

## Item 1 – Cover Page



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# Form ADV Part 2A Brochure

March 15, 2024

**This Brochure provides information about the qualifications and business practices of Mitchell & Pahl Private Wealth, LLC (“Mitchell & Pahl”). You should review this brochure to understand your relationship with our firm and help you determine to hire or retain us as your investment adviser. If you have any questions about the contents of this brochure, please contact us at (405) 608-2280. The information in this Brochure has not been approved or verified by the United States of America Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about Mitchell & Pahl also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by our firm name or by using a unique identifying number, known as a CRD number. The CRD number for Mitchell & Pahl is 307625.**

**Mitchell & Pahl is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.**

## Item 2 – Material Changes

This section of the brochure discusses specific material changes that have been made to the brochure since the firm's last annual update in March 2023. Below is a summary of those changes.

- **Item 5: Fees and Compensation – Other Types of Fees and Expenses/Item 12: Brokerage Arrangements**

There may be times when another broker-dealer is used to execute fixed-income trades (commonly referred to as “trading away” or “step out trades”). In instances where Mitchell & Pahl has determined it is in the client's best interest to utilize another broker-dealer to execute a transaction, the cost of the transaction will be included in the wrap program fee.

- **Item 12: Brokerage Practices – Aggregation of Orders**

Mitchell & Pahl generally manages customized portfolios for clients and therefore, typically effects orders independently based on the client's individual needs and goals. However, client transactions are aggregated when possible and advantageous to clients.

We encourage you to carefully review this Brochure prior to entering into an investment advisory contract with our firm. You may receive an updated copy of this brochure at any time by contacting us at (405) 608-2280.

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## **Item 4 – Advisory Business**

### **About Our Firm**

Mitchell & Pahl Private Wealth, LLC (“Mitchell & Pahl”) is a fee-only registered investment adviser that provides investment management and financial advisory services to individual investors to help them achieve their financial needs and goals. Founded in 2020, the firm is owned by Brian D. Mitchell and Candace Pahl.

Our firm takes pride in providing personalized service to our clients and acknowledges that it is held to a fiduciary standard of care.

### **Types of Advisory Services We Offer**

Mitchell & Pahl offers portfolio management, financial planning, and wealth management services to individuals, high net worth individuals, trusts, businesses, and charitable organizations. We work with our clients to determine their investment objectives and risk profile and develop a customized investment plan based on their individual needs and goals. Mitchell & Pahl will utilize the financial information provided by the client to analyze and develop strategies and solutions to assist the client in meeting their financial goals.

Prior to Mitchell & Pahl rendering any of the foregoing services, clients are required to enter into one or more written advisory agreements with Mitchell & Pahl setting forth the relevant terms and conditions of the advisory relationship.

### **Portfolio and Wealth Management Services**

Mitchell & Pahl manages our clients’ portfolios on a discretionary and, in limited circumstances, non-discretionary basis. Our portfolio and wealth management services are tailored to the needs of our clients and are based on a comprehensive understanding of each client’s current situation, past experiences, and future goals. With this acquired knowledge we create, analyze, strategize, and implement goal-oriented investment solutions. These solutions become our clients’ investment policy. This policy and our matched strategies are designed to be risk appropriate, cost effective and tax efficient.

Our wealth management services generally include a broad range of comprehensive financial planning and consulting services. We also offer discretionary or, in limited circumstances, non-discretionary management of investment portfolios.

Client assets are generally allocated among individual equity and debt securities in accordance with the client's stated investment objective and risk/volatility parameters. Where appropriate, Mitchell & Pahl may also provide advice about many types of legacy positions or other investments held in client portfolios. Clients may also engage Mitchell & Pahl to manage and/or advise on certain

investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts, assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Mitchell & Pahl will direct or make recommendations on a non-discretionary basis for the allocation of client assets among the various investment options available within the product. These assets are generally maintained at the underwriting insurance company or custodian for the plan trustee or administrator and clients retain responsibility for effecting trades in these accounts. Clients may also retain Mitchell & Pahl to provide advisory services for their retirement plan account.

Mitchell & Pahl consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. You should promptly notify us if there are changes in your financial situation or if you wish to place any limitations on the management of your account. You may impose reasonable restrictions or mandates on the management of your account if Mitchell & Pahl determines, in our sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the firm's management efforts.

### **Financial Planning and Consulting Services**

Mitchell & Pahl offers different levels of financial planning and consulting services to help our clients identify, prioritize and work towards their goals and objectives. Our consulting services give our clients the ability to receive a broad range of financial advice and services, including specific security recommendations, for the duration of the advisory agreement.

Our process starts with an extensive review of a client's family situation, which includes assets and liabilities as well as estate, tax, and insurance needs. We then employ a risk tolerance and risk capacity-focused simulation to get a detailed cash flow analysis and proposed asset allocation. Together, this information is analyzed to develop a proposed financial plan, which is designed to be dynamic in nature, ever-evolving due to life changes, along with changes in cash flow needs, risk tolerance, time horizon, or investment objectives.

Mitchell & Pahl's financial planning and consulting services may include any or all of the following topics:

- **Investment Consulting:** Analyzing investment allocations, possible alternatives to consider, and their effect on your portfolio.
- **Tax Planning:** Reviewing tax returns and proposing options for reducing tax liability.
- **Liability Management:** Guidance on using debt productively and paying off strategically.
- **Estate Planning:** Analyzing and suggesting wealth transfer strategies to meet your objectives, as well as reviewing beneficiary designations and proper account titling.
- **Cash Flow Analysis:** Planning around one-time expenses, as well as ongoing distribution needs and savings goals.

- Charitable Giving: Discussing your desired social impact, exploring tax-appropriate vehicles to accomplish your philanthropic objectives, and determining which assets to use for giving.
- Business Planning: Advice on how to structure an entity, reviewing cash flow expectations, strategies for using debt effectively, succession and transition planning, and assistance with office space decisions.
- Concentrated Stock: Managing the risk of owning highly appreciated investments, as well as decisions concerning equity compensation offered through an employer.
- Insurance Review: Analyzing current insurance coverage and, where appropriate, recommending strategies to mitigate risks.
- Divorce Planning: Assisting with financial issues and decisions that couples face when going through a divorce.
- Death & Disability: Evaluating cash needs at death, income needs of surviving dependents, and disability income.
- Federal Benefits & Health Care: Optimization of Social Security, Medicare, and other Federal Benefits, as well as navigating health care decisions before Medicare.
- Education Planning: Reviewing 529 plans and general assistance in preparing to meet dependents' continuing educational needs.
- Family Governance: Coordinating family meetings, formulating mission statements, helping identify the purpose for the wealth and reviewing how future generations might preserve and continue the legacy.
- Financial Record Organizing: Guidance with organizing important financial records so you know what to keep.

Generally, financial planning services are rendered in conjunction with our investment portfolio management services, as part of a comprehensive wealth management engagement; however, on a case-by-case basis, the firm may offer any of these services on a stand-alone basis. In performing these services, Mitchell & Pahl is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.), and is expressly authorized to rely on such information. Mitchell & Pahl may recommend clients engage the firm for additional related services, or we may recommend other professionals to implement our recommendations. These additional services by Mitchell & Pahl or another professional are provided at an additional cost to you, which is based on the nature, extent, complexity, and other characteristics of the services. This creates a conflict of interest because the firm will have an incentive to recommend additional services based on the compensation to be received, rather than solely based on your needs, and in some cases, based on the prospect of cross-referrals of advisory clients from the other professional or his or her firm. Implementation of financial planning recommendations is entirely at your discretion. You have complete freedom in selecting a financial adviser to assist you with implementing the recommendations made in your financial plan and are under no obligation to act on the advice of Mitchell & Pahl. Financial planning recommendations are of a generic nature and are not limited to any specific product or service offered by a broker dealer or insurance company. Should you choose to implement the recommendations contained in the plan, Mitchell & Pahl suggests you work closely with your attorney, accountant and/or insurance agent.

Mitchell & Pahl will act solely in its capacity as a registered investment adviser and does not provide any legal, accounting or tax advice. You should seek the counsel of a qualified accountant and/or attorney when necessary. As part of our advisory services, we may assist clients with tax harvesting and will work with the client's tax specialist to answer any questions related to the client's portfolio.

### **Selection of Independent Managers**

Mitchell & Pahl may select certain Independent Managers to actively manage a portion of its clients' assets. Pursuant to the terms of the investment advisory agreement, Mitchell & Pahl shall have the discretion to appoint and terminate these third-party advisers. The specific terms and conditions under which a client engages an Independent Manager may also be set forth in a separate written agreement with the designated Independent Manager. Certain Independent Managers require a separate investment advisory agreement with the Independent Manager, while others do not. In addition to this brochure, clients will also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

Mitchell & Pahl evaluates a variety of information about Independent Managers, which may include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, Mitchell & Pahl seeks to assess the Independent Managers' investment strategies, past performance, and risk results in relation to its clients' individual portfolio allocations and risk exposure. Mitchell & Pahl also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing, and research capabilities, among other factors.

Independent Managers utilized by Mitchell & Pahl include sub-advisers that focus on a specific investment strategy, such as fixed income investing. These sub-advisers provide Mitchell & Pahl with fixed-income research and advice, which is then implemented in client portfolios.

Mitchell & Pahl continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, Mitchell & Pahl monitors the performance of those accounts being managed by Independent Managers. Mitchell & Pahl seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

### **Portfolio Management Services for Wrap Fee Program**

Mitchell & Pahl offers portfolio management services through a wrap program. A bundled or "wrap fee" program is an advisory fee program under which you pay one bundled fee to compensate Mitchell & Pahl for portfolio management and trade execution. A wrap fee program may not be the lowest cost option if you would like to restrict your investments to open-ended mutual funds or other long-term investment products.

## Amount of Assets We Manage

As of December 2023, Mitchell & Pahl managed approximately \$319,434,985 on a discretionary basis and \$35,010,265 on a non-discretionary basis. Discretionary assets under management are those for which we have an ongoing responsibility to select and make securities recommendations that are in line with your financial needs and objectives and then effect those securities transactions without first consulting you. Non-discretionary assets under management are those for which we have an ongoing responsibility to select and make securities recommendations that are in line with your financial needs and objectives and then effect those securities transactions only after consulting with you to inform you of the transaction(s) and obtaining your approval to move forward.

## Item 5 – Fees and Compensation

### How We Are Compensated for Our Advisory Services

Mitchell & Pahl offers its advisory services on a fee-only basis. Our fees vary among the different types of advisory services we offer and may be negotiated at our sole discretion. The specific fees and manner in which fees are charged and calculated are described in your investment advisory agreement. You should carefully review the investment advisory agreement prior to signing it.

Fees for our advisory services may be higher or lower than fees charged by other advisers who offer similar services. You may be charged different fees than similarly situated clients for the same services. You should carefully review this brochure to understand the fees and other sources of compensation that exist among our services prior to entering into an investment advisory contract with our firm.

### Wealth and Portfolio Management Services

Mitchell & Pahl offers investment and wealth management services for an annual fee based on the amount of assets under the firm's management. Fees are generally billed in advance each calendar quarter based on the market value of the billable assets under management/advisement on the last day of the previous calendar quarter. For investment and wealth management services Mitchell & Pahl provides with respect to certain client holdings (e.g., held-away assets, 529 plans, etc.), we may negotiate a fee rate that differs from our standard fee schedule.

Our annual graduated fee schedule for wealth management services is as follows:

<b>Assets Under Management</b>	<b>Wealth Management Fee</b>
First \$1,000,000	1.00%
Next \$1,000,000	0.75%
Over \$2,000,000	0.50%

This fee schedule may be based on cumulative household assets under management. However, certain ERISA rules prevent householding corporate plans with personal assets for fee reductions. You should refer to your advisory agreement for your specific fee rate(s).

Our annual fee for portfolio management services is as follows:

<b>Portfolio Management Fee</b>	0.50%
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### **Selection of Independent Managers**

Fees for Independent Managers utilized for managing all or a portion of your account are set forth by the Independent Manager and are included in Mitchell & Pahl's advisory fees. You should refer to the Independent Form ADV Part 2A Brochure for information on their fees and compensation.

### **Financial Planning and Consulting Services**

Fees for financial planning and/or consulting services can be billed at an hourly rate, fixed rate, or project basis in advance on a monthly or quarterly basis. There is no minimum fee required for financial planning or consulting services; however financial planning and consulting fees shall generally not exceed \$20,000. Fees are due and payable as incurred. Mitchell & Pahl may agree with clients to charge fixed fees for consulting services.

Factors we consider when determining our financial planning and consulting fees include, but are not limited to:

- The amount of time we expect to spend completing the financial planning or consulting services and providing related advice;
- The complexity of your goals, issues and/or needs;
- The extensiveness and complexity of the data needed regarding your personal financial information;
- Your net worth or the value of your investment accounts and/or other assets that are the subject of the financial planning or consulting services; and/or
- Special circumstances related to life changes, marital status, health or special income needs, or growth or decline of a personal business.

Mitchell & Pahl may request a retainer to initiate financial planning and consulting services. However, we will not request the prepayment of fees more than \$1,200 in advisory fees more than six months in advance.

You may engage Mitchell & Pahl for additional investment management services to assist with implementing one or more financial planning recommendations. You will incur additional fees if you retain our firm for such services. You have complete freedom in selecting an investment adviser

to assist you in implementing any recommendations by Mitchell & Pahl and are under no obligation to act upon the advice we provide.

For consulting services, the investment advisory agreement between Mitchell & Pahl and the client will continue in effect until terminated by either party. For stand-alone financial planning services, the agreement between Mitchell & Pahl and the client will terminate upon delivery of the plan or completion of the service.

### **Payment of Fees**

Clients must authorize Mitchell & Pahl to instruct the account custodian to directly debit fees from the client's account. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

Fees for our advisory services generally require you to pay investment advisory fees in advance of receiving services. Upon termination of your advisory agreement with our firm, we will promptly refund any prepaid, unearned fees.

- For investment and wealth management services, refunds are calculated by taking the total advisory fee billed for the calendar quarter, dividing that amount by the number of days in the calendar quarter and multiplying that amount by the number of days services were not provided during the calendar quarter.
- For separate financial planning and consulting services, refunds are calculated based on the value of the services that were completed prior to termination of the advisory agreement.

### **Other Types of Fees and Expenses You May Incur**

Clients may incur certain charges imposed by custodians, brokers, third-party investments and other third parties, such as custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Decisions to reallocate your account assets may result in you incurring a redemption fee imposed by one or more mutual funds held in your account. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Mitchell & Pahl's fee. Mitchell & Pahl shall not receive any portion of these commissions, fees, and costs, including any distribution or "12b-1" fees paid by the mutual funds in which your account assets are invested. Mitchell & Pahl strives to use the lowest cost share class available to our clients, which generally tend to not have 12b-1 fees. That said, any distribution or "12b-1" fees paid by any mutual funds in which your account assets are invested are credited back to your account for your benefit.

There may be times when another broker-dealer is used to execute fixed-income trades (commonly referred to as "trading away" or "step out trades"). In instances where Mitchell & Pahl has determined it is in the client's best interest to utilize another broker-dealer to execute a transaction, the cost of the transaction will be included in the wrap program fee.

## **Other Types of Compensation We Receive**

Mitchell & Pahl has contracted with Trade-PMR, Inc. (“Trade-PMR”) for brokerage services, including trade processing, collection of management fees, marketing assistance and research. Item 12 – Brokerage Practices further describes the factors that Mitchell & Pahl considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Mitchell & Pahl does not charge any performance-based fees or participate in side-by-side management.

## **Item 7 – Types of Clients**

Mitchell & Pahl offers investment advisory services to a wide variety of clients, including individuals, high net worth individuals and families, pension, profit-sharing and other employer sponsored plans, trusts, estates, family entities, charitable institutions, foundations, corporations, and other business entities.

Mitchell & Pahl generally does not require a minimum initial investment for investment management services. The firm, in its sole discretion, may accept clients with smaller portfolios based upon each client’s particular circumstances.

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

### **Methods of Analysis and Investment Strategies**

Mitchell & Pahl carefully constructs a tax-efficient and cost-effective asset allocation strategy based on a client’s unique cash flow needs, stated return and risk profile. Security selection is based on qualitative, quantitative, technical, and relative strength metrics. Portfolio holdings are constantly monitored and adjusted as market conditions and our clients’ circumstances dictate. Clients may hold or retain other types of assets as well, and Mitchell & Pahl may offer advice regarding those various assets as part of our services. Advice regarding such assets generally will not involve portfolio management services.

Mitchell & Pahl predominately utilizes a combination of active and passive strategies to allocate client assets among publicly traded securities, such as stocks, bonds, mutual funds, and ETFs. Individual client circumstances may dictate the use of other types of securities and/or actively managed portfolios.

## **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. All investments present the risk of loss of principal – the risk that the value of securities (e.g., stocks, bonds, ADRs, etc.), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment. There is no guarantee that investment recommendations made by Mitchell & Pahl will be accurate. We cannot assure that your account will increase, preserve capital, or generate income, nor can we assure that your investment objectives will be realized. Although all investments involve risk, our investment advice seeks to limit risk through diversification among various asset classes.

Described below are the material risks associated with investing in the types of securities we generally use in client accounts:

### **Equity Securities**

In general, prices of equity securities (common, convertible preferred stocks and other securities whose values are tied to the price of stocks, such as rights, warrants and convertible debt securities) are more volatile than those of fixed-income securities. The prices of equity securities could decline in value if the issuer's financial condition declines or in response to overall market and economic conditions. Investments in smaller companies and mid-size companies may involve greater risk and price volatility than investments in larger, more mature companies.

### **Fixed-Income Securities**

The return and principal value of bonds fluctuate with changes in market conditions. Fixed-income securities are subject to interest rate risk and credit quality risk. The market value of fixed-income securities generally declines when interest rates rise, and an issuer of fixed-income securities could default on its payment obligations. Changes in interest rates generally have a greater effect on bonds with longer maturities than on those with shorter maturities. If bonds are not held to maturity, they may be worth more or less than their original value. Credit risk refers to the possibility that the issuer of a bond will not be able to make principal and/or interest payments. High yield bonds, also known as "junk bonds," carry a higher risk of loss of principal and income than higher rated investment grade bonds.

### **Mutual Funds**

Mutual funds may invest in different types of securities, such as value or growth stocks, real estate investment trusts, corporate bonds, or U.S. government bonds. There are risks associated with each asset class.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund. Redemption is at the current net asset value, which may be more or less than the original cost. Aggressive growth funds are most suitable for investors willing to accept price per share volatility since many companies that demonstrate high growth potential can also be high risk. Income from tax-free mutual funds may be subject to local, state and/or the alternative minimum tax.

Because each mutual fund owns different types of investments, performance will be affected by a variety of factors. The value of your investment in a mutual fund will vary from day to day as the values of the underlying investments in a fund vary. Such variations generally reflect changes in interest rates, market conditions and other company and economic news. These risks may become magnified depending on how much a fund invests or uses certain strategies. A fund's principal market segment(s), such as large-cap, mid-cap or small-cap stocks, or growth or value stocks may underperform other market segments or the equity markets as a whole.

You can find additional information regarding these risks in the fund's prospectus.

### **Exchange-Traded Funds (ETFs)**

ETFs are typically investment companies that are legally classified as open-end mutual funds or unit investment trusts. ETFs differ from traditional mutual funds in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Liquidity risks are higher for ETFs with a large spread. ETFs may be closed and liquidated at the discretion of the issuing company.

### **International Investing**

The risks of investing in foreign securities include loss of value as a result of political or economic instability; nationalization, expropriation or confiscatory taxation; changes in foreign exchange rates and foreign exchange restrictions; settlement delays; and limited government regulation (including less stringent reporting, accounting, and disclosure standards than are required of U.S. companies). These risks may be greater with investments in emerging markets. Certain investments utilized by Mitchell & Pahl may also contain international securities.

## **Cash and Cash Equivalents**

A portion of your assets may be invested in cash or cash equivalents to achieve your investment objective, provide ongoing distributions, pay advisory fees, and/or take a defensive position. Cash holdings may result in a loss of market exposure.

## **Options**

Certain types of option trading may be permitted in your account in order to generate income or hedge a security held in the account. There are additional risks with using options. An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. The risks of covered call writing include the potential for the market to rise sharply, which may cause the security to be called away and no longer be held in the account. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold. The writer of a put option bears a risk of loss if the value of the underlying interest declines below the exercise price, and such loss could be substantial if the decline is significant. The obligation of a writer of a put that is not cash-secured to meet margin requirements creates additional risks. Combination transactions, such as option spreads, are more complex than buying or writing a single option and carry additional risks.

You can find additional information regarding the risks associated with options trading on the Options Industry Council website, [www.optionseducation.org](http://www.optionseducation.org).

## **Item 9 – Disciplinary Information**

As a registered investment adviser, Mitchell & Pahl is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. Mitchell & Pahl has no disciplinary information to report.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Mitchell & Pahl has no other financial industry activities or affiliations.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Our Code of Ethics**

Mitchell & Pahl is committed to providing investment advice with the utmost professionalism and integrity. Our firm strives to identify, manage and/or mitigate conflicts of interest and has adopted policies, procedures, and oversight mechanisms to address conflicts of interest. We have adopted a Code of Ethics that emphasizes our fiduciary obligation to put client interests first and is designed to

ensure personal securities transactions, activities, and interests of employees will not interfere with the responsibilities to make decisions in the best interest of clients. All supervised persons of our firm must acknowledge and comply with our Code of Ethics.

You may request a copy of our Code of Ethics by contacting us at (405) 608-2280.

### **Participation in Client Transactions**

Mitchell & Pahl does not affect principal or agency cross securities transactions for client accounts. Mitchell & Pahl also does not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells a security to an advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

### **Employee Personal Trading**

Supervised persons of Mitchell & Pahl may purchase or sell the same security that we recommend for investment in client accounts. This creates a conflict of interest as there is a possibility that employees of our firm might benefit from market activity by a client in a security held by the employee. Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Mitchell & Pahl will not interfere with making decisions in the best interest of advisory clients and implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Mitchell & Pahl's clients. Our Code of Ethics also places restrictions on our employees' personal trading activities. These restrictions include, but are not limited to, a prohibition on trading based on non-public information and pre-clearance requirements for certain types of transactions. Employee trading is continually monitored under the Code of Ethics in an effort to prevent conflicts of interest between Mitchell & Pahl and our clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Mitchell & Pahl's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Mitchell & Pahl will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

## **Item 12 – Brokerage Practices**

### **Selection and Recommendation of Broker-Dealers**

Though Mitchell & Pahl recommends brokers with which we've negotiated pricing on behalf of our clients, we do not have discretionary authority to select brokers. We endeavor to recommend broker-dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services that will help our firm provide investment management services to clients. Mitchell & Pahl may recommend brokers who provide useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance.

We have negotiated competitive pricing and services with Trade-PMR for brokerage back-office and trade execution services and First Clearing for clearing and custodial services. First Clearing is a trade name used by Wells Fargo Clearing Services, LLC., a non-bank affiliate of Wells Fargo & Company. Trade-PMR and First Clearing are members of SIPC and are unaffiliated registered broker-dealers and FINRA members. Mitchell & Pahl regularly reviews the reasonableness of the compensation received by the broker-dealers used for executing client transactions in an effort to ensure that our clients receive favorable execution consistent with our fiduciary duty. Factors which Mitchell & Pahl considers in recommending Trade-PMR and First Clearing or any other broker-dealer to clients include, but is not limited to, their respective financial strength, reputation, execution, pricing, research, and service. The commissions and/or transaction fees charged by these brokers may be higher or lower than those charged by other broker-dealers. We encourage you to review your broker-dealer's pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap arrangement.

In addition, Trade-PMR provides Mitchell & Pahl with access to its institutional trading and custody services, which are typically not available to retail investors. These brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. Other benefits we may receive include receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its participants; access to block trading, which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

The commissions paid by Mitchell & Pahl's clients are intended to be consistent with our duty to obtain best execution. However, a client may pay a commission that is higher than what another qualified broker-dealer might charge to effect the same transaction when Mitchell & Pahl determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. 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 among others, execution capability, commission rates, and responsiveness. There may be times when another broker-dealer is used to execute fixed-income trades (commonly referred to as "trading away" or "step out trades"). In instances where Mitchell & Pahl has determined it is in the client's best interest to utilize another broker-dealer to execute a transaction, the cost of the transaction will be included in the wrap program fee. Consistent with the foregoing, while Mitchell & Pahl will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

### **Research and Other Soft Dollar Benefits**

Mitchell & Pahl does not participate in soft-dollar relationships.

### **Brokerage for Client Referrals**

When selecting broker-dealers for the execution of client securities transactions, Mitchell & Pahl does not consider whether we will receive any client referrals from the broker-dealer or any other third-party.

### **Directed Brokerage**

As Mitchell & Pahl will not request the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients must direct Mitchell & Pahl as to the broker-dealer to be used. The commissions and transaction fees charged by these broker-dealers could be higher or lower than those charged by other custodians and broker-dealers. In directing the use of a particular broker-dealer, it should be understood that Mitchell & Pahl will not have authority to negotiate commissions among various broker-dealers or obtain volume discounts. As such, best execution may not be achieved. Not all investment advisers require clients to direct the use of specific broker-dealers.

### **Aggregation of Orders**

Mitchell & Pahl generally manages customized portfolios for clients and therefore, typically effects orders independently based on the client's individual needs and goals. However, client transactions are aggregated when possible and advantageous to clients. The blocking of trades entails trading of aggregate blocks of securities composed of assets from multiple client accounts where transaction costs are shared equally and on a pro-rated basis between all accounts included in the block. Block trading allows us to execute equity or fixed income trades in a timely, equitable manner and to reduce overall commission charges to clients but is not always feasible. Clients who do not provide Mitchell & Pahl with discretion will not participate in block trades, and their trades in similar securities will be placed with brokers after trades for discretionary accounts. Accounts owned by supervised persons of our firm may participate in block trading with your accounts; however, these individuals will not be given preferential treatment of any kind.

## **Item 13 – Review of Accounts**

Accounts at Mitchell & Pahl are reviewed on a periodic basis. This informal review includes assessing client goals and objectives, monitoring the account, and addressing the need to reallocate/rebalance, as necessary. Individual securities held in client accounts are also periodically monitored by Mitchell & Pahl. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes to a client's individual circumstances, market conditions, or the political or economic environment.

Mitchell & Pahl may also review tax-planning needs, cash-flow needs, as well as charitable giving, insurance, and estate planning as part of our ongoing client reviews. Reviews are tailored to the services we provide to you, as well as your individual needs and goals. We encourage you to discuss your needs, goals, and objectives with us and keep us informed of any changes. If you engage our firm for ongoing investment advisory services, we will contact you at least annually to determine whether there have been any changes to your financial situation or investment objectives and whether you wish to impose any reasonable restrictions on the management of your account or reasonably modify any existing restrictions. At this time, we will advise you of any account changes we feel are necessary to help you stay on track with meeting your financial goals and consider whether the current services provided by our firm continue to be suitable for your needs.

In addition to the account statements you receive from your account custodian at least quarterly, Mitchell & Pahl may also provide you with written performance reports for your account that provide details on account holdings and performance. As a convenience to our clients, in addition to reporting on clients' financial assets, at a client's request we may prepare a global consolidated report that also includes certain non-financial assets (e.g., real assets). In such instances, Mitchell & Pahl relies on the client to provide current and accurate price or other valuation information for those assets to be included in the client's consolidated account report. In no instance are non-financial assets included in performance reporting. Mitchell & Pahl does not independently verify, and expressly disclaims responsibility for, the accuracy of any non-financial asset values clients provided to us to include in their reporting.

## **Item 14 – Client Referrals and Other Compensation**

### **Other Compensation Arrangements**

Mitchell & Pahl receives compensation from Trade-PMR, Inc., the broker-dealer used for your account, and your account custodian in the form of access to electronic systems that assist us in the management of client accounts, as well as research, software and other technology that provide access to client account data (such as trade confirmations and account statements), pricing information and other market data, facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), and client reporting capabilities. Your account custodian also offers Mitchell & Pahl discounts for products and services offered by vendors and third-party service providers, such as software and technology solutions. These economic benefits create a conflict of

interest in that it gives our firm an incentive to recommend one broker-dealer or custodian over another that does not provide similar electronic systems, support, or services. We address this conflict of interest by disclosing to our clients the types of compensation that our firm receives so clients can consider this when evaluating our firm. It is important that you consider the fees, level of service and investment strategies, among other factors, when selecting an investment manager.

## **Client Referrals**

Mitchell & Pahl does not pay any referral fees to other individuals for referring clients to our firm.

## **Item 15 – Custody**

When you establish a relationship with our firm for investment management services, your assets will be maintained by a bank, broker-dealer, mutual fund transfer agent or other such institution deemed a 'qualified custodian' by the SEC. We rely on the custodian to price and value assets, execute and clear transactions, maintain custody of assets in your account and perform other custodial functions. Mitchell & Pahl does not maintain physical possession of any client account assets. Clients' assets must be held by a bank, broker-dealer, mutual fund transfer agent or other such institution deemed a qualified custodian. We utilize First Clearing as the qualified custodian for client accounts.

Nevertheless, Mitchell & Pahl is deemed to have custody, pursuant to Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, due to its authority over certain accounts to distribute assets subject to a third-party standing letter of authorization as well as acting as trustee for advisory clients. Mitchell & Pahl relies on the SEC No-Action Letter issued to the Investment Advisers Association, dated February 21, 2017, which provides an exemption from the annual surprise custody examination by an independent accountant for third-party standing letters of authorization. Mitchell & Pahl will undergo a surprise custody examination by an independent public accountant each calendar year for any such non-familial advisory accounts over which it acts as trustee.

You will receive monthly and/or quarterly account statements directly from the qualified custodian. Mitchell & Pahl may also provide you with written performance reports for your account. We urge you to carefully review your account statements and compare the account balances with the balances reflected on any performance report you may receive from our firm for accuracy. Balances on our reports may vary slightly from custodial statements due to differences in accounting procedures, reporting dates, valuation methodologies of certain securities or other operational factors. You should promptly notify us if you do not receive account statements from your custodian at least quarterly or if you believe the information on your account statements is inaccurate.

## **Item 16 – Investment Discretion**

Mitchell & Pahl typically has investment discretion over clients' securities accounts. Investment discretion is the authority to determine the securities or other assets to purchase or sell on behalf of

an account. Investment discretion may also include the authority to select or terminate an Independent Manager. This authority is exercised in a manner consistent with your stated investment objective for the particular account. You must provide written authorization to our firm before we can assume discretionary authority over your account. Any investment guidelines or restrictions you would like to place on your account must be provided to Mitchell & Pahl in writing.

## **Item 17 – Voting Client Securities**

As a general policy, Mitchell & Pahl will retain proxy voting authority for clients that have given us the authority to do so. In such cases, we will follow the proxy voting guidelines outlined in our Proxy Voting Policies and Procedures. You may obtain a copy of our Proxy Voting Policies and Procedures and/or a record of ballots voted upon by contacting us at (405) 608-2280.

Clients can also request to have us participate in class action lawsuits and related settlements on their behalf. In such cases, there are times we utilize a third-party service provider to assist the firm with the filing process, who receives 20% of any settlement awarded to the client for their services. The third-party service provider will not be utilized to assist with Fair Fund recoveries, which must be distributed directly to you. Mitchell & Pahl will assist you with filing any Fair Fund recoveries, at your request.

## **Item 18 – Financial Information**

As a registered investment adviser, Mitchell & Pahl is required to provide you with certain financial information about our firm.

### **Prepayment of Fees**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

### **Our Financial Condition**

We do not have any financial commitment that is reasonably likely to impair our contractual commitments to our clients, nor has our firm ever been the subject of a bankruptcy proceeding.