

Disclosure Forms

Form ADV Part 2A

Form ADV Part 2B

Item 1. Cover Page

Part 2A of Form ADV Firm Brochure

February 27, 2019

Black & Essington Solutions, LLC

333 S. Wabash Ste 2700

Chicago, Illinois 60604

Phone: 312-995-7120

Email: bthompson@blackessington.com

Website: blackessington.com

This brochure provides information about the qualifications and business practices of Black & Essington Solutions, LLC. If you have any questions about the contents of this brochure, please contact us at 312-995-7120 or email at bthompson@blackessington.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. Registration with the SEC or state regulatory authority does not imply a certain level of skill or expertise. Additional information about Black & Essington Solutions, LLC, is also available on the SEC's website at www.adviserinfo.sec.gov

Item 2: Material Changes

The firm has amended its firm brochure to include the following material changes

- Effective February 27, 2019, Black & Essington Solutions has opened an additional branch location at 1000 Essington Rd Joliet Illinois. The Phone number for this location 815-828-5328
- An update to our reportable assets under management (Item 4)
- Updates to our service offerings that now include educational workshops and speaking engagements (Item 4)
- Effective March 1, 2019, the annualized fee for investment management services will be charged as a percentage of client assets under management, according to the following schedule:
 - Assets less than \$100,000 1.00%
 - \$100,001 to \$500,000 0.75%
 - \$500,001 to \$1,000,000 0.60%
 - \$1,000,001 and above 0.50%

Black & Essington Solution's investment management fees are negotiable

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the firm's website: www.blackessington.com or may contact our firm at 312-995-7120 to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

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Item 4: Advisory Business

A: Black & Essington Solutions, LLC

Black & Essington Solutions, LLC (BES and/or the “firm”), is organized as an Illinois limited liability company and is principally owned by Brian A. Thompson, President of the firm. The entity was formed in January of 2008 initially as a business consulting firm. Black & Essington was reorganized in 2017 into a investment advisory firm offering investment management and financial planning services.

B: Description of Advisory Services Offered

BES is an independent investment management and financial planning firm offering services to individuals, corporations, partnerships, tax exempt, and other legal entities. Investment management services are only offered on a discretionary basis, where BES receives a limited power of attorney to effect securities transactions on behalf of its clients that are consistent with the client’s individual investment policy statement and the strategies offered by the firm. In doing so, BES will evaluate each client’s financial condition and circumstances, risk tolerance, intended time horizon, alongside their objectives to offer recommendations tailored to meet those objectives. BES will also integrate client’s individual investment restrictions that may be related to certain types of securities or listings.

Where appropriate, BES will make ongoing recommendations involving the following: equity securities (exchange listed, over-the-counter, and foreign), mutual funds, exchange-traded-funds (ETFs), stock options, municipal securities, corporate debt securities, and United States government securities.

BES does not provide tax planning or estate planning services. Additionally, BES does not make recommendations as it relates to insurance needs or specific products. Instead, BES introduces third party solution providers that analyze every client’s situation, objectives, and other related financial circumstances to make appropriate recommendations. BES acts as a relationship manager between the client, and the specific subject matter expert to facilitate a collaborative and cohesive experience for the client.

B.1: Financial Planning Services

BES provides financial planning services. In doing so, we do the following:

- Provide advice regarding personal budgeting and cash flow projection and analysis for long-term savings (Typically 1 hour increments are allocated to these activities where 1-2 hours is the estimated time for a personal budgeting and/or cash-flow analysis project)

- Provide advice on income and expenditures to assist clients in reaching specified financial goals using cash-flow based decision-analysis (Typically 1 hour increments are allocated to these activities where 1-2 hours is the estimated time for a personal budgeting and/or cash-flow analysis project)
- Provide clients with a recommended asset allocation plan that is appropriate in meeting the client's financial obligations. This includes: equity securities (exchange listed, over-the-counter, and foreign), mutual funds, exchange-traded-funds (ETFs), stock options, municipal securities, corporate debt securities, and United states government securities. (Typically, 1 hour increments are allocated to these activities where 2-4 hours is the estimated time for a personal budgeting and/or cash-flow analysis project)

These services are available to all BES clients. In providing clients financial planning services to support their objectives, BES will take into consideration the client's risk tolerance, liquidity constraints, and general suitability towards investments. Additionally, BES uses cash flow projections and scenario analysis to assess the client's current financial circumstances in relation to their objectives, to make recommendations regarding expenditures and savings activities. Clients will receive an estimate of any additional expected time necessary to complete their financial planning outside of client meetings once the scope of the project has been identified. BES provides financial planning services that are not comprehensive and do not represent areas such as tax concerns and liabilities, estate planning, or insurance needs. In instances where clients require assistance in these areas, BES will make introductions to professionals with expertise in the appropriate field.

B.2: Discretionary Investment Management Services

BES offers clients upon execution of a limited power of attorney, discretionary asset management services. In managing client's assets, BES will assess each client's current investments, time horizon, age, investment experience, financial situation, risk tolerance and specific investment limitations or restrictions, to make appropriate recommendations and related implementation decisions. BES will recommend third party service providers and/or work with client's third party service providers to effect transactions in accordance with clients return objectives, liquidity needs, tolerance for risk, and overall suitability.

The following services and activities are included when clients engage in BES's discretionary investment management services:

- Analyze and assess client's investment objectives, financial situation, investment holdings and goals
- Propose updated target asset allocation and portfolio structuring that corresponds with the client's risk tolerance, liquidity needs, and overall suitability

- Propose changes to client's investment portfolio resulting from changes in financial situation, liquidity needs, risk tolerance, and specific performance of a client's overall holdings, or the performance of a specific fund or investment vehicle

To maintain a clear, understanding of our client's financial situation, return objectives, liquidity needs, and overall suitability, we engage at least annually with clients to review any changes in these areas. Additionally, at this time or earlier, clients should update us to any changes in their limitations or restrictions in investments. These services are available to all BES clients.

B.3: Publication of Periodicals and Books

BES may engage in the publication and dissemination of informational and educational products including books, articles, or other forms of education materials. No specific recommendations are made within the articles or publications, and the information provided is not intended to meet the objectives or needs of any individuals. There is no fee associated with newsletters and commentary sent in electronic media to clients.

B.4: Educational Workshops, Online Seminars, and Speaking Engagements

We offer periodic financial educational workshops and speaking engagement for that desiring general knowledge on personal finance and investing. Topics may include issues related to financial planning, financial decision making, business planning, business decision making, and other economic, investment, or business topics. Our workshops are educational in nature and do not involve the sale of any investment products. Information presented will not be based on any one person's needs nor do we provide individualized advice to attendees during these workshops or speaking engagement sessions. Educational workshops may be assessed a per-session fee ranging from \$50 to \$500. Online Seminar participants may be assessed a per-session fee ranging from \$50 to \$500. Speaking engagement fees are negotiated directly with the event sponsor, where such fees can range from \$250 to \$2500 depending on a number of factors including: geographical proximity, engagement duration, engagement complexity, the number of sessions, and the type of event.

C: Client Tailored Services and Client Imposed Restrictions

BES will manage each client's account based on the client's financial situation and investment objectives and in accordance with any reasonable restrictions imposed by the client on the management of the account. For example, restricting the account to particular sectors.

D: Wrap Fee Programs

BES does not participate in wrap fee programs.

E. Client Assets Under Management

As of February 21, 2019, BES had discretionary assets under management of \$82,924. As of February 21, 2019, BES had no non-discretionary assets under management, BES does not offer non-discretionary investment management services.

Item 5: Fees and Compensation

A: Methods of Compensation and Fee Schedule

A.1 Asset-Based Fees Schedule

The annualized fee for investment management services will be charged as a percentage of client assets under management, according to the following schedule:

Assets less than \$100,000	1.00%
\$100,001 to \$500,000	.75%
\$500,001 to \$1,000,000	0.60%
\$1,000,001 and above	0.50%

The Investment Management Service Fee is based on the market value of Client's account on the last day of each calendar month multiplied by the applicable annual rate and divided by 12. The Investment Management Service Fee is billed and payable monthly (covering the preceding month) within ten (10) days after the end of the applicable month for which payment is due and will be based on the value of Client's account on the last business day of that month. Client's designated Custodian, an independent and unaffiliated party, will provide all month-end security valuations used to calculate the Investment Advisory fee, independent from any Advisor involvement.

For example, a client with \$289,000 in assets under management based on the market value of the securities on the last day of the calendar month, would be billed \$180.63 for the current month's investment management services.

A client Investment Advisory Agreement may be canceled at any time by the client, or by BES with 30 days' notice to the client. If the Investment Advisory Agreement is executed at any time other than the first day of a calendar month, one of the parties terminates the Agreement, or Client prepays advisory fees or withdraws or adds assets to the account, the Investment Advisory Fee will be prorated based on the number of days in the month that Client was a client of Advisor or the assets were under Advisor's management. A financial planning agreement may be terminated by either party for any reason upon receipt of a written notice. Upon termination of any account, any unearned, prepaid fees will be promptly refunded. If the client has not received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract,

the investment advisory contract may be terminated by the client within five business days of signing the contract without incurring any advisory fees.

At Advisor's discretion, Advisor may combine the account values of family members living in the same household to determine the applicable advisory fee. For instance, Advisor may combine account values for Client, his minor children, joint accounts with his spouse, and other types of related accounts. Combining account values may increase the asset total, ultimately resulting in Client(s) paying a reduced advisory fee based on the available breakpoints in the fee schedule laid out above. If Client authorizes Advisor to use margin in managing the account, the market value of the account and the corresponding fee payable to Advisor will be increased.

Advisor shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of Client.

Black & Essington Solution's investment management fees are negotiable.

A.2: Financial Planning

BES provides financial planning services. In doing so, we do the following:

- Provide advice regarding personal budgeting and cash flow projection and analysis for long-term savings (Typically 1 hour increments are allocated to these activities where 1-4 hours is the estimated time for a personal budgeting and/or cash-flow analysis project)
- Provide advice on current income and expenditures to assist clients in reaching specified financial goals using cash-flow based decision-analysis (Typically 1 hour increments are allocated to these activities where 1-2 hours is the estimated time for a personal budgeting and/or cash-flow analysis project)
- Provide clients with an initial recommended asset allocation plan that is appropriate in meeting the client's financial obligations. This includes: equity securities (exchange listed, over-the-counter, and foreign), mutual funds, exchange-traded-funds (ETFs), stock options, municipal securities, corporate debt securities, and United states government securities. (Typically, 1 hour increments are allocated to these activities where 2-4 hours is the estimated time for a personal budgeting and/or cash-flow analysis project)

In providing clients financial planning services to support their objectives, BES will take into consideration the client's risk tolerance, liquidity constraints, and general suitability towards investments. Additionally, BES uses cash flow projections and scenario analysis to assess the client's current financial circumstances in relation to their objectives, to make recommendations regarding expenditures and savings activities. Clients will receive an estimate of any additional expected time necessary to complete their financial planning outside of client meetings once the

scope of the project has been identified. BES provides financial planning services that are not comprehensive and do not represent areas such as tax concerns and liabilities, estate planning, or insurance needs. In instances where clients require assistance in these areas, BES will make introductions to professionals with expertise in the appropriate field.

Financial Planning fees will be invoiced directly to the client at a rate of \$175 per hour. The advisor will provide the client with an estimate of the charges prior to the beginning of the designated project. Estimates will be based on a good faith estimate of the number of hours to complete the designated project. The client or the advisor may terminate the financial planning services agreement with written notice to the other party.

Black & Essington Solution's fees are negotiable.

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

BES does not engage in performance based fees involving any sharing of portfolio gains between the client and the investment manager.

Item 7: Types of Clients

Black & Essington Solutions, LLC is an independent investment management and financial planning firm offering services to individuals, corporations, partnerships, tax exempt, and other legal entities. BES does not have a minimum account size.

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

A: Methods of Analysis and Investment Strategies

BES engages in many different methods of analysis with a fundamental belief that diversification and risk management are instrumental to long-term growth in client assets. As such, we take a portfolio approach to identifying investment opportunities that are consistent with our client's investment objectives and suitable given their risk tolerance and financial circumstances. To accomplish these objectives, BES recommends broadly-traded Exchange Traded Funds (ETFs), Mutual Funds, Options Contracts, Government Securities, Municipal Securities, and Corporate Debt, Commercial Paper, and Certificates of Deposit. In determining investment recommendations for clients, BES may use portfolio optimization techniques. Technical analysis and other fundamental analysis techniques.

Portfolio Optimization. Our analysis involves using optimization software or other mathematical calculations to determine an appropriate mix of assets given the expected returns and the clients tolerance for risk.

Technical Analysis. Involves reviewing the current and historical charting of the security relative to price and volume to identify trends. Our technical analysis reflects a top down approach where macro-economic analysis is coupled the study of past prices and directional movement to use anticipated patterns and trends to determine entry and exit points for buying and selling securities. Technical analysis does not incorporate the potential risks inherent in poorly-managed or financially unsound companies which underperform regardless of market movement.

Fundamental Analysis. Our fundamental analysis involves building models and making forecasts that allow for relative value assessments of the securities. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk that the price of the security can move up or down along with the overall market given economic and financial factors.

Risks for All Forms of Analysis. Our securities analysis methods rely on the assumption that for the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

A.2: Material Risks of Investment Instruments

Equity Securities. Investing in individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk, and liquidity risk.

Mutual Funds. Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

Exchange-Traded Funds. ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. An example of an ETF would be the SPDRs®. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market. The funds, as a shareholder of another investment company, will bear their pro-rata portion of the other investment company's advisory fee and other expenses, in addition to their own expenses. Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral. Further, the use of leverage (i.e., employing the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

Municipal Securities. Municipal securities carry additional risks than those of corporate and bank-sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax free at the federal level, but may be taxable in individual states other than the state in which both the investor and municipal issuer is domiciled.

U.S. Government Securities. U.S. government securities include securities issued by the U.S. Treasury and by U.S. government agencies and instrumentalities. U.S. government securities may be supported by the full faith and credit of the United States.

Corporate Debt Obligations. Corporate debt obligations include corporate bonds, debentures, notes, commercial paper and other similar corporate debt instruments. Companies use these instruments to borrow money from investors. The issuer pays the investor a fixed or variable rate of interest and must repay the amount borrowed at maturity. Commercial paper (short-term unsecured promissory notes) is issued by companies to finance their current obligations and normally has a maturity of less than nine months. In addition, the firm may also invest in corporate debt securities registered and sold in the United States by foreign issuers (Yankee bonds) and those sold outside the U.S. by foreign or U.S. issuers (Eurobonds).

B: Investment Strategies

B.1: Leverage

Although BES as a general business practice does not utilize leverage, BES will utilize leverage for specific accounts where leverage is suitable for the client and is consistent with the client's investment objectives. The use of margin leverage entails borrowing, which results in additional interest costs to the investor. Regulations concerning the use of margin leverage are established by the Federal Reserve Board and vary if the client's account is held at a broker-dealer versus a bank custodian. Broker-dealers and bank custodians may apply more stringent rules as they deem necessary. In this regard please review the following:

B.2: Short-Term Trading

Although BES as a general business practice does not utilize short-term trading, there may be instances in which short-term trading may be necessary or an appropriate strategy for specific accounts where short-term trading is suitable for the client and is consistent with the client's investment objectives. Short-term trading creates substantial transaction costs that in the aggregate could negatively impact account performance.

B.3: Short-Selling

Although BES generally does not engage in short selling for individual clients, it reserves the right to do so where it is suitable for the client and is consistent with the client's investment objectives. Short selling involves the sale of a security that is borrowed rather than owned. When a short sale is effected, the investor is expecting the price of the security to decline in value so that a purchase or closeout of the short sale can be effected at a significantly lower price. The primary risks of effecting short sales are the availability to borrow the stock, the unlimited potential for loss, and the requirement to fund any difference between the short credit balance and the market value of the security.

B.4: Options Strategies

Various option strategies give the holder the right to acquire or sell underlying securities at the contract strike price up until expiration of the option. Each contract is worth 100 shares of the underlying security. Options entail greater risk but allow an investor to have market exposure to a security or group of securities without the capital commitment required to purchase the underlying security or groups of securities. In addition, options allow investors to hedge security positions held in the portfolio. For detailed information on the use of options and option strategies, please contact the Options Clearing Corporation for the current Options Risk Disclosure Statement. BES as part of its investment strategy may employ the following option strategies:

- Covered call writing
- Long call options purchases
- Long put options purchases

B.4a: Covered-Call Writing

Covered call writing is the sale of in-, at-, or out-of-the-money call option against a long security position held in the client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

B.4b: Long Call Option Strategies

Long call option purchases allow the option holder to be exposed to the general market characteristics of a security without the outlay of capital necessary to own the security. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

B.4c: Long Call Option Purchases

Long put option purchases allow the option holder to sell or “put” the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long-put option increases. In this way, long puts are often used to hedge a long stock position. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

C: Security Specific Material Risks

There is an inherent risk for clients who have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, one type of investment instrument (equities versus fixed income). Clients who have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There is nothing to report on this item.

B. Administrative Enforcement Proceedings

There is nothing to report on this item

C. Self-Regulatory Organization Enforcement Proceedings

There is nothing to report on this item

Item 10: Other Financial Industry Activities and Affiliations

A. Broker-Dealer or Representative Registration

BES nor its employees represents or is directly affiliated with a broker-dealer. BES does not have any pending broker-dealer registrations or applications.

B. Futures or Commodity Registration

BES nor its employees represents, or is directly affiliated with a futures or commodities broker-dealer. BES does not have any pending broker-dealer registrations or applications.

C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Currently, BES and related persons have an affiliation with Black & Essington Capital, LLC (“BEC”), an Illinois Limited Liability Company that’s invests with a long/short event driven equity strategy with a primary focus on consumer related stocks and certain ETF products designed to hedge related exposures. BES acts as the investment advisor to BEC. BES is not currently soliciting investments in BEC through BES clients. Related persons may spend a material amount of their time in connection with BEC. BES receives a management fee in exchange for these services. BES endeavors at all times to put the interests of its clients first as part of fiduciary responsibility to our clients, and we take the following steps to address any potential conflicts:

- We collect, maintain, and document accurate, complete and relevant client background information, including the client’s investment objectives, financial situation, and risk tolerance.
- We conduct regular reviews of each client’s account to verify that all recommendations are suitable to the client’s needs and circumstances.
- We require that employees seek prior approval of any outside employment activities so that we may ensure that conflicts of interest in such activities are addressed.

D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest

BES does not recommend separate account managers or investment products in which it receives any form of compensation from the separate account managers or investment product sponsor.

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

In accordance with the Illinois Securities Law of 1953, BES has adopted policies and procedures designed to detect and prevent insider trading. In addition, BES has adopted a Code of Ethics (the “Code”). Among other things, the Code includes written procedures governing the conduct of BES's advisory and access persons. The Code also imposes certain reporting obligations on person's subject to the Code. The Code and applicable securities transactions are monitored by the Chief Compliance Officer of BES. BES will send clients a copy of its Code of Ethics upon written request.

BES has policies and procedures in place to ensure that the interests of its clients are given preference over those of BES, its affiliates and its employees. For example, there are policies in place to prevent the misappropriation of material non-public information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

A. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

BES does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, BES does not recommend any securities to advisory clients in which it has a direct conflicting proprietary or ownership interest.

B. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

BES, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client
- considered for purchase or sale for the client.

Such conflicts generally refer to the practice of front-running (trading ahead of the client), which BES specifically prohibits. BES has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest
- prohibit front-running
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client

Advisory representatives and employees must follow BES's procedures when purchasing or selling the same securities purchased or sold for the client.

D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

BES, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other BES clients. BES will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation (please refer to Item 12.B.3 Order Aggregation). It is the policy of BES to place the clients' interests above those of BES and its employees.

Item 12: Brokerage Practices

A.1. Custodian Recommendations

BES will recommend that clients establish brokerage accounts with Interactive Brokers (a FINRA-registered broker-dealers and SIPC member; hereinafter collectively referred to as "Custodian"), to maintain custody of clients' assets and to effect trades for their accounts. Although BES may recommend that clients establish accounts at the Custodian, it is the client's decision to custody assets with the Custodian. BES is independently owned and operated and not affiliated with the Custodian. For BES' client accounts maintained in its custody, the Custodian generally does not charge separately for custody services, but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the Custodian or that settle into the Custodian's accounts. The final determination to engage a broker-dealer or custodian recommended by BES will be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities

transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

A.1.a. How We Select Brokers/Custodians to Recommend

BES seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), 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 them
- reputation, financial strength, and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below

A.1.b. Client's Custody and Brokerage Costs

For client accounts that the firm maintains, the custodian generally does not charge clients separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the custodian's accounts. In addition to commissions, the custodian charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that the firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client's custodian account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer.

A.1.c. Soft Dollar Arrangements

BES does not utilize soft dollar arrangements. BES does not direct brokerage transactions to executing brokers for research and brokerage services.

A.1.d. Institutional Trading and Custody Services

The Custodian provides BES with access to its institutional trading and custody services, which are typically not available to the Custodian's retail investors. These services are not contingent upon BES committing to a Custodian any specific amount of business (assets in custody or

trading commissions). The Custodian's brokerage services include the execution of securities transactions, custody, and research.

A.1.e. Other Products and Services

The Custodian also makes available to BES other products and services that benefit BES but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of BES' accounts. The Custodian also makes available to BES software and other technology that:

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing, and other market data
- facilitate payment of BES' fees from its clients' accounts
- assist with back-office functions, recordkeeping, and client reporting

The Custodian also offers other services intended to help BES manage and further develop its business enterprise. These services may include:

- compliance, legal, and business consulting
- publications and seminars or webinars on practice management

The Custodian may also provide other benefits, such as educational events or occasional business entertainment of BES' personnel. In evaluating whether to recommend that clients custody their assets at the Custodian, BES may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost, or quality of custody and brokerage services provided by the Custodian, which may create a potential conflict of interest.

A.1.f. Independent Third Parties

In addition, the Custodian may make available, arrange, and/or pay for these types of services rendered to BES by independent third parties. The Custodian may discount or waive fees they would otherwise charge for some of these services, or pay all or a part of the fees of a third party providing these services to BES.

A.1.g. Additional Compensation Received from Custodians

BES participates in institutional customer programs sponsored by broker-dealers or custodians. BES may recommend these broker-dealers or custodians to clients for custody and brokerage services. There is no direct link between BES' participation in such programs and the investment advice it gives to its clients, although BES receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may include the following products and services (provided without cost or at a discount):

- Receipt of duplicate client statements and confirmations
- Research-related products and tools
- Consulting services
- Access to a trading desk serving BES' participants
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts)
- The ability to have advisory fees deducted directly from client accounts
- Access to an electronic communications network for client order entry and account information
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to BES by third party vendors

The broker-dealer may also pay for business consulting and professional services received by BES' related persons, and may pay or reimburse expenses (including travel, lodging, meals, and entertainment expenses for BES' personnel to attend conferences). Some of the products and services made available by the broker-dealer through its institutional customer programs may benefit BES but may not benefit its client accounts. These products or services may assist BES in managing and administering client accounts, including accounts not maintained at the broker-dealer as applicable. Other services made available through the programs are intended to help BES manage and further develop its business enterprise. The benefits received by BES or its personnel through participation in these programs do not depend on the amount of brokerage transactions directed to the broker-dealer. As part of its fiduciary duties to clients, BES endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by BES or its related persons in and of itself creates a potential conflict of interest and may indirectly influence BES' recommendation of broker-dealers for custody and brokerage services.

A.1.h. The Firm's Interest in Interactive Broker's Services

The availability of these services from the custodian benefits the firm because the firm does not have to produce or purchase them.. These services are not contingent upon the firm committing any specific amount of business to the custodian in trading commissions or assets in custody. The firm believes, however, that the selection of the custodian as custodian and broker is in the best interest of clients. It is primarily supported by the scope, quality, and price of the custodian's services and not the custodian's services that benefit only the firm.

A.2. Brokerage for Client Referrals

BES does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

A.3. Directed Brokerage

A.3.a. BES Recommendations

BES recommends Interactive Brokers as custodian for clients' funds and securities and to execute securities transactions on its clients' behalf.

A.3.b. Client-Directed Brokerage

BES does not engage in non-discretionary client transactions.

B: Aggregating Securities Transactions for Client Accounts

B.1. Best Execution

BES will recommend that clients establish brokerage accounts with Interactive Brokers. Such accounts will be prime broker eligible so that if and when the need arises to effect securities transactions at broker-dealers ("executing brokers") other than with the client's current custodian, such custodian will accept delivery or delivery the applicable security from/to the executing broker. Interactive Brokers charges a "trade away" fee which is charged against the client account for each trade away occurrence. BES, pursuant to the terms of its investment advisory agreement with clients, has discretionary authority to determine which securities are to be bought and sold, the price of such securities, the executing broker, and the commission rates to be paid to effect such transactions. BES recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. BES will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include but are not limited to the following:

- The financial strength, reputation, and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance, and settlement
- Block trading and positioning capabilities
- Performance measurement
- Online access to computerized data regarding customer accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the client
- Related matters involved in the receipt of brokerage services Consistent with its fiduciary responsibilities

To the best of BES' knowledge, this custodians provides high-quality execution, and BES' clients do not pay higher commission or transaction costs in return for such execution.

Commission rates and securities transaction fees charged to effect such transactions are established by the client's independent custodian and/or broker-dealer. Based upon its own knowledge of the securities industry, BES believes that such commission rates are competitive within the securities industry. Lower commissions or better execution may be able to be achieved elsewhere.

B.2. Security Allocation

Since BES may be managing accounts with similar investment objectives, BES may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by BES in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts. BES' allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account the clients' best interests. BES will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations. BES' advice to certain clients and entities and the action of BES for those and other clients are frequently premised not only on the merits of a particular investment but also on the suitability of that investment for the particular client in light of his or her applicable investment objective, guidelines, and circumstances. Thus, any action of BES with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice, or actions of BES to or on behalf of other clients.

B.3. Order Aggregation

Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. All clients participating in each aggregated order will receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro rata portion of commissions. To minimize performance dispersion, "strategy" trades should be aggregated and average priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if BES believes that a larger size block trade would lead to best overall price for the security being transacted.

B.4. Allocation of Trades

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs, and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled." BES acts in accordance with its duty to seek best price and execution and will not continue any arrangements if the firm determines that such arrangements are no longer in the best interests of its clients.

Item 13: Review of Accounts

A: Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved Accounts

Accounts are reviewed by BES' principal. The frequency of reviews is determined based on the client's investment objectives, but reviews are conducted no less frequently than annually. More frequent reviews may also be triggered by a change in the client's investment objectives, large deposits or withdrawals, large purchases or sales, loss of confidence in corporate management, or changes in macro-economic climate. Financial planning clients receive their financial plans and recommendations at the time service is completed. There are no post-plan reviews unless engaged to do so by the client.

B: Review of Client Accounts on Non-Periodic Basis

BES may perform ad hoc reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, or a material change in how BES formulates investment advice.

C: Content of Client-Provided Reports and Frequency

Reports are provided quarterly. The report will provide a detailed listing of the portfolio assets and rate of return for the current quarter, trailing twelve months, and inception to date. The client's independent custodian also provides regular account statements directly to the client. The custodian's statement is the official record of the client's account and supersedes any statements or reports created on behalf of the client by BES.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflict of Interest

As disclosed under Item 12, BES participates in Interactive Broker's institutional customer program and may recommend Interactive Brokers Institutional to clients for custody and brokerage services. There is no direct link between BES's participation in the program and the investment advice it gives to clients, although the firm receives economic benefits through its participation in the program that are typically not available to Interactive Brokers retail investors. These benefits include the following products and services (provided either without cost or at a discount):

- Information on the economy, industries, groups of securities, or individual companies
- Statistical information
- Technical market action
- Pricing and appraisal services
- Proxy and corporate action analysis
- Risk measurement analysis

- Performance analysis
- Trade order management systems
- Trade execution systems
- Analysis of corporate responsibility issues
- Research related products and tools
- Consulting services
- Access to a trading desk serving our clients
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to our client's accounts)
 - The ability to have advisory fees deducted directly from our client's
 - Access to an electronic communications network for client order entry and account information

The benefits received by BES or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to Interactive Brokers. As part of its fiduciary duties to clients, BES endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by BES or its related persons in and of itself creates a potential conflict of interest and may indirectly influence BES's choice of Interactive Brokers for custody and brokerage services.

B. Advisory Firm Payments for Client Referrals

BES does not pay for client referrals.

Item 15: Custody

Clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances, and portfolio holdings in the client's account. BES urges that clients compare the account balance(s) shown on their BES quarter-end balance(s) to their custodian's quarter-end statement. The custodian's statement is the official record of the account.

Item 16: Investment Discretion

Clients may grant a limited power of attorney to BES with respect to trading activity in their accounts by signing the appropriate custodian limited power of attorney form. In those cases, BES will exercise full discretion as to the nature and type of securities to be purchased and sold, and the amount of securities for such transactions. Investment limitations may be designated by the client as outlined in the investment advisory agreement.

Item 17: Voting Client Securities

BES does not take discretion with respect to voting proxies on behalf of its clients. Except as required by applicable law, BES will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. BES has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. BES also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, BES has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where BES receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.

Item 18: Financial Disclosures

A. Balance Sheet

BES does not require prepayment of fees of \$500 or more, six months in advance, and as such is not required to file a balance sheet.

B. Financial Conditions Reasonable Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

BES does not have any financial issues that would impair its ability to provide service to clients.

C. Bankruptcy Petitions During the Past Ten Year

There is nothing to report on this item.

Item 19: Requirements for State-Registered Advisors

A: Principal Executive Officers and Management Persons

Brian A. Thompson is the firm's sole member. Education and business background information are included in the Brochure Supplement provided with this Brochure.

B: Outside Business Activities Engaged In

In his capacity as an Adjunct Professor at DePaul University, Brian A. Thompson is the faculty advisor to the Geoffrey A. and Linda L. Hirt International Investment Fund which is a student

run equity portfolio that is part of the DePaul University Endowment Fund. Brian A. Thompson executes student submitted orders and approves orders ensuring their compliance with the Investor Policy Statement.

C: Performance-Based Fee Description

Other than what has been supplied in response to Item 6, there is nothing to report on this item.

D: Disclosure of Material Facts Related to Arbitration or Disciplinary Actions Involving Management Persons

Other than what has been supplied in response to Item 9, there is no additional information to disclose.

E: Material Relationships Maintained by this Advisory Business or Management Persons with Issuers of Securities

Other than what has been supplied in response to Item 10.C. of this Brochure, there is no additional information to disclose.