the formal education and business background of each of ACP's principal executive officers and management persons:

#### **Adam B. Scott**

Born 1979

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

Tufts University | B.A., Mechanical Engineering | 2001

#### **Recent Business Background**

*Argyle Capital Partners, LLC* | Managing Member | June 2012 – Present

GDP Wealth | Senior Investment Advisor | August 2010 – June 2012

Morgan Stanley | Financial Advisor | January 2007 – July 2010

#### **Joshua Rudoy**

Born 1975

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

University of Southern California | BA, Communications | 1999

#### **Recent Business Background**

*Argyle Capital Partners, LLC* | Managing Member | July 2012 – Present

Morgan Stanley | Financial Advisor | February 2007 – July 2012

### Additional State Requirements

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None of the *Supervised Persons* of ACP are compensated for advisory services with performance-based fees. In addition, neither ACP nor its management persons have been the subject of the type of disciplinary event in the instructions to Item 19. Neither ACP nor any of its *Supervised Persons* have a relationship or arrangement with any issuers of securities not disclosed in response to Item 10 (above).