

Item 1. Introduction

We are Robert P. Groesbeck, CFA and Theodore Groesbeck, CFA. Our firm is registered with the Securities and Exchange Commission as an investment adviser.

Investment advisory services and fees differ from one adviser to another and it is important for the retail investor to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs), which also provides educational materials about investment advisers and investing.

Item 2. Relationship and Services

We offer investment advisory services to retail investors on either a discretionary or non-discretionary basis. A non-discretionary service would require us to get your permission to enter any trades for the portfolio. Since you are presumably intending to use our services to select securities for your portfolio and, since it is the most efficient manner in which to manage a portfolio, we prefer to have discretionary authority to add and subtract securities from the portfolio as we see fit. This would require you to fill out a form or indicate to your broker that we are to have a limited power of attorney, which enables us to only place trades in the account.

At the outset of our relationship you should select a broker to act as custodian for your account and to execute any trades we place. If you do not have a broker, or would like us to make a recommendation along those lines, we would be happy to do so. You may continue to use your current broker or we can discuss using a discount brokerage firm, which may entail lower commission rates.

When starting a relationship, we will discuss your investment objectives, including taxation matters and any need for income from the portfolio. Most of our clients select long-term growth of principal as their primary objective. We utilize common stocks to achieve long-term growth. However, we will also select fixed income securities for your portfolio if you wish. We also participate in several wrap fee programs offered by different brokerage firms.

- (i) We monitor retail investors' investments daily as part of our standard services.
- (ii) Our discretionary authority allows us to make changes as we deem fit in order to respond to corporate developments. We normally monitor our portfolio holdings in perpetuity for any change in expected future earnings trends. Retail investors may have a non-discretionary arrangement with us whereby the investor makes the ultimate decision regarding the purchase or sale of investments. However, we strongly discourage this practice.
- (iii) We do not sell any proprietary products and offer advice on all types of investments.
- (iv) In general, our minimum account size is \$100,000 to open or maintain a portfolio management relationship. This can be modified in certain circumstances.

A. Additional Information:

We are an employee-owned investment adviser, providing equity portfolio management services to high net worth individuals, trusts, pension/profit sharing plans, IRAs and foundations.

You may impose restrictions on the portfolio such as

- (1) The mix of the portfolio between stocks, bonds and/or cash equivalent;
- (2) The percentage invested in a particular issue or industry
- (3) The quality of the securities held
- (4) Prohibit the purchase of particular stocks or securities, among others

We will select investments that meet the criteria set by your investment objectives, giving consideration to any limitations you impose on the portfolio.

Item 3. Fees, Costs, Conflicts, and Standards of Conduct

We are compensated on a percentage of assets basis

- (i) Our standard fee begins at 1% per annum of the principal value of the portfolio and scales down on larger account. All fees are negotiable and are paid quarterly. We expect that our fee will grow as the value of the account grows and in this manner we feel that our long-term interest coincides with yours. Wrap program fees are set by the sponsoring organization and we receive a portion of the bundled fee for our investment management services. These programs include most transaction costs and fees paid to the sponsor and therefore are higher than a typical asset-based advisory fee.
- (ii) You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time.

A. Standard of Conduct

- (i) **“When we act as your investment advisor, we have to act in your best interest and not put our interest ahead of yours.”**

Our firm has a detailed code of ethics and policies and procedures that govern the organization. The spirit and intent of our code is to put clients’ interest first.

B. “How do your financial professionals make money?”

- (i) Our financial professionals are compensated by cash salaries and non-cash benefits. If appropriate, cash bonuses may also be paid.
- (ii) Our professionals are compensated based on the amount of client assets they service and/or the complexity of the skills required to perform their tasks.

Item 4. Disciplinary History

- A. None of our employees has ever been the subject of any disciplinary action by the SEC or any other securities regulatory body.

Item 5. Additional Information

- A. The retail investor can find additional information about our investment services from our web site, which is www.groesbeckim.com. Additional information is available from our ADV filed with the U.S. Securities and Exchange Commission.
- B. We encourage you to ask the following: “Who is my primary contact person? Is he or she a representative of a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?”