Item 1 Cover Page

Heritage Capital, LLC

CRD # 127650/SEC#:801-70050

Brochure
Dated: February 28, 2026

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This Brochure provides information about the qualifications and business practices of Heritage Capital, LLC. If you have any questions about the contents of this Brochure, please contact us at (203) 389-3553 or paul@investfortomorrow.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Heritage Capital, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Heritage Capital, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

There have been no material changes made to Heritage Capital, LLC's disclosure statement since last year's Annual Amendment filing on February 1, 2025.

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Item 4 Advisory Business

A. Heritage Capital, LLC ("Heritage Capital") is a limited liability company formed on June 12, 2003 in the state of Connecticut. Heritage Capital became registered as an Investment Adviser Firm in July 2003. Heritage Capital is owned by Paul B. Schatz. Mr. Schatz is Heritage Capital's Principal and Chief Compliance Officer.

B. As discussed below, Heritage Capital offers to its clients (individuals, 401Ks and profit sharing plans, business entities, trusts, estates and charitable organizations, etc.) investment advisory services, financial planning and consulting services, and/or retirement consulting services.

INVESTMENT ADVISORY SERVICES

The client can engage Heritage Capital to provide discretionary investment advisory services on a *fee* basis. Heritage Capital's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Heritage Capital's management. Prior to engaging Heritage Capital to provide investment advisory services, clients are required to enter into an *Investment Advisory Agreement* with Heritage Capital setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

Heritage Capital provides investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objectives. Thereafter, Heritage Capital will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. Heritage Capital primarily recommends client investment asset allocation among various mutual funds, exchange traded funds, and/or investment subdivisions of variable annuity investment products, in accordance with Heritage Capital's proprietary asset management programs, whereby Heritage Capital shall exchange and/or transfer funds owned by the client among different asset categories within the same (or different) fund family(ies), on a discretionary basis, in accordance with the investment objective(s) of the client.

FINANCIAL PLANNING AND CONSULTING

To the extent requested by a client, Heritage Capital may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. If requested by the client, Heritage Capital may recommend the services of other professionals for implementation purposes. The client always has the right to decide whether to act upon the recommendation of Heritage Capital. Should the client decide to accept Heritage Capital's recommendation, the client may choose any professional to execute that recommendation. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Heritage Capital. If the client engages any professional (i.e., attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the engaged professional shall remain exclusively responsible for resolving any such dispute with the client. At all times, the engaged licensed professional[s] (i.e., attorney, accountant, insurance agent, etc.), and not Heritage Capital, shall be responsible for the quality and competency of the services provided.

Please Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. However, federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, the client is not waiving any rights they may have under federal and state securities laws in this respect.

Please Also Note: It remains the client's responsibility to promptly notify Heritage Capital if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Heritage Capital's previous recommendations and/or services.

RETIREMENT CONSULTING

Heritage Capital also provides non-discretionary pension consulting services, pursuant to which it assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives (generally open-end mutual funds) from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. In addition, to the extent requested by the plan sponsor, Heritage Capital shall also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The terms and conditions of the engagement shall generally be set forth in a *Retirement Plan Consulting Agreement* between Heritage Capital and the plan sponsor.

Retirement Rollovers-Potential for Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Heritage Capital recommends that a client roll over their retirement plan assets into an account to be managed by Heritage Capital, such a recommendation creates a conflict of interest if Heritage Capital will earn new (or increase its current) compensation as a result of the rollover. If Heritage Capital provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), Heritage Capital is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. No client is under any obligation to roll over retirement plan assets to an account managed by Heritage Capital, whether it is from an employer's plan or an existing IRA.

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MISCELLANEOUS

Please Note: Cash Positions. Heritage Capital continues to treat cash as an asset class. As such, unless determined to the contrary by Heritage Capital, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Heritage Capital's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Heritage Capital may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Heritage Capital's advisory fee could exceed the interest paid by the client's money market fund.

Use of Mutual and Exchange Traded Funds: Most mutual funds and exchange traded funds are available directly to the public. Therefore, a prospective client can obtain many of the funds that may be utilized by Heritage Capital independent of engaging the Firm as an investment advisor. However, if a prospective client determines to do so, he/she will not receive Heritage Capital's initial and ongoing investment advisory services.

In addition to Heritage Capital's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).

Paladin / WiserAdvisor. Heritage Capital's Principal, Paul B. Schatz, is a member of the Paladin / WiserAdvisor (www.paladinregistry.com). Mr. Schatz pays fixed monthly dues and variable fees for Paladin's services. Paladin uses the dues to provide four free services to investors: pre-screen advisors, rate the quality of advisors, produce documentation for advisors' credentials, ethics, and business practices, and educate investors about investment advisors. Paladin also matches Mr. Schatz to investors who use its Self Search and Custom Search services.

Client Obligations. In performing its services, Heritage Capital shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Heritage Capital if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Heritage Capital's previous recommendations and/or services.

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Heritage Capital) will be profitable or equal any specific performance level(s).

Disclosure Statement. A copy of Heritage Capital's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Retirement Plan Consulting Agreement*.

Variable Annuity Sub-divisions. Heritage Capital may also render discretionary investment management services to clients relative to variable annuity products that they may own. In so doing, Heritage Capital directs the allocation of client assets among the various mutual fund sub-divisions which comprise the variable annuity product based upon the investment objectives of the client**.**

Please Note: Inverse/Enhanced Market Strategies. Heritage Capital may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of more than 1 times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. Enhanced or leveraged strategies come with additional and significant risk as losses are magnified by the amount of leverage. Additionally, most enhanced mutual funds and ETFs

are not designed to be held long-term as the daily compounding factor can have a detrimental impact on the owner for the shares. There can be **no assurance** that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct Heritage Capital, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Cash Sweep Accounts. Certain account custodians can require that cash proceeds from account transactions or new deposits, be swept to and/or initially maintained in a specific custodian designated sweep account. The yield on the sweep account will generally be lower than those available for other money market accounts. When this occurs, to help mitigate the corresponding yield dispersion, Heritage Capital shall (usually within 30 days thereafter) generally (with exceptions) purchase a higher yielding money market fund (or other type security) available on the custodian's platform, unless Heritage Capital reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to the amount of dispersion between the sweep account and a money market fund, the size of the cash balance, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account. Please Note: The above does not apply to the cash component maintained within a Heritage Capital actively managed investment strategy (the cash balances for which shall generally remain in the custodian designated cash sweep account), an indication from the client of a need for access to such cash, assets allocated to an unaffiliated investment manager, and cash balances maintained for fee billing purposes. Please Also Note: The client shall remain exclusively responsible for yield dispersion/cash balance decisions and corresponding transactions for cash balances maintained in any Heritage Capital unmanaged accounts

Custodian Charges-Additional Fees. As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Heritage Capital generally recommends that Axos Advisor Services and Axos Clearing LLC (together "Axos") serve as the broker-dealer/custodian for client investment management assets. The specific broker-dealer/custodian recommended could depend upon the scope and nature of the services required by the client. Broker-dealers such as Axos charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, dealer spreads, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian. While certain custodians, including Axos, generally (with exceptions) do not currently charge fees on individual equity transactions (including ETFs), others do. Please Note: there can be no assurance that Axos will not change its transaction fee pricing in the future. The above fees/charges are in addition to Heritage Capital's investment advisory fee at Item 5 below. Heritage Capital does not receive any portion of these fees/charges.

Cybersecurity Risk. The information technology systems and networks that Heritage Capital and its third-party service providers use to provide services to its clients employ various controls that are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in the Firm's operations and/or result in the unauthorized acquisition or use of clients' confidential or non-public personal information. In accordance with Regulation S-P, Heritage Capital is committed to protecting the privacy and security of its clients' non-public personal information by implementing appropriate administrative, technical, and physical

safeguards. Heritage Capital has established processes to mitigate the risks of cybersecurity incidents, including the requirement to restrict access to such sensitive data and to monitor its systems for potential breaches. Clients and Heritage Capital are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur financial losses and/or other adverse consequences. Although Heritage Capital has established processes to reduce the risk of cybersecurity incidents, there is no guarantee that these efforts will always be successful, especially considering that Heritage Capital does not control the cybersecurity measures and policies employed by third-party service providers, issuers of securities, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchanges, and other financial market operators and providers. In compliance with Regulation S-P, Heritage Capital will notify clients in the event of a data breach involving their non-public personal information as required by applicable state and federal laws.

Bitcoin, Cryptocurrency, and Digital Assets. For clients who want exposure to Bitcoin, cryptocurrencies, or digital assets, the Heritage Capital, will advise the client to consider a potential investment in corresponding exchange traded securities, or an allocation to separate account managers and/or private funds that provide cryptocurrency exposure. Bitcoin and cryptocurrencies are digital assets that can be used for various purposes, including transactions, decentralized applications, and speculative investments. Most digital assets use blockchain technology, an advanced cryptographic digital ledger to secure transactions and validate asset ownership. Unlike conventional currencies issued and regulated by monetary authorities, cryptocurrencies generally operate without centralized control, and their value is determined by market supply and demand. While regulatory oversight of digital assets has evolved significantly since their inception, they remain subject to variable regulatory treatment globally, which may impact their risk profile and liquidity. Given that cryptocurrency investments are speculative and subject to extreme price volatility, liquidity constraints, and the potential for total loss of principal, Heritage Capital does not exercise discretionary authority to purchase cryptocurrency investments for client accounts. Any investment in cryptocurrencies must be expressly authorized by the client. The Heritage Capital does not recommend or advocate for the purchase of, or investment in, Bitcoin, cryptocurrencies, or digital assets. Such investments are considered speculative and carry significant risk. Clients who authorize the purchase of a cryptocurrency investment must be prepared for the potential for liquidity constraints, extreme price volatility, regulatory risk, technological risk, security and custody risk, and complete loss of principal

Portfolio Activity. Heritage Capital has a fiduciary duty to provide services consistent with the client's best interest. Heritage Capital will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Heritage Capital determines that changes to a client's portfolio are unnecessary. Clients remain subject to the fees described in Item 5 below during periods of portfolio inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by the Heritage Capital will be profitable or equal any specific performance level(s).

C. Heritage Capital shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Heritage Capital shall allocate and/or recommend that the client allocate investment assets consistent

with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on Heritage Capital's services.

D. Heritage Capital does not participate in a wrap fee program.

E. As of February 28, 2026, Heritage Capital had $151,651,533.78 in assets under management on a discretionary basis and $0 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

A. The client can determine to engage Heritage Capital to provide discretionary investment advisory services on a *fee* basis.

INVESTMENT ADVISORY SERVICES
If a client determines to engage Heritage Capital to provide discretionary investment advisory services on a *fee* basis, Heritage Capital's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under Heritage Capital's management (between negotiable and 0.50% per quarter) as follows:

Market Value of Portfolio	% of Assets
Up to $1,000,000	0.50% per calendar quarter
Over $1,000,000	Negotiable

B. Clients may elect to have Heritage Capital's advisory fees deducted from their custodial account. Both Heritage Capital's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of Heritage Capital's investment advisory fee and to directly remit that management fee to Heritage Capital in compliance with regulatory procedures. In the limited event that Heritage Capital bills the client directly, payment is due upon receipt of Heritage Capital's invoice. Axos deducts fees quarterly in arrears based upon the average daily balance in the account during the billable period.

C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Heritage Capital shall generally recommend that Axos or the specific mutual fund or insurance company that issued the mutual fund or variable life/annuity product serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Axos charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Heritage Capital's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). (**See** Item 12 below, for more information about Heritage Capital's recommendation of Brokers)

D. Heritage Capital's annual investment advisory fee shall be prorated and paid. Heritage Capital's quarterly investment advisory fee shall be prorated is billed quarterly in arrears based upon the average daily balance during the billable period for accounts custodied at Axos The *Investment Advisory Agreement* between Heritage Capital and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, a pro-rated portion of the

earned but unpaid advisory fee shall be due.

E. Clients may also engage Heritage Capital on an hourly basis for certain financial planning and portfolio construction and allocation services. Hourly rates are $300, billed in 20-minute increments and are payable at the completion of the project.

F. Heritage, in its sole discretion, may waive its account minimum, charge a lesser investment advisory fee and/or charge a flat 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, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, referrals from existing clients, competition, negotiations with client, etc.) **Please Note**: As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS**: Heritage's Chief Compliance Officer, Paul Schatz, remains available to address any questions that a client or prospective client may have regarding advisory fees.

G. Heritage also offers employer-sponsored retirement plan consulting services on a non-discretionary basis. The investment advisory fee for such services is 0.125% per quarter for the first $1,000,000 of plan assets and negotiable thereafter.

H. Neither Heritage Capital, nor its representatives, accepts compensation from the sale of securities or other investment products.

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

Neither Heritage Capital nor any supervised person of Heritage Capital accepts performance-based fees.

Item 7 Types of Clients

Heritage Capital's clients shall generally include individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations. Heritage Capital generally requires a $500,000 minimum asset level for investment advisory services. The Firm does not have a minimum fee. Heritage Capital, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum asset requirement 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, negotiations with client, etc.).

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

A. Heritage Capital may utilize the following methods of security analysis:
- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

Heritage Capital may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Heritage Capital) will be profitable or equal any specific performance level(s). Investing in securities involves risk of loss that clients should be prepared to bear.

B. Heritage Capital's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis Heritage Capital must have access to current/new market information. Heritage Capital has no control over the dissemination rate of market information; therefore, unbeknownst to Heritage Capital, certain analyses may be compiled with outdated market information, severely limiting the value of Heritage Capital's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Heritage Capital's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs and thereby reduce returns when compared to a longer-term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short-term investment strategy and substantially higher transaction costs than a longer-term investment strategy.

In addition to the fundamental investment strategies discussed above, Heritage Capital may also implement and/or recommend short selling, a strategy that has a high level of inherent risk. (*See* discussion below).

Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third-party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third-party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

C. Currently, Heritage Capital primarily allocates client investment assets among various mutual funds, exchange traded funds, and/or investment subdivisions of variable annuity investment products, in accordance with Heritage Capital's proprietary asset management programs, whereby Heritage Capital shall exchange and/or transfer funds owned by the client among different asset categories within the same (or different) fund family(ies), on a discretionary basis, in accordance with the investment objective(s) of the client. Exchange Traded Fund Risk. ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) an ETF's shares may trade at a market price that is above or below its net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

Heritage Capital generally allocates the investment management assets of its client accounts, on a discretionary basis, among one or more of its proprietary asset management programs. Certain of Heritage Capital's proprietary programs have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is specifically applicable to Heritage Capital's management of client assets:

1. ***Initial Interview*** – at the opening of the account, Heritage Capital, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. ***Individual Treatment*** – the client's account is managed on the basis of the client's financial situation and investment objectives;
3. ***Quarterly Notice*** – at least quarterly Heritage Capital shall notify the client to advise Heritage Capital whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of his/her/its account;
4. ***Annual Contact*** – at least annually, Heritage Capital shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of his/her/its account.
5. ***Consultation Available*** – Heritage Capital shall be reasonably available to consult with the client relative to the status of the client's account;
6. ***Quarterly Statement*** – the client shall be provided with a quarterly report for the account for the preceding period;
7. ***Ability to Impose Restrictions*** – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct Heritage Capital not to purchase certain mutual funds;
8. ***No Pooling*** – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the client's account;

9. ***Separate Account*** - a separate account is maintained for the client with the Custodian; and
10. ***Ownership*** – each client retains indicia of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

Heritage Capital's annual investment management fee may be higher or lower than that charged by other investment advisers offering similar services/programs. Heritage Capital's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

Investment Management Philosophy

Heritage Capital's investment management philosophy is focused on capital preservation as well as appreciation through the use of strict risk management strategies designed to protect client assets in certain situations while growing them in others.

Heritage Capital's active investment management strategy seeks to reposition assets as the financial markets change, rather than buy and hold, which exposes assets to undue vulnerability and volatility.

I. High Yield Bond Program

Heritage Capital's High Yield Bond Program employs an intermediate-term momentum model that buys and sells appropriate high yield and floating rate bond mutual funds. Our goal is to participate in the high yield bond market with lower risk and less exposure to interest rates. Strict stop loss protection is a key element of this strategy to keep drawdowns at a minimum. The High Yield Bond Program offers capital appreciation, capital preservation and dividends without the typical bond risk from rising interest rates.

II. High Yield Bond Plus Program

Heritage Capital's High Yield Bond Plus Program employs a short-term momentum model that buys and sells appropriate high yield bond exchange traded funds. Our goal is to participate in the high yield bond market with lower risk and less exposure to interest rates. Strict stop loss protection is a key element of this strategy to keep drawdowns on the modest side. The High Yield Bond Plus Program offers capital appreciation, capital preservation and dividends without the typical bond risk from rising interest rates.

III. Emerging Markets Bond Program

Heritage Capital's Emerging Markets Bond Program employs a short-term momentum model that buys and sells appropriate emerging markets / sovereign debt exchange traded funds. Our goal is to participate in the emerging markets bond market with lower risk and less exposure to interest rates and currency exchange rates. Strict stop loss protection is a key element of this strategy to keep drawdowns on the modest side. The Emerging Markets Bond Program offers capital appreciation, capital preservation and dividends without the typical bond risk from rising interest rates and fluctuating currency exchange rates.

IV. Short-Term Gold Equities Program

Heritage Capital's Short-Term Gold Equities Program is a concentrated, risk managed sector program designed to participate in the short and intermediate-term rallies in the PHLX Gold/Silver Index (XAU) using the Gold Miners ETF, Rydex Precious Metals Fund and similar gold related instruments. When short and intermediate-term price declines occur, our objective is to position client assets in the safety of money market funds. Capital preservation and appreciation have similar weights in this actively managed strategy, but volatility and drawdowns are significantly below historical levels through the use of tight and stringent stop losses on all positions.

This program is non-correlated to the U.S. stock market. Through its focus on short and intermediate-term moves, it has the potential to produce gains regardless of the longer-term market direction for precious metals mining companies.

V. Best of Bonds Program

Heritage Capital's Best of Bonds Program employs short-term and intermediate-term momentum models to indicate which fixed income sector has the better likelihood of rising between high yield bonds (risk on) and treasury bonds (risk off). It then buys and sells appropriate high yield and long-term Treasury bond exchange traded funds. When neither sector offers a positive risk/reward ratio, the portfolio will be invested in short-term cash equivalents.

Our goal is to participate in the bond market sector that offers the best risk/reward ratio with lower risk and less exposure to interest rates. Stop loss protection is a key element of this strategy to keep drawdowns on the moderate side. The Best of Bonds Program offers capital appreciation, capital preservation and dividends without the typical bond risk from rising interest rates.

VI. Strategic Active Asset Allocation Program

Heritage Capital's Strategic Active Asset Allocation Program first begins with a periodically updated allocation between equities and fixed income. From there actively managed exchange traded funds and mutual funds that have internal capital protection strategies are chosen from a small pool. The Strategic Active Asset Allocation Program offers capital appreciation and dividends and seeks to keep drawdowns well below the popular indices.

VII. Global Active Asset Allocation Program

Heritage Capital's Global Active Asset Allocation is based on the time-tested and highly successful Yale endowment model. This top down, actively managed, quantitative strategy offers diversified exposure to the global financial system across multiple asset classes. Using index based mutual funds and exchange traded funds (ETFs), the world is broken down into U.S. equities, international equities, fixed income, commodities, currencies and real estate for weekly portfolio rebalances.

This long only strategy seeks to offer competitive returns to the traditional 60/40 equities to fixed income blend with lower volatility and drawdowns from the use of non-emotional, diligently researched, multi factor alpha signals and strict

position limits. With low correlation to the U.S. stock market, capital preservation outweighs appreciation and dividend income is also a benefit.

VIII. Dividend Income & Growth

Heritage Capital's Dividend Income & Growth Program begins with a 60% core holding in lower volatility dividend paying exchange traded funds (ETFs), usually in equities. As stock market conditions dictate, additional dividend paying ETFs may be added that hold equities, convertible bonds, preferred stocks, master limited partnerships (MLPs) and other dividend paying securities.

When the stock market climate indicates higher than normal risk, the core holdings can be hedged with ETFs and mutual funds that profit when a given index declines. Additionally, in extreme cases of risk, the hedge may be in the form of leveraged, inverse ETFs and mutual funds, which profit when a given index declines and sets the portfolio to have negative exposure to the stock market (short position).

The Dividend Income & Growth Program offers capital appreciation, a steady stream of dividend income with less of a focus on capital preservation.

IX. Diversified Growth Program

Heritage Capital's Diversified Growth is a top down, risk managed index strategy with the ability to take long, short and neutral positions in the Dow Jones Industrials, S&P 500, S&P 400, Russell 2000 and NASDAQ 100 as expressed by exchange traded funds or index mutual funds that track the various indices. Two distinct and independent models are used in this strategy; one that focuses on the long-term, while the other looks at the intermediate-term. Both models have trend following as well as mean reversion rules to account for the different market environments.

The Diversified Growth Program focuses primarily on capital appreciation with capital preservation coming on an opportunistic basis.

X. Relative Strength Sector Program

Heritage Capital's Relative Strength Sector Program employs a proprietary computer model to select one to four top performing U.S. market sectors, including cash, that indicators predict offer the highest potential reward over the intermediate-term. This actively managed strategy is then implemented using exchange traded sector funds and the Rydex sector funds as well as sector funds within variable annuities from Jefferson National and Nationwide's MarketFlex.

Positions are modified and rebalanced as often as weekly to meet our goal of investing assets in the top performing sectors. Although this is a trend-following strategy, the risk management component uses mean reversion, looking at the overall market, and begins to impact investment decisions when any two of our three market models go negative.

The Relative Strength Sector Program focuses primarily on capital appreciation unless our stock market models call for preservation to be blended in.

XI. Spectrum Program

Heritage Capital's Spectrum Program uses two proprietary models to allocate among our 14 other programs. On the first trading day of every month, these

models select one or two programs with the lowest probability to decline until the next allocation the following month. Although any of the other programs may be chosen, the program must be considered aggressive since four aggressive programs are in the universe.

From month to month The Spectrum Program can offer, capital appreciation, capital preservation and dividends.

XII. Emerging Markets Program

Heritage Capital's Emerging Markets Program employs a proprietary momentum computer model that chooses from a universe of emerging market country exchange traded funds (ETFs), which include Brazil, China, Hong Kong, India, Mexico and Russia for a weekly rebalance that results in one to three top performing markets which offer the highest potential reward. Trend following and mean reversion indicators play key roles in trading decisions.

The Emerging Markets Program focuses primarily on aggressive growth although capital preservation has a role when the overall emerging markets complex is confirmed to be in a bear market.

XIII. Aggressive Gold Equities Program

Heritage Capital's Aggressive Gold Equities Program is a long and cash, classic mean reversion based strategy that utilizes the Rydex Precious Metals Fund and similar exchange traded funds (ETFs) to express its view. Designed to participate in the intermediate-term rallies in the PHLX Gold/Silver Index (XAU), this concentrated program seeks to buy weakness and sell strength using various conventional technical indicators in a proprietary fashion. Trades last as little as a week to a few months depending on market conditions. Research has shown that the most profitable trades tend to lean towards the shorter term, while the largest drawdowns usually involve longer holding periods.

The Aggressive Gold Equities Program focuses on aggressive growth with moderate correlation to the price of gold and the gold & silver mining stocks. It is non-correlated to the U.S. stock market.

XIV. S&P 500 Aggressive Growth Program

Heritage Capital's S&P 500 Aggressive Growth Program is a very aggressive, leveraged long, short and cash strategy designed to produce positive returns regardless of market conditions over a 3-5 year period while significantly reducing overall stock market exposure.

First, the strategy determines the overall, long-term trend of the S&P 500. Intermediate trend is then analyzed to determine periods of agreement with the long-term trend, in which case, trading opportunities will exist when the short-term trend moves against the intermediate and long-term trends. If the intermediate trend is not in agreement with the long-term trend, the model will remain in cash equivalents like money market funds.

The S&P 500 Aggressive Growth Program uses two beta (leveraged) mutual funds and/or ETFs to express our view and achieve the very aggressive nature of the program. Because of the leverage, drawdowns may be large and significant. This strategy is not correlated to the U.S. stock market.

XV.

Aggressive Growth, Aggressive Growth +, Aggressive Growth Active and Aggressive Growth Short-Term Programs

Heritage Capital's Aggressive Growth lineup is a very aggressive, leveraged long, short and cash strategy designed to produce positive returns regardless of market conditions over a 3-5 year period. The strategy has four proprietary models analyzing momentum, sentiment, trend and seasonal factors to determine if a long or short position should be undertaken followed by the position size.

The Aggressive Growth lineup uses two beta (leveraged) ETFs and/or mutual funds to express our view and achieve the very aggressive nature of the program. Because of the leverage, drawdowns may be large and significant. This strategy has varying correlation to the U.S. stock market.

XVI. Unloved Gems Program

Heritage Capital's Unloved Gems Program is Heritage's only individual stock strategy. From an unconstrained, go anywhere universe, the strategy has a core of high quality, well-recognized companies that have either fallen on hard times or where short-term sentiment has become unusually negative. The rest of the portfolio is filled with special situation companies which may or may not be recognized and offer some unique potential. Underlying research includes fundamental analysis, strong technical set ups and quantitative output. The strategy is actively managed, can be hedged as well as carry varying degrees of cash. Concentrated sector allocations are also permitted. Average position size is 2.5%.

Unloved Gems focuses primarily on capital appreciation.

XVII. VIX S&P 500

Heritage Capital's VIX S&P 500 Program is a very aggressive, leveraged long and cash strategy designed to maximize return and risk, regardless of market conditions over a 3-5 year period. The strategy uses the price of the S&P 500, volume and the Volatility Index (VIX) to determine if a long or cash position is warranted.

The VIX S&P 500 Program uses two and three beta (leveraged) ETFs and mutual funds to express its view and achieve the very aggressive nature of the strategy. Because of the very high leverage, drawdowns may be large and significant.

VIX S&P 500 focuses primarily on aggressive growth.

XVIII. VXN NASDAQ 100

Heritage Capital's VXN NASDAQ 100 Program is a very aggressive, leveraged long and cash strategy designed to maximize return and risk, regardless of market conditions over a 3-5 year period. The strategy uses

the price of the NASDAQ 100, volume and the NASDAQ Volatility Index (VXN) to determine if a long or cash position is warranted.

The VXN NASDAQ 100 Program uses three beta (highly leveraged) ETFs to express its view and achieve the very aggressive nature of the strategy. Because of the very high leverage, drawdowns may be very large and significant.

VXN NASDAQ 100 focuses primarily on aggressive growth.

XIX. Spectrum Conservative

Heritage Capital's Spectrum Conservative Program uses two proprietary models to allocate among our 4 fixed income related programs. On the first trading day of every month, these models select one or two programs with the lowest probability to decline until the next allocation the following month.

From month to month, The Spectrum Program can offer capital appreciation, capital preservation and dividends.

Item 9 Disciplinary Information

Heritage Capital has no reportable disciplinary information.

Item 10 Other Financial Industry Activities and Affiliations

A. Neither Heritage Capital, nor its Principal, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Neither Heritage Capital, nor its Principal, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

C. Neither Heritage Capital, nor its Principal, maintain any affiliations that are responsive to this section.

D. Heritage Capital does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

A. Heritage Capital maintains an investment policy relative to personal securities transactions. This investment policy is part of Heritage Capital's overall Code of Ethics, which serves to establish a standard of business conduct for all of Heritage Capital's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of

which is available upon request.

Heritage Capital also maintains and enforces policies reasonably designed to prevent the misuse of material non-public information by Heritage Capital or any person associated with Heritage Capital.

B. Neither Heritage Capital nor any related person of Heritage Capital recommends, buys, or sells for client accounts, securities in which Heritage Capital or any related person of Heritage Capital has a material financial interest.

C. Heritage Capital and/or representatives of Heritage Capital *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Heritage Capital and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Heritage Capital did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Heritage Capital's clients) and other potentially abusive practices.

Heritage Capital has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Heritage Capital's "Access Persons". Heritage Capital's securities transaction policy requires that an Access Person of Heritage Capital must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written quarterly transaction report and as well as an annual report of the Access Person's current securities holdings; provided, however that at any time that Heritage Capital has only one Access Person, he or she shall not be required to submit any securities report described above. The Chief Compliance Officer shall review each report submitted by its Access Persons to ensure that the transactions made in Access Persons' accounts do not breach Heritage Capital's fiduciary duty to its clients.

D. Heritage Capital and/or representatives of Heritage Capital *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Heritage Capital and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11.C, Heritage Capital has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Heritage Capital's Access Persons. Heritage Capital ensures that transactions made in its representatives' accounts do not breach its fiduciary duty to its clients.

Item 12 Brokerage Practices

A. In the event that the client requests that Heritage Capital recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Heritage Capital to use a specific broker-dealer/custodian), Heritage Capital generally recommends that investment management accounts be maintained at *Axos.* Prior to engaging Heritage Capital to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Heritage Capital setting forth the terms and conditions under which Heritage Capital shall manage the

client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Heritage Capital considers in recommending *Axos* (or any other broker-dealer/custodian to clients) include historical relationship with Heritage Capital, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Heritage Capital's clients shall comply with Heritage Capital's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Heritage Capital determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. However, clients will not pay higher commissions to broker-dealers based upon Heritage Capital's receipt of free and/or discounted research, support services, or products that does not directly benefit the client. 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 broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Heritage Capital will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Heritage Capital's investment management fee. Heritage Capital's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

   Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Heritage Capital may receive from *Axos* and (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Heritage Capital to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Heritage Capital may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Heritage Capital in furtherance of its investment advisory business operations.

   As indicated above, certain of the support services and/or products that *may* be received may assist Heritage Capital in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Heritage Capital to manage and further develop its business enterprise.

   Heritage Capital's clients do not pay more for investment transactions effected and/or assets maintained at *Axos* as a result of this arrangement. There is no corresponding commitment made by Heritage Capital to *Axos* and/or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

   Heritage Capital's Chief Compliance Officer, Paul B. Schatz, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

2. Heritage Capital does not receive referrals from broker-dealers.

3. Heritage Capital *may* accept directed brokerage arrangements (when a client requires that account transactions be affected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Heritage Capital will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Heritage Capital. As a result, 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.

   Please Note: In the event that the client directs Heritage Capital to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Heritage Capital.

   Heritage Capital's Chief Compliance Officer, Paul B. Schatz, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

B. To the extent that Heritage Capital provides investment management services to its clients, the transactions for each client account generally will be affected independently, unless Heritage Capital decides to purchase or sell the same securities for several clients at approximately the same time. Heritage Capital may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Heritage Capital'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 be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Heritage Capital shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

A. For those clients to whom Heritage Capital provides investment supervisory services, account reviews are conducted on an ongoing basis by Heritage Capital's Principal and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Heritage Capital of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Heritage Capital on an annual basis.

B. Heritage Capital ***may*** conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Heritage Capital may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

A. As referenced in Item 12.A.1 above, Heritage Capital may receive an indirect economic benefit from *Axos*. Heritage Capital, without cost (and/or at a discount), may receive support services and/or products from *Axos*.

Heritage Capital's clients do not pay more for investment transactions effected and/or assets maintained at *Axos* as a result of this arrangement. There is no corresponding commitment made by Heritage Capital to *Axos* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Heritage Capital's Chief Compliance Officer, Paul B. Schatz, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

B. If a client is introduced to Heritage Capital by either an unaffiliated or an affiliated solicitor, Heritage Capital *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-1 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Heritage Capital's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Heritage Capital by an unaffiliated promoter, the promoter, at the time of the solicitation, shall disclose the nature of his/her/its promoter relationship, and shall provide each prospective client with a copy of Heritage Capital's written Brochure with a copy of the written disclosure statement from the promoter to the client disclosing the terms of the solicitation arrangement between Heritage Capital and the promoter, including the compensation to be received by the promoter from Heritage Capital.

Item 15 Custody

Heritage Capital shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Heritage Capital may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that Heritage Capital provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Heritage Capital with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Heritage Capital's advisory fee calculation. Clients should carefully review statements received from the custodian.

Item 16 Investment Discretion

The client can determine to engage Heritage Capital to provide investment advisory services on a discretionary basis. Prior to Heritage Capital assuming discretionary authority over a client's account, client shall be required to execute an *Investment Advisory Agreement* granting Heritage Capital full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Heritage Capital on a discretionary basis may, at any time, impose restrictions, **in writing**, on Heritage Capital's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Heritage Capital's use of margin, etc.).

Item 17 Voting Client Securities

A. Heritage Capital does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Heritage Capital to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

A. Heritage Capital does not require or solicit the prepayment of more than $1,200 in fees, per client, six months or morein advance of services rendered.

B. Heritage Capital is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

C. Heritage Capital has not been the subject of a bankruptcy petition.