

Firm Brochure
(Part 2A of Form ADV)



HERR CAPITAL MANAGEMENT, LLC

431 South Dearborn, Suite 3 601

Chicago, Illinois 60605

P. 312.697-1600 F. 866-697-1603

www.HerrCapital.com

Info@HerrCapital.com

This brochure provides information about the qualifications and business practices of HERR CAPITAL MANAGEMENT, LLC. If you have any questions about the contents of this brochure, please contact us at: 312-697-1600, or by email at: Info@herrcapital.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 HERR CAPITAL MANAGEMENT, LLC is available on the SEC's website at www.adviserinfo.sec.gov

November 7, 2011

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Clarification and expansion of disclosures relating to our Types of Advisory Services.

Clarification and expansion of disclosures relating to our Types of Agreements.

Clarification and expansion of disclosures relating to our fees including increasing our minimum investment management fee to \$850.00

Clarification and expansion of disclosures relating to our Brokerage Practices and Custodial relationships.

Clarification and expansion of disclosures relating to our methods of analysis and investment strategies.

Clarification and expansion of disclosures relating to our relationship with American Portfolios Financial Services, Inc. Member FINRA/SIPC.

Clarification and expansion of disclosures relating to our relationships with outside “third party manager” investment advisory firms.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 312-697-1600 or by email at: Info@HerrCapital.com.

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Advisory Business

Firm Description

As a private wealth management firm serving the needs of individuals, families, pension and profit sharing plans, trusts, estates, charitable organizations and businesses. Herr Capital Management, LLC "HCM" believes that money is only as important to the extent it allows us to live the life we want. We define this as "Prosperity".

Successfully living a life of *prosperity* begins with a clear statement of purpose that is both realistic, measureable and created within the framework of a comprehensive understanding of each client's goals and values.

We are dedicated to helping our clients discover and achieve their own unique definition of prosperity. We bring innovative, practical and unbiased financial advice and services to help our clients improve their quality of life. We believe our first responsibility is to assure the integrity of their financial position within the context of their personal family values and resources. We guide our clients to help them:

- Create and Grow wealth;
- Protect and Preserve Wealth;
- Plan for the distribution of wealth during life in the most tax advantageous way;
- Plan for the creation of their legacy in the most tax advantageous way.

Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, estate planning and other financial matters within the competency of the firm's advisors.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management services may be beneficial to the client and to determine if there is a consistent philosophy and compatibility with HCM.

HERR CAPITAL MANAGEMENT, LLC, is an independent investment advisory firm registered with the State of Illinois in March of 2000.

HERR CAPITAL MANAGEMENT, LLC is located in Chicago's financial district two blocks from the Chicago Board of Trade. We also maintain a branch office in Normal, Illinois at the Citizens Bank of Chatsworth building.

The advisors at Herr Capital Management, LLC are also registered representatives of American Portfolios Financial Services, Inc. ("APFS") a registered broker-dealer Member FINRA/SIPC headquartered in Holbrook, New York. HCM and APFS are not affiliated firms.

Herr Capital Management, LLC has entered into a brokerage, custodial and clearing platform offered by Folio Institutional (direct) and Pershing (through our relationship with APFS as an introducing broker-dealer). Both platforms allows for custom portfolios to be designed and managed according to the client objectives. The ticket

and ancillary charges under these platforms are paid directly to the custodian of the assets. Herr Capital Management, LLC does not participate in these charges. Please refer to the “*Custody*” section of this brochure.

Herr Capital Management has also entered into agreements with several third party asset management firms or asset managers “TPM”. When recommended, clients shall receive pertinent disclosures relating to the TPM.

Investment advice is provided, with the client making the final decision on investment strategy and portfolio selection. HERR CAPITAL MANAGEMENT, LLC does not act as a custodian of client assets. HERR CAPITAL MANAGEMENT, LLC may place discretionary trades for clients under a limited power of attorney but is not authorized to withdraw or transfer any money, securities, or other property from the clients account without client consent as indicated in the investment advisory agreement.

To help in all areas of financial planning and implementation of those plans, advisors of HERR CAPITAL MANAGEMENT, LLC are also in the business of selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products as non-affiliated registered representatives of APFS, as licensed insurance agents and as licensed real estate agent/broker. As a result HERR CAPITAL MANAGEMENT, LLC and/or it’s advisors who are registered representatives and/or licensed insurance agents and/or licensed real estate broker/agent may be paid by or receive some economic benefit (including commissions) from a non-client in connection with giving advice to clients. As such a conflict of interest may arise, therefore it is our policy that clients are never required to implement any strategy with the advisors of Herr Capital Management working in their capacity as a registered representative, insurance agent or real estate agent/broker. We encourage and foster working as a team with the client’s current brokers, insurance agents, legal and tax advisors.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis and not included in the scope of work with HCM. Conflicts of interest will be disclosed to the client should they occur.

Principal Owners

Terrence Herr, CFP®, CLU is the sole owner of Herr Capital Management, LLC.

Types of Advisory Services

Herr Capital Management, LLC offers three primary services which are mutually exclusive billed separately and marketed under the following names:

- 1) Prosperous Investors™ - Discretionary and non-discretionary asset/investment management or supervisory services.
- 2) Prosperous Collaborators™ - Hourly (fee for service) and other Consultation Fees
- 3) Prosperous Planners™ - Comprehensive Financial Planning following our proprietary 5 step Prosperity Path™ Wealth Solution.

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system. Financial plans, planning checklists and investment policy statements are created to reflect the stated goals and objectives of the client. Generally, clients may impose reasonable restrictions on investing in certain securities or types of securities. Agreements may not be assigned without client consent.

Types of Agreements

The following define typical client relationships. These relationships are mutually exclusive and it is common for a client to work with us under each through the course of their relationship with us.

INVESTMENT MANAGEMENT AGREEMENTS

Marketed as Prosperous Investors™ - Herr Capital Management, LLC provides investment supervisory services and asset management services; manages investment advisory accounts not involving investment supervisory services; and furnishes investment advice through consultations; which clients may use to evaluate securities. The minimum annual fee for any Investment Management Agreement is \$850 and is negotiable at the sole discretion of HCM. (Please see standard fee schedule below)

On more than an occasional basis, Herr Capital Management, LLC furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

Prosperous Investor™: This relationship defines clients who open accounts where asset based fees (charged as a percentage of account value) in conjunction with investment management or investment supervisory services. These accounts usually involve use of a fee based brokerage account, third party manager or both. (see Investment Strategies).

Clients who have only commission based accounts, in our capacity as a registered representative of a broker-dealer, are not considered clients of Herr Capital Management, LLC as a registered investment advisor and no fiduciary relationship exists, unless otherwise mandated by agreement, law, rules or regulations from federal, state or local regulatory agencies. These accounts and assets are not considered assets managed by Herr Capital Management, LLC.

FEE BASED BROKERAGE – Active Models

HERR CAPITAL MANAGEMENT, LCC offers actively managed fee based brokerage accounts in which HCM acts as the portfolio manager for the account on a discretionary. Theses proprietary model investment portfolios may be employed as part of the chosen strategy to purchase no-load or commission-waived mutual funds, electronic/exchange traded funds “ETF”, stocks, bonds, and other securities purchased at dealer cost. From time to time, they may also utilize option trading and/or margin. Model changes and rebalancing occurs as dictated by our proprietary model research and changes in client circumstances. Each strategy will be defined by the client’s Investment Policy Statement “IPS. (see Investment Strategies).

THIRD PARTY MONEY MANAGERS

When certain investment management services are desired to be added to a client's portfolio, which Herr Capital Management, LLC does not provide, HCM will seek out non-affiliated third party managers. HCM currently maintains relationships with a select number of third party money managers. These managers may manage all or a portion of the clients assets. Prior to engaging such managers, HCM conducts due diligence which includes a review of the managers regulatory disclosures, historical performance as measured against an index or peer group, and that they have satisfied of State and Federal registration requirements. Third party managers will have additional fees and expenses as compensation for their labor and expense. The TPM will disclose their fees in their firm brochure and under a separate signed client agreement. Clients will be provided the appropriate regulatory disclosures of each of the third party managers as recommendations are made to utilize such managers. HCM bills for this service under the same standard fee schedule below. Some managers may deduct their fees from the assets they manage and share part of it with HCM. HCM will offset client fees by the amount received from the third party manager.

Standard Tiered Fee Schedule – Subject to an annual \$850 minimum

Account Value	Annualized Fee as Percentage
\$0 - \$49,999	1.70%
\$50,000 to \$149,999	1.26%
\$150,000 - \$299,999	1.15%
\$300,000 - \$499,999	1.05%
\$500,000 - \$999,999	0.90%
\$1,000,000 - \$1,999,99	0.825%
\$2,000,000 - \$4,999,999	0.725%
Over \$5,000,000	Negotiable

The minimum annual fee is \$850 and is negotiable with the purchase of additional services or combining of accounts. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

In some circumstances clients may want to bundle services offered by Herr Capital Management, LLC. In these situations, Herr Capital Management may negotiate fees that are higher than the above schedule. These fees shall not exceed 2.5% of the client's net worth on an annual basis.

As of October 31, 2011, HERR CAPITAL MANAGEMENT, LLC manages approximately \$6,019,621.20 in assets for approximately 46 clients on a discretionary basis. Assets are defined by accounts opened by HCM on behalf of clients where we are charge a fee as a percentage of the assets. They do not included insurance cash values, annuity or other accounts that may be owned by our clients nor do they include assets held at other firms on which we may be advising on such as 401(k) or similar retirement plans, real estate, insurance and annuity products, or other such financial instruments we may be advising clients on.

Additionally, commissioned based accounts opened through us in our capacity as registered representatives of American Portfolios Financial Services, Inc. are not considered assets managed by Herr Capital Management, LLC.

FINANCIAL PLANNING SERVICES

FINANCIAL PLANNING SERVICE are marketed as Prosperous Planner™ and The Prosperity Path Wealth Solution™ - Herr Capital Management, LLC provides financial planning and consulting services on a negotiable retainer, flat fee or hourly basis. All fees may be negotiated at HCM's sole discretion. The scope of each financial planning service shall be defined in the client agreement.

Prosperity Wealth Solution™ – Following our proprietary 5-step process, a financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed. A financial planning agreement may be executed with or without an Investment Advisory Agreement.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client and not covered by the planning agreement.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. For initial 12 month financial planning engagement, the client pays a one-time fee based upon the complexity of the work, instead of the hourly rate. Our minimum fee is \$3,500. The client will be notified of the fee prior to the commencement of work. All services rendered after the completion and delivery of the financial plan fall under either the hourly rate schedule or under a negotiated fixed annual fee. Planning fees do not included services provided under an investment management agreement.

Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments. In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

Herr Capital Management, LLC provides a web-based service which provides account updates from electronic feeds provided by the client's custodians to our third party service provider. (For manual entry assets which are not automatically updated, an additional hourly fee would be incurred for research and data entry). The client must grant authorization and register the necessary logons and passwords to obtain the information. Thereafter, each day the information from the client's preauthorized accounts is downloaded and post to their web portal. The client is responsible to update their logon credentials as they change. HCM is not responsible for missed data feeds or lost connections which result in missing or inaccurate data.

Prosperous Collaborators™ - Herr Capital Management, LLC will also provide limited scope planning and advice on an “as needed” hourly charge (fee for service) or commission basis as registered representatives of APFS, Inc. Prosperous Collaborators™ typically do not have access to the web based service described above unless they have accounts managed by Herr Capital Management or with its advisors as registered representatives of APFS Inc.. We also use the “collaborator” terminology when working with clients who are implementing non-investment advisory, insurance and other commissioned based strategies with us in our capacity as registered representatives of APFS, insurance agents and/or real estate agent/broker. Generally, a collaborator engagement is LIMITED IN SCOPE as an issue or need arises. Clients “collaborate” with us on the topic of concern. Once the issue is dealt with, there is generally no ongoing or continued advisory relationship or obligations.

HOURLY RATES

Hourly fees are billable each month as incurred, plus any additional out of pocket expenses such as postage, overnight charges, duplication expenses or any other direct expense. HCM will make an estimate for any hourly engagements expected to take more than 3 hours. When the scope and duration of the work is expected to be less than 3 hours, limited scope and hourly rate engagements may be oral and do not require a written agreement with the client. A deposit of 50% of the total estimated hourly fee shall be made at the beginning of any engagement unless otherwise negotiated.

Administrative (Record keeping, filing, typing, correspondence) \$ 85 per hour

Professional (financial planning, advice, consultation, research, etc.) \$225 per hour

These fees are not inclusive of any asset management fees or commissioned base transactions that may be deemed suitable for the implementation of the client’s plan. As such a conflict of interest may arise and clients are given the option, but not required to implement recommended strategies with advisors affiliated with HCM.

RATE CHANGES: Rates and schedules are subject to change as necessary. HCM will notify the client of new rates in writing no less than 30 days in advance of change. Services provided by HCM might be obtained elsewhere at either a higher or lower cost. HCM may negotiate, reduce or waive fees at their sole discretion

Retainer Agreement

In some circumstances, a *Retainer Agreement* may be executed in lieu of an *Advisory Service Agreement* when it is more appropriate to work on a fixed-fee basis. The annual fee for a *Retainer Agreement* is at the discretion of HCM based on the scope of the work.

Hourly Planning Engagements

HERR CAPITAL MANAGEMENT, LLC provides hourly planning services for clients who need advice on a limited scope of work. Services may include financial, tax, estate or insurance planning; employee benefit reviews, savings and/or budget planning as well as other financial or business concerns of the client. The hourly rate for limited scope engagements is \$225 for professional time and \$85 for administrative time. When the scope and duration of the work is expected to be less

than 3 hours, limited scope engagements may be oral and do not require a written agreement with the client.

Hourly planning engagements may include independent investment advice to individual plan participants of ERISA qualified plans on an hourly fee basis. This may include the analysis of investment plan options and developing recommendations from available investment choice which we believe will accomplish the client goals, based on their stated investment objective and risk tolerance. We recommend the client conduct quarterly reviews and updates to monitor the account progress, but we do not offer continuous supervision due to the lack of access to employee participant account information.

Tax Preparation Agreement

Herr Capital Management, LLC does not provide tax return preparation services. However, under an hourly rate engagement we will assist a client in the preparation of their preparer's tax organizer. Work performed is billed at our hourly rates previously detailed.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying HERR CAPITAL MANAGEMENT, LLC in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, HERR CAPITAL MANAGEMENT, LLC will refund any unearned portion of the advance payment.

HERR CAPITAL MANAGEMENT, LLC may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, HERR CAPITAL MANAGEMENT, LLC will refund any unearned portion of the advance payment.

Fees and Compensation

Description

HERR CAPITAL MANAGEMENT, LLC bases its fees on a percentage of assets under management, hourly charges and fixed fees.

Some *Retainer Agreements* may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Financial plans are priced according to the degree of complexity associated with the client's situation.

Fees are *negotiable at the sole discretion of Herr Capital Management, LLC.*

Fee Billing

Investment management fees are billed as outlined in the investment management agreement. Payment in full is expected upon invoice presentation. Fees are usually

deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for financial plans are billed 50% in advance, with the balance due upon delivery of the financial plan.

RATE CHANGES – fees are subject to change as necessary. Herr Capital Management, LLC will notify the client of the new rates in writing not less than 30 days prior to the effective date. Similar services provided by HCM might be obtained elsewhere at either a higher or lower cost.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

HERR CAPITAL MANAGEMENT, LLC, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Herr Capital Management, LLC has a fiduciary duty to place the interest of the client ahead of their own, with full disclosure of any additional compensation when an associated person is acting in another capacity, such as a securities broker or insurance agent. HCM may offer offsetting credits or increase the level of services provided to clients who have signed advisory or financial planning agreements with HCM. Such offsets are in the sole discretion of HCM.

Service fees (sometime referred to 12b-1 fees) paid to Herr Capital Management, LLC affiliated advisors are not credited to any particular client but rather used by the advisor to lower the total cost of doing business. These costs are incidental and the amounts so small and the transactions so numerous that the cost of accounting for them would exceed the nominal amounts received.

Insurance products bought through affiliated representatives of Herr Capital Management, LLC are not allowed to be credited to advisory accounts or clients due to the laws against rebating insurance in most states. Therefore, no credits are made to any client who purchases insurance products through an advisor affiliated with Herr Capital Management, LLC. Insurance products recommended can be purchased through other agents not affiliated with HCM. There is never a requirement that products be purchased through Herr Capital Managements or its affiliated advisors when they are recommended.

Investment products recommended may also be purchased through other brokers or agents not affiliated with Herr Capital Management, LLC. If so elected, Herr Capital Management would not be able to provide continuous supervision or management of the held away assets. This service would be covered under an hourly engagement with the client responsible for the execution of any recommendations.

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to HERR CAPITAL MANAGEMENT, LLC.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

HERR CAPITAL MANAGEMENT, LLC reserves the right to stop work on any account that is more than 60 days overdue. In addition, HERR CAPITAL MANAGEMENT, LLC reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in HERR CAPITAL MANAGEMENT, LLC's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 60 days.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

HERR CAPITAL MANAGEMENT, LLC does not use a performance-based fee structure.

Types of Clients

Description

HERR CAPITAL MANAGEMENT, LLC generally provides investment advice and financial planning services to individuals, banks or thrift institutions, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Client relationships vary in scope and length of service.

Account Minimums

Herr Capital Management, LLC does not maintain an account minimum for investment management agreements. Instead, we have instituted a minimum annual fee of \$850. Some platforms such as fee based brokerage and certain third party managers have higher minimum account sizes.

A small account may not be able to meet minimum investments amounts as established by investment firms and mutual funds. Therefore, when this occurs we may deviate from our proprietary models by utilizing a suitable replacement models

or investment vehicles. Depending upon circumstances and services being offered, HERR CAPITAL MANAGEMENT, LLC may offer to sign an Hourly Agreement in lieu of and investment advisory agreement with the client if assets are significantly below \$50,000.

Clients with small accounts may pay a significantly higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that HERR CAPITAL MANAGEMENT, LLC may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, Lipper Wealth Desktop, Litman Gregory Analytics, other research providers and the World Wide Web.

Investment Strategies

Our commitment is to adhere to a strict investment discipline through market ups and downs. The consistent application of a specific decision making process helps reduce the chances of getting whipsawed by the markets and making other mental/emotional errors. Many investors make the mistake of chasing hot funds. Others become increasingly aggressive after periods of high returns and panic after absorbing losses of a market decline. Professional advisors make the same mistakes, but good investors minimize these mistakes by sticking to a well-defined discipline.

Our Active models are based on decisions from a disciplined process that can be defined as dynamic. Our investment strategy decisions assume a minimum 3 year time frame. Three years is long enough to give us confidence that underlying investment fundamentals, rather than short-term market sentiment, will drive returns.

Using both internal and external analysis, there are three primary steps to developing our five (4) neutral asset allocation models and strategies:

- 1) First we establish a neutral model for each portfolio type or risk profile
- 2) We shift our asset allocation away from the neutral model when we identify “**fat pitch**” opportunities:
 - a. When one asset class is extremely undervalued relative to competing asset classes
 - b. When cyclical or other factors don’t significantly detract from a valuation story.

- c. When long term trend that we believe will have a major impact in defining the upcoming climate don't detract from the valuation story.
- 3) Finally we use scenario analysis to test the portfolios exposes to various downside risks.

This means that we set course and make adjustments as the client and economic conditions dictate, not on a pre-determined or pre-scheduled calendar basis. Often there are period of time when significant account changes are made as well as extended periods when little change occurs in an account. Portfolios are globally diversified to control the risk associated with traditional markets.

Our four core active strategies have the following objectives:

1. **Active Conservative Balanced:** This is our most conservative portfolio. The portfolio is managed in an effort to limit a maximum loss in a 12-month period to no more than 5%, but we cannot guarantee that this threshold won't be exceeded. Our default allocation to equities in this model is 40%, with 60% in fixed-income. This portfolio is most appropriate for investors who are uncomfortable with higher short-term risk and who value short-term capital preservation over higher long-term returns.
2. **Active Balanced:** This portfolio is managed in an effort to limit the maximum loss in a 12-month period to no more than 10%, but we cannot guarantee that this threshold won't be exceeded. The higher downside risk threshold allows us to have more equity exposure than in our conservative balanced portfolio (a 60% default allocation to equities), while remaining relatively conservative. This portfolio is appropriate for investors who want to participate in the equity markets, but are still somewhat uncomfortable with short-term risk.
3. **Active Equity-Tilted:** This portfolio is managed in an effort to limit the maximum loss in a 12-month period to no more than 15%, but we cannot guarantee that this threshold won't be exceeded. This portfolio has a more aggressive 75% default allocation to equities, and is appropriate for investors who are willing to accept higher short-term risk in exchange for the likelihood of higher long-term returns than what are available from our more conservative portfolios.
4. **Active Equity:** This portfolio is, as a rule, a fully invested, global stock portfolio. Consequently the ups and downs of the portfolio's returns will be as wide as the equity market. It's possible that investors could lose 20% or more of their value over 12 months (though we expect this to be rare). Along with higher risk, we expect higher long-term returns than what are available from our other, less aggressive models. This portfolio is appropriate for investors with a long time horizon and no concerns about short-term risk.

In general, we don't attempt to manage each portfolio so as to avoid violating our loss thresholds in very extreme negative environments because we believe they are rare, and would require an allocation so permanently conservative that we believe it would cost more capital over the long run. So while our objective is not to exceed our risk threshold targets in the vast majority of environments, there is no guarantee that we will do so, and each investor should carefully consider their portfolio strategy in light of their risk tolerance and the possibility that losses could exceed our target levels.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies) as well as custom strategic and tactical models managed by HCM or Third Party Managers.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

- **Political Risk:** Laws governing any country are subject to change and such can create financial stress when abruptly changed. This can affect a single industry or the broader global economy causing unexpected results, sometimes know as “unintended consequences”.
- **Derivative Risk:** When values of an asset is based upon another underlying assets commodities or options contracts. The derivative can leverage the value of the asset by multiples resulting in increased volatility in either an up or down market.
- **Risk of Loss:** Investing carries with it the risk of loss, including the loss of invested principal. Understanding this risk can help investors decide how much of their money they are comfortable in placing in any given investment or asset. Investments are NOT FDIC insured.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

Terrence Herr CFP®, CLU is the sole owner of HERR CAPITAL MANAGEMENT, LLC and is a registered representative of American Portfolios Financial Services, Inc. a registered broker/dealer. Member FINRA/SIPC.

Affiliations

HERR CAPITAL MANAGEMENT, LLC has arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, banking or thrift institution, insurance company or agency, pension consultant, real estate broker as follows:

- American Portfolios Advisors, Inc a SEC registered investment advisor located in Holbrook, NY (a wholly owned subsidiary of American Portfolios Holdings, Inc. which also owns American Portfolios Financial Services Inc. a registered broker-dealer and American Outsources LLC a technology company serving the financial services industry) for support services by providing billing assistance on client accounts, blottering of transactions, web-access services, data aggregation, business processing, maintaining correspondence blotter, compliance assistance as well as conducting anti-money laundering supervision for our accounts. HCM will pay American Portfolios a negotiated percentage of our investment management agreement fee income earned from accounts as billed on a quarterly basis
- American Portfolios Financial Services, Inc. Terrence Herr is a registered representative of American Portfolios Financial Services, Inc. a registered broker-dealer. American Portfolios Financial Services, Inc. is a wholly owned

subsidiary of American Portfolios Holdings, Inc. which also owns American Portfolios Advisors, Inc. a registered investment advisor and American Outsources LLC a technology company serving the financial services industry). The term registered representative does not imply a certain level of skill or training.

- Insurance: Herr Capital Management, LLC owns a registered assumed name of ProtectedIRA.com and operates a consumer oriented insurance sales web domain name of ProtectedIRA.com for the purposes of marketing fixed insurance and annuity products. These clients are not deemed to be engaged in an advisory relationship with HCM. ProtectedIRA.com intends to employ licensed insurance agents who may or may not be affiliated with HCM as investment advisory representatives. ProtectedIRA is a marketing name, not an insurance agency, with licensed use to Terrence Herr as an insurance agent.
- Licensed Insurance agent: Terrence Herr is a licensed insurance agent with as many as 30 (thirty) different insurance carriers. In this capacity, he may earn commissions on products purchased by clients acting upon his recommendations as an investment advisor. The possibility of a conflict of interest is inherent in such a relationship. Financial planning fees may be waived in part or in full for clients effecting insurance purchases through the advisor.
- Real Estate Brokerage: Terrence Herr maintains an Illinois residential real estate broker license. He does not directly provide real estate sale or listing services, but will make referrals to competent licensed real estate professionals in exchange for a negotiated percentage of the commissions earned from the purchase or sale of real estate. Sharing of commissions will not increase the commissions paid by a client or customer conducting a real estate transaction. A conflict of interest is inherent in such a relationship and as such clients are not required to utilize the services of a referred real estate professional.
- Citizens Bank of Chatsworth: HCM has entered into an agreement with the bank for the purpose of marketing our investment advisory services. The bank is paid a negotiated percentage of our standard fees. Client's referred by the bank do not pay additional fees as a result of this relationship.
- Citizens Bank of Chatsworth: Carla Herr, Terrence Herr's wife, owns a non controlling portion of stock in the Citizens Bank of Chatsworth. The bank provides meeting space for one or more representatives of Herr Capital Management, LLC and registered representatives of American Portfolios. The bank also shares a percentage of revenue earned from HCM clients referred by the bank. This revenue does not increase the fees charged to clients.
- OTHER INVESTMENT ADVISORS: Herr Capital Management, LLC may recommend other investment advisors for consideration by their clients. In such relationships that act as the supervising manager monitoring the outside investment advisor. Some investment advisors share the revenue they receive for managing the assets with Herr Capital Management, LLC.

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

Code of Ethics

The employees of HERR CAPITAL MANAGEMENT, LLC have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

HERR CAPITAL MANAGEMENT, LLC and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the compliance provisions adopted by HERR CAPITAL MANAGEMENT, LLC

Personal Trading

The Chief Compliance Officer of HERR CAPITAL MANAGEMENT, LLC is Terrence Herr. He reviews all trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

HERR CAPITAL MANAGEMENT, LLC does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. HERR CAPITAL MANAGEMENT, LLC recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Herr Capital Management recommends brokerage firms and trust companies (qualified custodians), such as American Portfolios Financial Services, Inc. and its clearing firm Pershing, LLC as well as FOLIO Institutional.

Each custodian publishes a list of their brokerage and transaction fees which are delivered to the client prior to opening an account. HERR CAPITAL MANAGEMENT, LLC does not receive fees or share in transaction charges from any of these arrangements. Where available, HCM may receive a portion of 12b-1 fees paid by mutual fund companies.

Best Execution

HERR CAPITAL MANAGEMENT, LLC reviews the execution of trades at each custodian each quarter. Trading fees charged by the custodians are also reviewed

on a quarterly basis. HERR CAPITAL MANAGEMENT, LLC does not receive any portion of the trading fees.

Soft Dollars

HERR CAPITAL MANAGEMENT, LLC receives software and technology services from American Portfolios Financial Services, Inc. Pershing, LLC and FOLIO Institutional allowing the ability to electronically trade client accounts. These services offset some of the annual maintenance and technology fees Herr Capital Management, LLC would otherwise have to pay. All clients benefit from these arrangements as it reduces the firms overall expenses.

Directed Brokerage

Herr Capital Management, LLC recommends that clients execute transactions through FOLIO Institutional or American Portfolios Financial Services, Inc. and its clearing firm Pershing, LLC for several business and regulatory reasons.

Terrence Herr, CFP®, CLU, the firm's owner, is affiliated with American Portfolios Financial Services, Inc. as a securities broker and branch manager and as such, is required by regulators to have his transactions supervised by their compliance and supervision department.

By using these custodians, it is possible trade client's accounts as a block trade or via a "trade window" in aggregate potentially lowering costs or obtaining better pricing for the clients.

Herr Capital Management, LLC will provide investment advice to clients who wish to establish brokerage accounts with other custodians. These arrangements are priced under an hourly rate agreement and no supervision or management services are provided for the held away assets. When using these types of brokerage agreements it may result in higher or lower total expense to the client.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit. When appropriate and when available order aggregation may be utilized. Order aggregation may be employed by our third party asset managers and appropriately disclosed in their brochure/disclosure documents.

Review of Accounts

Periodic Reviews

Account reviews are performed at least every 3 months or quarterly and may be performed more frequently when market conditions dictate.

Performance reports are mailed quarterly for those clients requiring paper delivery. Clients have the ability to access their account information and run performance

reports at any time by using their secure online logon identification and password. The ability allows the client and advisor to review the account on a daily basis, if needed.

Financial Planning reviews are performed on an as needed basis with notices sent annually as a reminder. Clients can access their financial plan any time by using their Prosperity Path Wealth Solution™ secure logon and password.

Herr Capital Management, LLC contracts with third party providers to collect and aggregate the data on their secure website for both investment advisory and financial planning clients. No warranty is expressed or implied as to the accuracy of the data collected or presented. While data is believed to be reliable it is provided as a courtesy for their clients on a best efforts basis by the third party providers. Clients are responsible to notify the advisor if the information is materially inaccurate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation or when requested by a client

Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. *Investment Management* clients receive written or electronic updates as requested. The written updates may include a net worth statement, portfolio statement, and/or a summary of objectives and progress towards meeting those objectives.

Client Referrals and Other Compensation

Incoming Referrals

HERR CAPITAL MANAGEMENT, LLC has been fortunate to receive many client referrals over the years. Referrals come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals. Herr Capital Management, LLC may pay referral fees to other investment advisors or registered investment advisory representatives who make referrals to HCM under a fully disclosed solicitor's agreement. The payment of referrals fees will not increase the total fees to a client.

Referrals Out

HERR CAPITAL MANAGEMENT, LLC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them, except in the case when clients are referred to third party managers under a referral agreement or from real estate professionals as highlighted above.

Other Compensation

Approximately 50% - 60% of Terrence Herr's time is dedicated to the investment advisory activities of Herr Capital Management, LLC. He receives other non-investment advisory compensation as follows:

American Portfolios Financial Services: as registered representatives of APFS, Inc. advisors of HCM may receive commissions in connection with the sale of securities through their affiliation with APFS a registered broker-dealer. This activity accounts for approximately 30% - 40% of Mr. Herr's time.

Insurance – Advisors of Herr Capital Management, LLC are licensed insurance agents and may receive commission in conjunction with the sale of insurance products. This activity is performed on an as needed basis and typically accounts for less than 15% of Mr. Herr's time.

Real Estate Brokerage – Advisors of Herr Capital Management, LLC may be licensed insurance agents and receive a portion of commissions earned by unaffiliated real estate professionals referred to our clients. This activity is performed on an as needed basis and typically accounts for less than 5% of Mr. Herr's time.

Custody

Account Statements

All assets are held at qualified custodians which means the custodians hold clients assets and provide account statements directly to clients at their address of record or electronically at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by HERR CAPITAL MANAGEMENT, LLC. In all circumstances the client should rely on the account statements received directly from their custodian.

Net Worth Statements

Clients are asked to frequently provide net worth statements and net worth graphs. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial and investment planning. Exact values of assets are not material, but reasonable estimates are necessary.

Investment Discretion

Discretionary Authority for Trading

HERR CAPITAL MANAGEMENT, LLC accepts discretionary authority to manage securities accounts on behalf of clients. When discretion is granted, HERR CAPITAL MANAGEMENT, LLC has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, HERR CAPITAL MANAGEMENT, LLC may consult with

the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. HERR CAPITAL MANAGEMENT, LLC does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization to allow Herr Capital Management, LLC discretion to only purchase and sell securities and limited as to the type of security selected, timing, and amount. It does not allow funds to be withdrawn from the account or transferred to another account without express written permission from the client. Clients sign a limited power of attorney so that we may execute the investment strategies as agreed.

Voting Client Securities

Proxy Votes

HERR CAPITAL MANAGEMENT, LLC does not vote proxies on securities unless otherwise directed. Clients are generally expected to vote their own proxies.

When assistance on voting proxies is requested, HERR CAPITAL MANAGEMENT, LLC will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

HERR CAPITAL MANAGEMENT, LLC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because HERR CAPITAL MANAGEMENT, LLC does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$600 per client, and six months or more in advance.

Business Continuity Plan

General

HERR CAPITAL MANAGEMENT, LLC has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite in a manner consistent with Securities Exchange Commission Rule 17a-(4) Record Retention Requirements. The imaging system provides for dual storage in two different geographic data center locations. Each data center is a SAS 70 Certified, Tier 4, Class A, N+1 facility. As images are added to the directory, they are store in real time using 128-bit SSL encryption which is updated at least annually.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel

HERR CAPITAL MANAGEMENT, LLC has signed a Business Continuation Agreement with another financial advisory firm to support HERR CAPITAL MANAGEMENT, LLC in the event of Terrence Herr's serious disability or death.

Information Security Program

Information Security

HERR CAPITAL MANAGEMENT, LLC maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy

HERR CAPITAL MANAGEMENT, LLC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

HERR CAPITAL MANAGEMENT, LLC requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: BA, BS, MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Terrence Herr, CFP®, CLU®

Professional Certifications

Terrence Herr has earned the following certifications and credentials that are required to be explained in further detail.

Certified Financial Planner® (CFP®) and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university)or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professional provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CDP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Consumers can check a Certificant's status online at <http://www.cfp.net/search/>

Chartered Life Underwriter (CLU) is a professional designation granted in the United States by the American College, Bryn Mawr, Pennsylvania ("The American College") chartered in 1927 and receiving its accreditation as an educational institution of higher learning by the Middle States Commission on Higher Education in 1978.

The CLU® designation is a voluntary designation; no federal or state law or regulation requires Insurance Professional to hold a CLU® designation. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) professional code of conduct; and (3) ethical requirements. Currently, more than 117,000 individuals have obtained the CLU® designation in the United States.

To attain the right to use the CLU® designation, an individual must satisfactorily fulfill the following requirements.

- Education – The CLU® curriculum is more extensive than that of any other Life Insurance credential, requiring five core courses and three electives for a total of eight. Topics include the fundamentals of insurance planning, individual life insurance, life insurance law, fundamentals of estate planning, planning for business owners and professionals, retirement and estate planning applications, and financial planning process and environment. Professional who have earned their CHARTERED FINANCIAL CONSULTANT®, ChFC® also offered through The American College need only complete three additional courses to earn the CLU® designation.
- Examination – Each program represents over 400 hours of study time and requires eight separate closed-book, proctored exams. The majority of course textbooks in the program are written by The American College faculty. These

same texts are preferred by other leading colleges and universities across the country;

- Experience – Each designee must meet a professional requirement of three years of relevant full-time experience within the past five years prior to the designations being awarded (2,000 hours representing the equivalent of one year full-time experience); and
- Ethics - Every designee must adhere to a robust ethical code that requires professional to, in light of all conditions surrounding those clients they serve, which they shall make every conscientious effort to ascertain and understand, render that service which, in the same circumstance, the advisor would render to themselves.
- Individuals who matriculated with the college after June 30, 1989 are subject to the PACE Recertification Program and must complete the following ongoing education requirements in order to maintain the right to continue to use the CLU® designation;
- Continuing Education – Complete 30 hours of continuing education hours every two years, maintain competence and keep up with developments in the financial planning field; and

Consumers can report ethical violations of any CLU® professional by emailing registrar@theamericancollege.edu The College Registrar, in conjunction with the Certification Committee of the Board, addresses all complaints in a timely and professional fashion and takes the appropriate disciplinary action, up to removal of the designation.

Terrence Herr, CFP[®], CLU[®]

Born 1971

EDUCATIONAL BACKGROUND:

LOYOLA UNIVERSITY CHICAGO Chicago, Illinois 1993
BACHELORS OF BUSINESS ADMINISTRATION

THE AMERICAN COLLEGE Bryn Mawr, PA 1997
LIFE UNDERWRITER TRAINING COUNCIL CURRICULUM

COLLEGE FOR FINANCIAL PLANNING Denver, Colorado 1997 - 1999
CERTIFIED FINANCIAL PLANNER CURRICULUM

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC. Washington, DC
10 HOUR CFP[®] CERTIFICATION EXAM 1999

THE AMERICAN COLLEGE, Bryn Mawr, PA 2001 - 2002
CHARTERED LIFE UNDERWRITER CURRICULUM

PROFESSIONAL DESIGNATIONS

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC. Washington, DC
CERTIFIED FINANCIAL PLANNER[™] PRACTITIONER September 21, 1999
CFP[®] DESIGNATION AWARDED

THE AMERICAN COLLEGE Bryn Mawr, PA February 1, 2002
CHARTERED LIFE UNDERWRITER

LICENSE AND REGISTRATIONS

Terrence E. Herr is licensed to sell securities and holds the following securities license:

Series 65 (Uniform Investment Advisor Law)	1998
Series 24 (General Securities Principal)	1998
Series 7 (General Securities Representative)	1995
Series 63 (Uniform Securities Agent State Law)	1994
Series 53 (Municipal Securities Principal)	1998

Securities license may be verified at:

<http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>

Terrence Herr is licensed to sell insurance his national insurance producer code is #250147

BUSINESS EXPERIENCE:

HERR CAPITAL MANAGEMENT, LLC 03/2000 to Present
Chicago, Illinois – Managing Partner & Owner

AMERICAN PORTFOLIOS FINANCIAL SERVICES, INC. 03/2010 to Present
Holbrook, New York – registered principal/branch manager

DEPAUL UNIVERSITY – ADJUNCT FACULTY MEMBER 2001 to 2003
Chicago, Illinois - Department of Continuing and Professional Education Instructor for the Financial Planning Certificate program.

NORTHWESTERN UNIVERSITY- ADJUNCT FACULTY MEMBER 2004
Chicago, Illinois – Certified Financial Planner™ Certification Education Program instructor.

FSC SECURITIES CORPORATION 01/1998 to 03/2010
Atlanta, Georgia – registered representative

FSC AGENCY 01/1998 to 03/2010
Atlanta, Georgia – Insurance broker

W.S. GRIFFITH & CO., 01/1995 to 01/1998
Hartford, CT – registered representative

PHOENIX HOME LIFE 01/1995 to 01/1998
Hartford, CT. –Insurance Agent

DISCIPLINARY INFORMATION:

Terrence Herr has not been the subject of any disciplinary actions.

Arbitration Claims: Mr. Herr has not been the subject of any arbitration proceedings or claims

Self-Regulatory Organization or Administrative Proceeding: Mr. Herr has not been the subject of any SRO or administrative proceedings

Bankruptcy Petition: None

OTHER BUSINESS ACTIVITIES & COMPENSATION:

Terrence Herr has other business activities for which he receives compensation including:

- Registered representative of American Portfolios Financial Services, Inc. a registered broker-dealer firm. Member FINRA/SIPC
- Insurance agent/brokerage
- Illinois licensed real estate broker

SUPERVISION

Terrence E. Herr is the managing partner and owner of Herr Capital Management, LLC and is responsible for the supervision and advice provided to the clients of Herr Capital Management, LLC. Mr. Herr's trading activities are also overseen by American Portfolios Financial Services, Inc. and a Supervising Principal, Richard Lee Cox, Jr. who can be reached at 423-894-3882.