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Form ADV Part 2A  
Firm Brochure

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[www.WinslowDrake.com](http://www.WinslowDrake.com)  
CRD # 286638

This brochure provides information about the qualifications and business practices of Winslow Drake. Winslow Drake is a sole proprietorship of Haddon B. Libby who is doing business as Winslow Drake (CRD #3063645), a State Registered Investment Advisor. Investment adviser registration does not imply a certain level of skill or training has been obtained. This brochure provides information about the business practices of Winslow Drake. If you have any questions about this brochure, please contact us at 213-596-8399 and/or [HLibby@WinslowDrake.com](mailto:HLibby@WinslowDrake.com). The information included in this brochure has not been approved or verified by any state securities authority or any other regulatory entity. Additional information is available at the Security Exchange Commissions website, [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov) and [www.WinslowDrake.com](http://www.WinslowDrake.com).

## Item 2 - Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the advisor is required to notify you and provide you with a description of the material changes.

There are no material changes from previous filings of the Brochure.

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## Item 4 - Advisory Business

### A. Description of Winslow Drake

Winslow Drake is a dba of Haddon B. Libby and is operated as a Sole Proprietorship. Winslow Drake began providing financial advisory services in January 2015 at Calton & Associates, Inc. and became an Independent State-Registered Investment Advisory practice in March, 2017. This section describes Winslow Drake and the types of advisory services that we offer. Winslow Drake charges its fees on a monthly or quarterly basis in arrears. It should be noted that lower fees for comparable services may be available from other sources.

While Winslow Drake is currently a sole proprietorship for tax reasons, we use titles like Managing Partner and Managing Director while founding partner, Mitch Kitayama uses the Chairman title as his role and responsibilities are most like those that title. Titles are common to the Financial Services industry but do not imply that Winslow Drake is a partnership beyond the relationship of the founders of Winslow Drake.

## B. Advisory Services Offered

### Discretionary Advisory

The primary way in which Winslow Drake furnishes investment advice is through Discretionary Advisory services. These services begin with the completion of a financial assessment of the Client's current financial situation and their objectives for their future financial condition. An Investment Policy Statement and/or Investment Suitability questionnaire memorializes the investment approach that will be developed and adjusted from time to time based on the Client's goals, objectives and financial condition. This investment approach will be used by Winslow Drake in its effort to achieve Client investment goals and objectives.

### Third-Party Money Managers

We do not employ third-party money managers.

### Financial Planning

Financial planning services are done as part of the financial planning that we engage in on an ongoing basis with our clients. This service is done as part of our investment advisory services. This may include, but is not limited to, estate planning, retirement planning, investment education, asset allocations and cash management services.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

### Pre-retirement Planning

We provide the following services to firms and participants with 401(k), 403(b), 457(b) and other group retirement plans: Education; Enrollment support, and Investment selection support and performance review.

Winslow Drake may or may not have Discretionary Authority over a participant's plan assets. We never take custody of plan assets nor do we act as a Plan Sponsor, Recordkeeper or Third-Party Administrator. When we do have Discretionary Authority over a participant's plan assets, the participant signs additional account documents with the plan custodian authorizing this additional service.

Winslow Drake never receives hidden fees or charges like 12b-1 fees. It is our belief that it is a conflict of interest for an Advisor of Record on a plan to receive any payments that are not explicitly identified in client agreements.

### Product types

Winslow Drake may choose to use any of the following suitable investment options: stocks, bonds, mutual funds (stock funds, bond funds and other asset classes), options, warrants, Real Estate Investment Trusts, Exchange-Traded Funds, alternate investments and other securities that may be chosen by the Advisor. If prudent and suitable and agreed to in advance by the client, we may use different variations of these investment options if prudent and suitable to the client such as shorting a stock or naked option. These more exotic investment options are infrequently used by us.

### Conflicts of Interest

Examples of actual or potential conflicts of interest arising from our advisory services may include, but are not limited to:

- The allocation time and resources between client accounts;
- Entertainment, gifts, sitting on boards of directors/trustees, charitable and political contributions, and other relationships with third parties.

We believe that we treat all clients fairly and seek to prevent clients from being systematically favored or disadvantaged. Whenever there is a potential conflict of interest, it is disclosed.

### C. Tailoring Advisory Services to Client Needs

Each portfolio is customized to the unique needs of a client. Clients may impose reasonable restrictions on our Discretionary Advisory services (i.e., no defense stocks, no tobacco). All such restrictions shall be documented in writing. Clients may modify the imposed restrictions by providing the change to Winslow Drake in writing. Winslow Drake reserves the right to refuse to open an account and may terminate an account if it is believed, in our sole opinion, that the restrictions placed are excessive and would limit our abilities to manage the account effectively and prudently. Clients should also understand that the imposition of portfolio restrictions may affect performance of the affected portfolio(s), either positively or negatively.

We do not charge more than 1.50% per annum. We typically do not charge hourly fees. When we do charge an hourly fee, it is an amount agreed to in advance between the Client and Winslow Drake and memorialized in writing.

### D. Wrap Programs

Winslow Drake does not offer wrap fee programs.

Our Discretionary Advisory accounts are charged a Standard AUM Fee as shown below.

	<b>AUM*</b>	<b>Client AUM Fee</b>	<b>Standard AUM Fee</b>
First	\$250,000	[enter]	1.50%
Next	\$250,000	[enter]	1.50%
Next	\$500,000	[enter]	1.25%
Next	\$2,000,000	[enter]	1.00%
Over	\$3,000,000	[enter]	1.00%

\*AUM means Assets Under Management.

## E. Client Assets

As of June 30, 2020, Winslow Drake served as the advisor or advisor of record on \$34,463,276 of client assets. Of our 220 clients, we had discretionary trading authority over \$22,343,303 of client assets. All client assets were held at TD Ameritrade Institutional, Fidelity Investments, Paychex, Pentegra or John Hancock. Of client assets, 71% of clients were held in 401k or 457b non-discretionary accounts.

### **Item 5 - Fees and Commissions**

We work on a fee-only basis that is typically quoted on an annualized basis. All fees and payments are charged in arrears on either a monthly or quarterly basis.

Fees are calculated using end-of-month balances. For example, if an account had a \$1,000 balance and a 1.5% AUM fee, the monthly fee would equate to \$1.25 for the month. This is calculated by multiplying \$1,000 by 1.5% and dividing by 12.

We do not receive hidden fees or commissions of any kind.

Fees are negotiable from client to client and are tailored to the specific type of services that Winslow Drake provides to that client.

#### Assets Under Management

A client will be charged a certain percentage of assets under management with Winslow Drake. Asset levels can be determined at the account level or the household level (multiple accounts).

#### Hourly Charges

Winslow Drake may charge a client an hourly fee for services rendered. For the hourly fee, services will be outlined in a Consulting agreement signed by the client prior to any charges being incurred. Fees are charged in arrears.

#### Fixed Fees

Depending on the type of fee a client is paying, there may be fixed fees. When a client is using a management fee only service, there are additional fees the client will pay for, including reporting fees, custodial fees, transaction fees and mutual fund or exchange traded fund fees. Fees charged are always in arrears.

Winslow Drake typically will not impose a minimum account size or a set minimum annual fee for its investment management services. Some services and fee structures may not be beneficial for portfolios below \$25,000 due to the impact that transaction costs may have on performance.

Fees are calculated on a monthly or quarterly basis in arrears. The clients' margin loan balance is typically included when calculating fees. As fees are based on assets under management like stocks and bonds, a margin loan balance increases the assets under management due to the margin loan. Clients should remember that they are paying margin interest on these same assets that we charge a management fee on. Winslow Drake does not receive a margin interest spread, or rebate, on debit balances maintained in clients' margin accounts thus avoiding a conflict of interest encountered by many other firms.

Winslow Drake charges advisory fees based upon the end of month value as reported by TD Ameritrade Institutional and other service providers to the Client. In some cases, clients may provide Winslow Drake with pricing for securities or real assets that cannot be (or are not) verified by us. These will be shown on client reports as "below the line" assets and will not be used when calculating the client's management fees for the month or quarter. All fees are charged in arrears.

Clients that are invested in mutual funds or exchange traded funds sometimes pay management fees and other expenses of the funds that are separate and in addition to the advisory fees paid to Winslow Drake. If any of these fees were to ever be received by Winslow Drake as compensation, they are rebated to the client. We believe that indirect sales charges are a conflict of interest and as such, we will rebate such fees clients if ever billed and received.

As stated previously, fees received by Winslow Drake will generally not exceed 1.50% (150 basis points) per annum and are charged in arrears on a monthly or quarterly basis.

#### Fee Payment

- A. Our Standard AUM fee is 1.00% to 1.50% per annum and is negotiable from client to client.
- B. The primary payment method is where the custodian deducts the investment management fee from client accounts. Fee payments are pre-authorized by the client in all instances where the custodian deducts the investment management fee. All fees are paid in arrears. For those rare instances where the client is not directly debited, an invoice will be sent directly to the client, and will be due in full within 10 days of receipt. Statements provided by the custodian will detail the total amount of the fees that have been deducted per month or quarter. Fees are not verified for accuracy by the custodian; it is the client's responsibility to do so. On all Discretionary Advisory accounts, we require pre-authorization by the client so that the custodian can initiate and transact Winslow Drake's monthly or quarterly fee payment. Winslow Drake sends invoices to client and custodian for the collection of advisory fees at the same time.
- C. Certain platforms charge an "unbundled" fee, meaning fees for execution, custodial, reporting, and/or administrative services are not combined with the third-party money manager fees and/or Winslow Drake fees. Also, certain platforms will charge execution costs in the form of an asset-based fee. Depending upon the platform selected there may not be an option for "householding" your accounts for fee discounts. Winslow Drake typically only uses mutual funds in 401 (a), 401(k), 403(b), 457(b) and other retirement plans.

In all cases, clients should carefully review the disclosure documents for complete details on the charges and fees incurred.

#### Financial Planning Fees

Winslow Drake provides financial planning to its clients at no charge. The only fee that clients or potential clients pay is for the fees paid for assets under management as negotiated on a case-by-case basis. The fee arrangement is set forth in the Client Agreement.

If hourly rates are charged, they may range from \$25 to \$650 per hour based upon the knowledge and experience of the individual providing the work. Fees are billed in 15-minute increments. Hourly fees will be billed monthly as the work is provided in arrears of services rendered.

All financial planning fees, unless otherwise agreed to by all parties, are provided at no cost to the clients and Winslow Drake.

#### Additional Costs

All fees paid to Winslow Drake for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange-traded funds to their shareholders. These fees and expenses are described in each funds' prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee and shareholder service fee. Clients should review such additional fees and the fees Winslow Drake charges to understand the total amount of fees paid. Virtually all investments purchased by prospectus or private placement memorandum have internal fees that are borne by the client in addition to any trading, execution, or advisory fees. Winslow Drake is not compensated based on a share of capital gains upon or capital appreciation of the assets or any portion of the assets of any client. Advisory fees are charged only as described within this disclosure document.

D. Winslow Drake charges for services rendered in arrears only.

E. It is important to note that our sole compensation is outlined in this Brochure. Winslow Drake works for its clients on a fee-only basis and receives no commissions or other transaction-based compensation of any kind.

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

Winslow Drake does not charge or accept any performance-based fees (i.e. fees based on a share of the capital gains on a client's account or on the capital appreciation of the client's assets).

### **Item 7 - Client Types**

Winslow Drake provides advisory services to:

- Individuals;
- ERISA-governed and other retirement accounts such as 401(a), 401(k), 403(b) and 457(b) plans;
- Trusts, estates and charitable organizations.

#### Account Requirements

Generally, there is no set minimum annual fee or minimum account size to open or maintain an account. Winslow Drake investment management services may not be beneficial for clients with

assets below \$25,000, as the relatively higher advisory fees and transaction costs may have a negative impact on performance.

#### General Note Regarding Managed Account Platforms and Wrap Programs

We do not offer either platform or program.

### **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

We typically utilize Fundamental Analysis, Technical Analysis and Quantitative Analysis in managing client assets.

#### Fundamental Analysis

This is where we look at the historical and present financial statements of a company as well as public reports filed with the Securities Exchange Commission. Reviewing the revenue, expenses, cashflow, assets and liabilities to gain insight on a company's future performance. This analysis will also factor in the overall economy and industry specific conditions. The inherent risk to this approach is that different people can interpret facts differently resulting in different outcomes.

#### Technical Analysis

This is where we review the patterns and trends of a specific security or industry sector. Using data of past prices and volume the goal is to predict what a security will do in the future. Past performance is no guarantee of future results. Like fundamental analysis, this approach relies heavily on public filings.

#### Quantitative Analysis

This technique tries to understand the behavior of a security or industry sector by using complex mathematical and statistical modeling. This approach can be used in performance evaluation, the valuation of an instrument or in trying to predict market events. The inherent risk to this approach is that it does not factor in all variables. Quantitative analytics use what is believed to be appropriate formulas and processes to determine the proper path for investing. There is no way to guarantee that this analytical approach is better than any one of a number of other analytical approaches.

Additionally, we analyze potential mutual fund management teams and exchanged-traded fund management teams for suitability as investment options.

While the focus of our investment approach is in building a portfolio to be held for more than one year, we will engage in tactical (short-term) investments as opportunities occur so long as those approaches remain within the client's investment objectives, suitability and risk parameters. On a select basis, we will utilize options for protective puts and covered calls. More ambitious naked option writing or purchases or uncovered options are seldom part of our investment approach.

Winslow Drake gathers information for our analysis from financial news sources like CNBC, newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC and other sources that will assist in the analysis. Other investment strategies may be chosen if they meet a client's financial needs, risk profile, and overall investment strategy.



**Clients need to know that investing involves risks that they need to be prepared to bear. When investing, clients bear the risk that they may lose some or all of their investment.**

### Risks of Particular Securities

Subject to the client's Advisory Agreement, we may invest and reinvest client assets in a variety of securities and other investments. These securities and other investments may include, among other securities or other investments permitted under client investment guidelines:

Equity securities: Exchange-listed securities; Securities traded over-the-counter; Securities of foreign issuers; Exchange-Traded Funds; Corporate debt securities; Commercial paper; Certificates of deposit; Municipal securities Investment company securities; Mutual fund shares; United States government securities; Options contracts on securities and commodities; Real Estate Investment Trusts, Oil and Gas Trusts; Limited partnerships and hedge funds.

Investments in different vehicles can lose money over short or even long periods. One should expect the investment's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. Investment performance could be hurt by:

**Stock market risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

**Sector risk:** The chance that significant problems will affect a sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market. Depending on how the vehicle allocates assets, it may invest all, or substantially all, of its assets in the consumer discretionary sector, the investment's performance largely depends—for better or for worse—on the general condition of that sector. Companies in the consumer discretionary sector could be affected by, among other things, overall economic conditions, interest rates, consumer confidence, and disposable income.

**Non-diversification risk:** The chance that the investment's performance may be hurt disproportionately by the poor performance of relatively few stocks or even a single stock. An investment is considered non-diversified, when it may invest a greater percentage of its assets in the securities of a small number of issuers as compared with other mutual funds.

**Investment style risk:** which is the chance that returns from small and mid-capitalization stocks (to the extent that the clients' assets are invested in small and mid-cap stocks) will trail returns from the overall stock market. Historically, these stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently.

**Investment Company Risk:** By investing in mutual funds you risk the potential of not capitalizing on the growth of the overall stock market. If some of the underlying stocks run up in price, mutual funds may not be able to capitalize on the appreciation due to the potential of other underlying stocks not appreciating as much. In addition, the fees associated with investing in mutual funds may be more than if you were to purchase the underlying shares directly.

Because Exchange Traded Fund Shares (ETFs) are traded on an exchange, they are subject to additional specific risks. ETFs are listed for trading on NYSE Arca and can be bought and sold on the secondary market at market prices. Although it is expected that the market price of ETFs typically approximates its net asset value (NAV), there may be times when the market price and the NAV vary significantly. Thus, the client may pay more or less than NAV when you buy ETFs

on the secondary market, and you may receive more or less than NAV when you sell those shares. Although ETFs are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained. Like individual stocks, trading of ETFs may be halted by the activation of individual or market wide “circuit breakers” (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of ETFs may also be halted if the shares are delisted from NYSE Arca without first being listed on another exchange or exchange officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

## **Item 9 - Disciplinary Actions**

Winslow Drake and Haddon Libby have never had any legal or disciplinary actions taken against us. Please go to FINRA’s BrokerCheck link at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) for more information.

A. More specifically, Winslow Drake and Haddon Libby (hereafter referred to as ‘we’) have never had any criminal or civil action in a domestic, foreign or military court of competent jurisdiction. We have never been convicted of, or pled guilty or nolo contendere (“no contest”) to any felony; a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or a conspiracy to commit any of these offenses. Further, we have never been the subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses nor have we been found to have been involved in a violation of an investment-related statute or regulation and has not been the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

B. Winslow Drake and Haddon Libby (hereafter referred to as ‘we’) have never had an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which we were found to have caused an investment-related business to lose its authorization to do business; or was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority; denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business; barring or suspending your firm’s or a management person’s association with an investment-related business; or otherwise significantly limiting your firm’s or a management person’s investment-related activities.

C. Winslow Drake and Haddon Libby (hereafter referred to as ‘we’) have never had a self-regulatory organization (SRO) proceeding in which we were found to have caused an investment-related business to lose its authorization to do business; or was found to have been involved in a violation of the SRO’s rules and was barred or suspended from membership or from association with other members, or was expelled from membership or otherwise significantly limited from investment-related activities; or was fined more than \$2,500.

This is a long-winded way of saying that we have never had any legal or disciplinary actions taken against us.

## Item 10 - Other Financial Industry Activities and Affiliations

- A. Managing Partner, Haddon Libby, was first registered as a broker-dealer in 1998 as denoted by a Series 7 examination. He subsequently renewed that license in January 2015 when starting Winslow Drake at Calton & Associates, Inc. where he was designated as a registered representative. Calton & Associates, Inc. is a broker-dealer firm where Haddon Libby started this investment advisory business. With the approval to become a State-Registered Investment Advisor, Mr. Libby rescinded his ability to act as a broker-dealer and resigned from Calton & Associates in order to operate strictly as a fee-only state-registered investment advisor. Mr. Libby continues with his Series 66 examination in order to operate as a state-registered investment advisor.

Managing Director, Susan Reilly, joined Winslow Drake in March 2017. She was first registered as a principal/supervisory at Ministry Partners in 2011. In June 2017, Ms. Reilly completed her State Securities Law Exam as evidenced by her Series 65 examination.

- B. As mentioned in Item 10A, Winslow Drake and Haddon Libby do not have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, rather, Mr. Libby rescinded his broker-dealer in March 2017 in order to function solely as a state-registered investment advisor.
- C. We may get preferred pricing from a broker-dealer, Recordkeeper, Third Party Administrator or Third-Party Advisor (collectively, referred to hereafter as "Third Party") although the client is never obligated to use the firm or firms that we recommend. The amount that we earn from a client relationship is disclosed explicitly upfront and agreed to by the client upfront. Nevertheless, these arrangements may present a conflict of interest because we have a financial incentive to recommend one Third Party over another. That financial incentive is in the form of better pricing that helps Winslow Drake to maintain its fee structure without discounting. It is always our intent to find the best Third Party to fulfill a client's need. Under no circumstances is a client ever obligated to use the services of any Third Party that we recommend. As an example, with the client's approval, we might utilize a portfolio manager who actively uses options in portfolio management. In other instances, we may have a client referred to us by a Third Party. In both cases, solicitor's agreements are in place if compensation is paid for referrals. When these situations occur, the client will receive an additional document disclosing the nature and dollar amounts associated with the fee-sharing arrangement. Client acceptance of the terms and conditions of the solicitation agreement is required prior to the engagement of any third-party receiving compensation. Any compensation received is always in arrears for services rendered.
- D. On occasion, we may select other investment advisors for our clients. In those instances, we may receive compensation directly from those advisors as part of a fee sharing arrangement. We do not receive indirect compensation of any kind. More than one client may be referred to those other investment advisors based on a client's need for services or investing approaches that may be best served by that investment advisor. Clients always sign additional documentation acknowledging the terms and conditions of these referrals, including any and all compensation received by Winslow Drake or the other investment advisor. Clients are under no obligation to use the investment advisor recommended. In choosing these investment advisors, we make sure that each is properly licensed and

registered as an investment advisor. Part of our due diligence includes investigating the investment advisors background, financial condition and reputation as well as their ADV filings, FINRA BrokerCheck and other information sources available. We do not have a conflict of interest with any investment advisor that we may use.

It is further noted that we do not have a conflict of interest with any investment company, pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund), other investment adviser or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer or any sponsor or syndicator of limited partnerships.

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

It is our policy that neither Winslow Drake nor any persons associated with Winslow Drake have any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

**Our Code of Ethics are provided to all clients and is simple - Winslow Drake and its employees have a fiduciary duty to clients.** At all times, we conduct our financial affairs so as to avoid putting our personal interests ahead of our clients. Winslow Drake and its employees must act with competence, dignity, integrity and ethically when dealing with clients, the public, prospects, third-party service providers and colleagues. Everyone at Winslow Drake is expected to adhere to the highest standards and avoid even the appearance of a conflict of interest with client. As a fiduciary, Winslow Drake must act in its clients’ best interests at all times.

We do not buy and sell any security or investment that we have a material financial interest in. While we often own the same stocks and ETFs as our clients, it is only done in stocks and ETFs where our personal holdings are immaterial to the overall market valuation or trading volumes of the underlying investments. We in no way want to have even the perception of impropriety or a conflict of interest.

No one at Winslow Drake engages in cross trades with clients. As we manage client funds on a discretionary basis, we want to avoid even the appearance of impropriety or a conflict of interest.

Further, we do not buy personal investments in a security when selling a client investment in the same security nor do we sell personal investments in a security when buying that same position for a client account. At all times, we want to avoid even the perception of impropriety or a conflict of interest.

#### **Item 12 - Brokerage Practices**

In the event that a client requests Winslow Drake to recommend a broker-dealer (referred to in this Brochure generally as a “custodian”) for execution and/or custodial services, we will generally recommend broker/dealers or custodians with whom we have an existing relationship.

This includes TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC for individual accounts (hereafter referred to as "TD Ameritrade"). As it relates to custodians for retirement plans such as a company 401(k), non-profit 403(b) or non-profit/governmental entity 457(b) plans, we use John Hancock Retirement Services, Paychex Retirement Services, Pentegra Retirement Services, Fidelity Investments and TD Ameritrade Institutional.

We endeavor to select those broker/dealers that will provide the best services at the lowest commission rates possible. Price is not the sole factor that we consider in evaluating best execution. We also consider the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, and other services. In recognition of the value of research services and additional brokerage products and services the recommended broker-dealer/custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

Winslow Drake has chosen to establish relationships with these custodians based upon their financial strength, reputation, execution capabilities, pricing, research and service. We recommend their use based upon these factors, consistent with our fiduciary obligations, including the duty to seek best execution. While Winslow Drake has found the use of these custodians to be consistent with its obligation to seek best execution and that the fees (including but not limited to commissions and/or transaction fees) charged by each is reasonable in relation to the value of the brokerage and research services provided, a client may nonetheless pay a fee for services that is higher than another qualified broker/dealer might charge to effect the same transaction. 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 the benefit to all clients. Additional information is set out below regarding each of these recommended custodians and the considerations that may be important to a client when selecting a custodian from among the recommended custodians. That discussion includes other services that each recommended custodian provides to Winslow Drake and for which it does not charge, or for which it charges a reduced rate, as a result of having established a relationship as a recommended custodian of Winslow Drake. These services may include research in addition to the other services set out with more specificity below.

#### Research and Other Benefits to Winslow Drake

Although not a material consideration when determining whether to recommend that a client utilize the services of a custodian, Winslow Drake may receive from TD Ameritrade, American Funds, Paychex or Pentegra support services, without cost or at a discount, that assist Winslow Drake in monitoring and/or servicing client accounts. These services may include investment-related research, pricing information and market data, compliance and/or practice management-related publications, discounted or free consulting services, discounted or free attendance at conferences, meetings, and/or educational or social events, marketing support, computer hardware and/or software and/or other products and services used by, or useful to, Winslow Drake in providing investment advisory services to its clients. Clients are directed to a more complete discussion below of each of the recommended custodians, types of services, support, and products that are made available to us by each. If these additional services were not provided to us by the recommended custodians, we might be compelled to purchase the same or similar services.

### General Information Regarding Recommended Custodians

Before Winslow Drake approves a custodian for recommendation to clients, we will review, as applicable, the custodian's operational, financial, and regulatory status, as well as their technological offerings, research capabilities and execution capabilities. Even though Winslow Drake recommends specific custodians, clients should evaluate each firm to ensure that the custodian selected will provide the best blend of service and cost. Transaction charges, commissions and fees may be higher or lower than clients would pay at other firms. Winslow Drake has negotiated arrangements with all of its recommended custodians and trading platforms in order to provide pricing and services that it believes are competitive with other firms offering similar services.

It is important to note that some products, securities and/or money managers may not transition from the client's previous advisory firm to Winslow Drake. Such positions would subsequently be required to be liquidated, resulting in potential transaction fees, as well as other changes to the account.

Winslow Drake participates in back office and support programs sponsored by each of these brokers/custodians. These programs and the services provided, including trading capabilities, are essential to our service arrangements. Winslow Drake does not, as a general matter, routinely accept clients who direct us to use other broker-dealers/custodians.

Winslow Drake may have an incentive to continue to use or to expand the use the services of its chosen custodians. We examine this potential conflict of interest when choosing to enter into the relationship with these firms, in addition to the other criteria articulated above regarding the selection of custodians, and determined that each relationship with a recommended custodian is in the best interests of its clients and that we are able to satisfy our obligations to clients, including its duty to seek best execution, through the use of such recommended custodians.

### Considerations Relevant to the Selection of a Specific Recommended Custodian

Winslow Drake recommends that clients select a custodian that is a member of FINRA and the Securities Investor Protection Corporation (SIPC). These firms maintain custody of clients' assets and effect trades in client accounts. Winslow Drake is independently owned and operated and not affiliated with any of the recommended Custodians.

In recommending these firms, we evaluate each and determined that they offer an excellent blend of service, financial strength, competitive commission rates, and access to investments otherwise not available to Winslow Drake or its clients. Each of these firms provides Winslow Drake with access to institutional trading and custody services, which are typically not available to retail investors, as well as other products and services identified in this Section of the Brochure. The following additional information regarding each of these custodians may be relevant to clients as they select from among the recommended custodians.

### TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC

TD Ameritrade provides Winslow Drake with platform services. The platform services include, among others, custodial, administrative support, recordkeeping, and related services that are intended to support intermediaries such as Winslow Drake in conducting business and serving the best interests of clients.

TD Ameritrade does not charge for the purchase or sale of equity and debt security transactions although they do charge for more complex transactions like the sale of restricted equities and other less typical investment alternatives. TD Ameritrade enables us to obtain many no-load mutual funds without transaction. TD Ameritrade's commission rates are generally considered discounted from customary retail commission rates. However, commissions and transaction fees when charged by TD Ameritrade may be higher or lower than those charged by other custodians and broker/dealers.

As part of the arrangement, TD Ameritrade also makes available to us, at no additional charge, certain research and brokerage services, including research services obtained by TD Ameritrade directly from independent research companies. We believe that these services are the same as those offered to any individual client of TD Ameritrade. As such, we do not believe that we receive any unique soft dollar benefits as a result of this relationship.

TD Ameritrade Services is in the process of being sold to Charles Schwab & Co. Completion of the sale is expected during 2020. We do not expect any degradation in services or a change in the pricing by the combined company.

#### Paychex Retirement Services ("Paychex")

Paychex provides Winslow Drake with platform services specifically related to corporate retirement plans such as a 401(k) plan. The platform services include, among others, custodial, administrative support, recordkeeping, and related services that are intended to support intermediaries such as Winslow Drake in conducting business and serving the best interests of clients.

#### Pentegra Retirement Services ("Pentegra")

Pentegra provides Winslow Drake with platform services specifically related to retirement plans such as a 401(a) and 457(b) plans. The platform services include, among others, custodial, administrative support, recordkeeping, and related services that are intended to support intermediaries such as Winslow Drake in conducting business and serving the best interests of clients.

#### John Hancock Retirement Services ("Hancock")

Hancock provides Winslow Drake with platform services specifically related to retirement plans such as a 401(k). The platform services include, among others, custodial, administrative support, recordkeeping, and related services that are intended to support intermediaries such as Winslow Drake in conducting business and serving the best interests of clients.

Winslow Drake may at a future work with more firms for custodial, administrative support, recordkeeping, and related services that are intended to support intermediaries such as Winslow Drake in conducting business and serving the best interests of clients. These additional providers of services will be added based on client requests for providers not listed herein.

#### Fidelity Investments ("Fidelity")

Fidelity provides Winslow Drake with platform services specifically related to corporate retirement plans such as a 401(k) plan. The platform services include, among others, custodial, administrative support, recordkeeping, and related services that are intended to support intermediaries such as Winslow Drake in conducting business and serving the best interests of clients.

### Interactive Brokers

Interactive Brokers provides Winslow Drake with platform services. The platform services include, among others, custodial, recordkeeping, and related services that are intended to support intermediaries such as Winslow Drake in conducting business and serving the best interests of clients. While we had no assets with this firm at year-end, we expect to as business conditions normalize. At present, this timeline is delayed until 2021.

Interactive Brokers does not charge for the purchase or sale of equity and debt security transactions although they do charge for more complex transactions like the sale of restricted equities and other less typical investment alternatives. Commissions and transaction fees when charged by Interactive Brokers may be higher or lower than those charged by other custodians and broker/dealers.

As part of the arrangement, Interactive Brokers also makes available to us, at no additional charge, certain research and brokerage services, including research services obtained by Interactive Brokers directly from independent research companies. We believe that these services are the same as those offered to any individual client of Interactive Brokers. As such, we do not believe that we receive any unique soft dollar benefits as a result of this relationship.

### Trade Aggregation and Allocation

Winslow Drake may aggregate or block purchase or sale transactions where it decides to purchase or sell the same securities for several clients at approximately the same time. Winslow Drake would aggregate or block such transactions in order to obtain best execution, to obtain more favorable commission rates, or to allocate equitably among multiple clients, the differences in prices or other transaction costs that might have been obtained had such orders been placed independently. Each account participating in the block will receive the average price if multiple executions are required to complete the order, and transactions and costs will be allocated in proportion to the purchase and sale orders placed for each client account in that security on that day. Block trades will typically be segregated by custodian, and by Winslow Drake, when purchasing or selling securities. As it is Winslow Drake's practice to manage portfolios on an individualized basis, we do not regularly use block transactions. Our ability to take advantage of volume discounts or other potential cost and execution advantages of block trades may be limited.

### Trade Errors

For all custodians, where a trade error occurs in a client account due to Winslow Drake's error, we will correct the error and ensure the client account does not suffer a loss. Except for these limited instances, the client will not profit from the error, even if the subsequent correction results in a profit due to market movement. Any profits from errors are donated to charity.

### Cross Transactions

We do not engage in cross trades.

### Principal Transactions

We do not engage in principal transactions.



## Item 13 - Review of Accounts

Managing Partner, Haddon Libby, personally reviews each client account.

- A. Each account receives at minimum an annual review. In most cases, accounts are reviewed more frequently through various means, including Zoom teleconferencing calls, telephone calls, in-person meetings, e-mails, overall strategy reviews, and/or the review of monthly and quarterly statements. Reviews are based on objectives and parameters established by clients, which are generally memorialized through their individual advisory agreements, investment policy statements, or other suitability and investment objectives documentation.
- B. Periodic reviews and face-to-face meetings or tele-conference calls are encouraged. Events that may trigger a review include client requests, a change in financial goals or objectives, and significant world, economic or market events.
- C. While Winslow Drake will typically evaluate the continued suitability of specific third-party money managers (as applicable), managed account platforms, and wrap programs during account reviews, the administrators of such platforms and programs (which may be Winslow Drake, a Custodian, or another Third Party) may also perform their own reviews of managers appearing on the platforms and programs. Any such reviews will be disclosed in the manager's separate disclosure documents sent at account opening, after material changes and/or annually and are maintained by the administrators to applicable platforms and programs.
- D. We regularly review the account to determine adherence with the client's account suitability, risk tolerance and goals, among other things.

### Financial Planning Services

- A. Financial plans may not be reviewed, depending on the nature of the service, until after the plan is delivered (in the case of a written plan), or after the service is provided. The frequency of plan review will be dependent on the agreement terms. If deemed necessary it may be reviewed quarterly, yearly or some other determinate amount of time. Those reviews will revisit the initial plan and determine if any adjustments need to be made to the objectives.
- B. Winslow Drake may use a software tool or tools to assist or generate the financial plan. We periodically evaluate the software tools to determine if they are still effective tools and whether the assumptions and outputs being generated from the system are still in the best interests of the client.

### Regular Reports Given to Clients

Winslow Drake provides investment management clients with performance report as requested but not less than annually. This report is typically an account appraisal and may identify some or all the following information: current positions, security cost basis and current market value, and capital contributions and withdrawals from the account. In addition, a summary performance analysis report, which shows the portfolio rate of return, will be provided for the most recent

quarter and will also show the return from inception of the account. Taxable clients receive a realized gain and loss report for tax purposes. All reports are in addition to custodial statements and transaction confirmations received from the client's custodian; they in no way replace the custodial statements. These reports will often be provided electronically or presented in face-to-face meetings.

Additional reporting is provided by a client's custodian and delivered electronically.

#### **Item 14 - Referrals and Other Compensation**

We directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's Disclosure Document at the time of the referral. If you become a client, the Solicitor that referred you to our firm will typically receive either a percentage of the advisory fee you pay our firm for as long as you are a client with our firm or until such time as our agreement with the Solicitor expires. You will not pay additional fees above our stated rates and minimums because of this referral arrangement. Referral fees paid to a solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment advisor may have a financial incentive to recommend advisors with more favorable compensation arrangements. We require that our Solicitors disclose when multiple referral relationships exist and that comparable services may be available from other advisors for lower fees and/or where the Solicitor's compensation is less favorable.

As a matter of practice, advisory fees paid to us by clients referred by Solicitors are not increased as a result of any referral. Where applicable, cash payments for client solicitations will be structured to comply fully with the requirements of CCR 260.236(c)(2), related SEC staff interpretations, and all other applicable laws and regulations.

#### Third Party Managers and Hedge Funds

Winslow Drake does not use either. We do use mutual funds and exchange traded funds in the commission of our duties.

#### Event Sponsorship

We do not engage in sponsorship opportunities with our vendors or third-party providers. We may on occasion attend an educational conferences or seminars hosted by a vendor or third-party provider so long as attendance does not require the placement of client assets with the vendor or third-party provider.

## **Item 15 - Custody**

Winslow Drake does not custody client funds and/or securities. As a safeguard, your funds and securities will be held with a bank, broker/dealer, or other independent, qualified custodian as described in Item 12 that is in compliance with CCR Section 260.237 as well as any other applicable state and federal rules, regulations and laws. As paying agent for Winslow Drake, your independent custodian will directly debit your account(s) for the payment of our advisory fees. You will pre-authorize the amount and terms of these payments. You will also receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly using the contact information listed on the first page of this brochure.

## **Item 16 - Investment Discretion**

Unless it is related to a 401(k), 403(b), 457(b) or other retirement plan for a company, non-profit or governmental entity, Winslow Drake only serves as investment advisor on accounts where we have discretionary authority (i.e. authority to act without first obtaining specific client consent to each investment transaction) to determine the securities to be bought or sold, and the amount of the securities to be bought or sold.

Clients may impose reasonable restrictions on this authority, (i.e., no defense stocks, no tobacco). All such restrictions shall be documented in writing. Clients may modify the imposed restrictions by providing the change to Winslow Drake in writing. Winslow Drake reserves the right to refuse to open an account or to terminate an account if it is believed, in our sole opinion, that the restrictions placed are excessive and would limit its abilities to manage the account effectively and prudently. Clients should also understand that the imposition of portfolio restrictions may affect performance of the affected portfolio(s), either positively or negatively. Please see Item 4 of this Brochure for additional information regarding our advisory services generally, but more specifically including our discretionary advisory services.

Where Winslow Drake serves as the Advisor of Record on 401(k), 403(b) and 457 retirement plans, we make no investment decisions. Our role is to assist the plan sponsor in the selection of mutual funds and exchange-traded funds for the participants while providing participants with education and support in making investment selections.

## **Item 17 - Voting Client Securities**

Winslow Drake does not vote proxies on behalf of clients nor does it advise its clients on class actions.

## **Item 18 - Financial Information**

Winslow Drake is not required to include a balance sheet for our most recent fiscal year end because we do not require or solicit fees in advance of services rendered. All fees that we receive are after services have been rendered. We are required to disclose that Winslow Drake has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. Additionally, Winslow Drake and Haddon Libby have never been the subject of a bankruptcy petition.

As we have discretionary authority over client accounts, we are subject to the minimum financial requirements as found in CCR Section 260.237.2(a) which requires us to maintain a minimum net worth of \$12,000. Our minimum net worth exceeds \$12,000 as required under CCR Section 260.237.2(a)

### **Item 19 - Requirements for State-Registered Advisers**

A. Haddon B. Libby, 58, serves as Founder and Managing Partner of Winslow Drake. Haddon was first registered as a broker-dealer in 1998 as denoted by a Series 7 examination. He subsequently renewed that license in January 2015 when starting Winslow Drake at Calton & Associates, Inc. where he was designated as a registered representative. Calton & Associates, Inc. is a broker-dealer firm where Haddon started this investment advisory business. With the approval to become a State-Registered Investment Advisor, Haddon rescinded his ability to work as a broker-dealer and leave Calton & Associates in order to operate strictly as a fee-only state-registered investment advisor. Mr. Libby maintains his Series 66 examination in order to operate as a state-registered investment advisor.

Haddon graduated Summa Cum Laude from Northeastern University in Boston with a Bachelor of Science Degree in Business Administration with a Major in Finance where he was a Travelli Scholar and received the Ford Humanitarian Award. He began his career as the youngest management training at BNY-Mellon where he was worked in their London and New York City offices and trained under Tom Renyi, retired Chairman and CEO.

Haddon first received took Series 7 and 63 examinations in 1998 where he was a dual employee of Bank of America and Banc of America Securities serving the banking and investment banking needs of banks across the United States. Haddon was employed at Bank of America from 1992 to 2004 where he also served as Senior Vice President of the Bank of America Private Bank serving the Palm Springs market from 2001 through 2004.

Haddon has also served as the Chief Financial Officer, Regional Director and Credit Analyst for other financial institutions.

From 2011 to 2014, Haddon served as co-founder and finance director of the non-profit ShareKitchen which incubated approximately three dozen start-up businesses.

Since 2014, Haddon has been a registered representative and investment advisor at Calton & Associates where he started the Winslow Drake investment management practice. As Winslow Drake has grown and prefers to operate in an investment advisory capacity, we decided to give up the broker-dealer license and register as an independent investment advisory so that we can better educate our clients and eliminate the inherent potential for conflicts of interest that a broker-dealers may have from time-to-time. Working strictly as a fee-based state-registered investment advisory practice eliminates the ability to receive any hidden charges or third-party payments that broker-dealers can earn when managing client investments.

B. Haddon Libby serves as the President of the Cathedral City Chamber of Commerce which is part of the Greater Coachella Valley Chamber of Commerce. This requires approximately 6 hours per month. Mr. Libby also writes a weekly column for CV Weekly. This requires approximately 4 hours per month. All told, Mr. Libby is involved in Outside Business Interests that consume 10 hours per month.

C. No one at Winslow Drake receives performance-based fees of any kind.

D. No one at Winslow Drake has ever paid an award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving an investment or an investment-related business or activity; fraud, false statement(s), or omissions; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair, or unethical practices. Further, we have never paid an award or otherwise been found liable in a civil, self-regulatory organization, or administrative proceeding involving an investment or an investment-related business or activity; fraud, false statement(s), or omissions; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair, or unethical practices.

E. No one at Winslow Drake has a relationship of any kind with any issuer of securities that is not listed in Item 10.C. of Part 2A.

#### Business Continuity Plan

We have developed a Business Continuity Plan that provides detailed steps to mitigate and recover from the loss of office space, communications or key people. Office space has been identified and secured if our primary place of business was not available. It is our intention to contact you within five days of any disaster that dictates moving our office to an alternate location. We have multiple communications channels available to us if any communication option is unavailable. Electronic files are backed-up daily and archived offsite. We have also identified qualified, licensed personnel with similar investment approaches to fill-in for Haddon Libby if he is incapacitated and unable to fulfill his work obligations.

Thank you for reading this brochure. As previously stated, if you have any questions about this brochure, please contact us at 213-596-8399 and/or [HLibby@WinslowDrake.com](mailto:HLibby@WinslowDrake.com). Additional information is available at the Security Exchange Commission website, [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov) and [www.WinslowDrake.com](http://www.WinslowDrake.com).