

**Form ADV Part 2A  
Brochure Cover Page**

**Resource Management LLC**

**41-973 Laumilo St**

**Waimanalo, Hi 96795**

**Phone: (808) 429-8123**

**Email: [ron@resourcem.com](mailto:ron@resourcem.com)**

**Web: [www.resourcem.com](http://www.resourcem.com)**

**I am a Registered Investment Advisor that is held to a Fiduciary Standard by Law.  
Being registered does not imply a certain level of skill or training.**

**4/4/2017**

**This brochure provides information about the qualifications and business practices of Resource Management LLC. If you have any questions about the contents of this brochure, please contact us [ron@resourcem.com](mailto:ron@resourcem.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 Resource Management LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Table of Contents**

Item 1 Cover Page.....	1
Item 2 Table of Contents.....	2
Item 3 Advisory business.....	3-4
Item 4 Fees and Compensation.....	5
Item 5 Performance-Based Fees and Side-By Side Management.....	6
Item 6 Types of Clients.....	6
Item 7 Method of Analysis, Investment strategies and Risk of Loss.....	7
Item 8 Disciplinary Information.....	8
Item 9 Other Financial Industry Activities and Affiliations.....	8
Item 10 Code of Ethics, Participation of Interest in Client Transactions Per 8.....	8
Item 11 Brokerage Practices.....	8-9
Item 12 Review of Accounts.....	9-10
Item 13 Client Referrals and Other Compensation.....	10
Item 14 Custody.....	10
Item 15 Investment discretion.....	10
Item 16 Voting Client securities.....	10
Item 17 Financial Information.....	10
Item 18 Requirements for State-registered advisors.....	11

## **Item 3 Advisory Business**

Dr. Ronald D. Miller has been the president and sole owner of Resource Management LLC (RM) since its formation on April 1, 2005. 50% of services offered by (RM) are financial planning in nature. Dr. Miller became a Certified Financial Planner CFP® in 2005 and an Accredited Investment Fiduciary Analyst AIFA® in 2006. The AIFA® designation qualifies Dr. Miller to evaluate both institutional and retail portfolio management in regards to the fiduciary aspects of the investment process. <http://www.fi360.com>. In 2008 he also took the necessary training and passed the necessary examinations to become an Accredited Wealth Management Advisor. (RM) furnishes financial planning advice through consultations and written financial plans including: taxes, insurance, estate planning, retirement planning and transitions to retirement, business transition and practice sales for health care professionals, long and short term goal planning, goal setting, and budgeting where necessary. Dr. Miller believes it is essential to get to know the client before a customized financial plan can be designed. This includes the client's risk required to meet their goals. Risk tolerance, risk capacity, risk perception and current financial situation are reviewed. All plans are tailored to the individual needs of the client.

Clients are made aware that Dr. Miller is not an attorney or an accountant. He does not render legal or accounting advice. All legal or accounting fees are separate and independent from the fees of Resource Management.

(RM) also manages investment portfolios. Mutual funds and exchanged traded funds (ETF's) are the primary vehicle used to invest the portfolio. Limited advice is given on individual stocks and bonds already in the portfolio, however, individual stocks are rarely recommended or purchased. Mutual funds and ETF's are the vehicles of choice. (RM) investment universe includes over 14,000 mutual funds, 1300+ exchange traded funds and several hundred closed-end funds. Because (RM), is an Independent firm, Dr. Miller is not locked into any particular product and can select the most cost effective and best funds for the client's portfolio. Note: If a front-end load fund is selected by (RM) all commissions are waived and the savings are passed on to the client. (RM) and Dr. Miller never receive any commissions on funds recommended. Dr. Miller manages all investment accounts on a non-discretionary basis. All recommendation of purchases or sales are pre-approved by the client directly or through their Investment Policy Statement (IPS). (RM) will also coach clients that prefer to self-direct their portfolio for a monthly retainer fee. (RM) takes a strategic approach to money management based on the latest academic research. (RM) neither tries to time the markets nor tries to guess which managers will out perform the market. Most of the money management efforts are spent on asset allocation and designing portfolios that fit the client's time horizon, required risk to reach goals. Risk tolerance, risk capacity and overall financial situation as determined by the client's financial plan. A custom IPS (Investment Policy Statement) is written for each client that has a managed account. The IPS is reviewed and

approved by the client before any trading takes place. Minimal trading takes place once a portfolio is set up; however, the portfolios are monitored closely and rebalanced at least annually. Low-cost quality funds are used and the core of the portfolios are made up mostly of index mutual funds and ETF's with acceptable fiduciary scores.

As of April 2 2017 \$19,229,263 of clients funds are fully managed by Resource Management and \$1,433,133 in self -directed accounts and are being coached by (RM). The following are a list of some of the investments that are currently being used in the portfolios:

Mutual Funds

Exchange Traded Funds

NYSE-listed securities

Securities traded over-the-counter

Equity Securities - foreign issues

Gold funds and other commodity type funds.

Corporate debt securities

Commercial paper

Certificates of deposit

Municipal securities

Investment company securities - variable life insurance

Investment company securities - variable annuities

Investment company securities - mutual fund shares

United States government securities

#### **Item 4 Fees and Compensation**

Dr. Miller is a fee only advisor. He and (RM) never receive any commission for financial products recommended.

The following are Dr. Miller's only methods of compensation

- (1) A percentage of assets under management
- (2) Hourly charges
- (3) A pre agreed upon fixed retainer
- (4) Fixed monthly fees for self-directed accounts

#### ACCOUNT VALUE ANNUAL FEE

Up to \$500,000 under management	0.75%
Next \$500,000 to \$1,000,000 under management	0.50%
Next \$1,000,000 to \$2,000,000 under management	0.40%
Next \$2,000,000 to \$4,000,000 under management	0.30%
Next \$4,000,000 to 10,000,000 under management	0.25%
Over \$10,000,000 under management	0.20%

There is a minimum annual fee for assets under management of \$1200 + Hawaii gross excise tax. All fees are paid quarterly in arrears. The fees are taken directly from the clients appropriate account. Both an e-mail notice to the client and the custodian monthly statement will show the amount of the fee that was agreed upon. Hawaii gross excise tax of (4.71%) will be added to all fees. These fees are relatively low and non negotiable under most circumstances.

Fees not paid to RM or Dr. Miller and charged to your account are transaction fees of the custodian (TD Ameritrade). Mutual fund expenses are taken directly from the mutual fund's net assets. A client may self- direct his account on the TD Ameritrade Institutional Platform for a fee \$80 per month plus the Hawaii gross excise tax. This arrangement allows the client to purchase the Dimensional Fund Family (DFA) and to purchase load funds without paying the commission. An arrangement like this should be considered if the client has the interest in investing and is willing to take the time to do his own research and is willing to take the responsibility of maintaining his portfolio, doing the trades and dealing with tax issues. Fees for financial planning services are charged by the hour as needed by the client. (RM) may also provide financial planning services on a flat retainer fee ranging from \$700 - \$3,500, negotiated with each client based on the scope and complexity of the requested services. Clients are requested to deposit up to fifty percent or \$800 (whichever is lower) of the estimated fee upon

execution of the Financial Planning Agreement. An invoice for the remaining balance is issued on completion of the written analysis or other services as specified in the Financial Planning Agreement, and is payable on receipt of the plan. The advisor or advisory client may terminate on 30 days written notice. Upon termination, any prepaid fees will be prorated to the date of termination and unearned fees will be returned to the client.

### **Item 5 Performance-Based Fees and Side-By-side Management**

No additional performance-based fees are ever charged. All compensation is described under fees and Compensation.

### **Item 6 Types of Clients**

Individuals (For our hourly financial planning and consulting engagements), we do not require minimums as to income, assets, net worth, length of engagement, revenues generated or other conditions for engaging our services

Pensions (401k)

Profit Sharing and Defined Benefit Plans

Trusts

Estate or Charitable Organizations

Both S and C Corporations

Small Businesses (LLC's) sole proprietorships and partnership)

### **Item 7 Methods of Analysis, investment strategies and Risk of Loss**

Security analysis methods include:

Fundamental

Fi360 Fiduciary score

Individual stocks are usually not analyzed or recommended

The sources of information include:

Financial newspapers and magazines

Inspections of corporate activities

Research materials prepared by others

Fund rating services

Annual reports, prospectuses, filings with the SEC

Company press releases

Other:

Information and techniques agreed upon in the Investment Policy Statement.

The Morningstar data and the Fi360 web site is used.

Advisor uses a strategic approach using low cost index funds for the core investments.

The investment strategies used to implement any investment advice given to clients includes:

Emphasis on asset allocation and diversification that match the clients required risk, risk tolerance, risk capacity and risk perception. Emphasis is on helping insure the portfolio will meet the client's stated goals without going much beyond required risk.

Long term purchases:

Most purchases of funds are made with the understanding that the holding period time horizon will be at least five to ten years. Short term purchases may be made for short term-cash and bond equivalents. Even though the above strategy has relatively low risk, all equity and many fixed assets are subject to market risk, interest rate risk, inflation risk and company risk.

### **Item 8 Disciplinary Information**

*No disciplinary action has ever been taken by Federal or State Regulators. Additionally, no disciplinary action has ever been taken by the Certified Financial Planners Board (CFP®), Fi360 organization and the NAPFA organization.*

### **Item 9 Other Financial Industry Activities and Affiliations**

Resource Management LLC helps with dental practice sales and transitions to retirement.

### **Item 10 Code of Ethics, Participation of interest in Client Transactions and Personal Trading**

Advisor follows the code of ethics for CFP® (CERTIFIED FINANCIAL PLANNER) and the AIFA® (ACCREDITED INVESTMENT FIDUCIARY ANALYST) designation. Advisor is also a member of NAPFA (National Association of Personal Financial Advisors) and follows the code of ethics of all three organizations. Advisor will provide a copy of the codes of ethics to clients upon request. Advisor will also provide a written statement that he is a fiduciary to the client at all times. Advisor at times does purchase the same funds for his personal accounts that are recommended to clients. If purchases are done the same day as client purchases, the clients purchases are done first.

### **Item 11 brokerage Practices**

Ronald Miller is a certified financial planner CFP® his firm Resource Management LLC uses TD Ameritrade as his trading platform and to custodial client's assets. Ronald Miller is neither and employee of Agent for TD Ameritrade. Resource Management LLC is separate an unaffiliated with TD Ameritrade.

Advisor does participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money



managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

### **Item 12 review of Accounts**

(RM) will take a fundamental approach in investing. Before any actual investing will be done, a time horizon will be determined. As a general rule, any funds that have a time horizon of less than 5-7 years will not be invested in equities. After a time horizon has been established a risk assessment of client(s) is done to determine individual risk tolerance, risk perception and risk capacity. A written individual Investment Policy Statement (IPS) will be formulated for each managed account client. An asset allocation will be determined and then the individual investments will be determined. Emphasis will be placed on having a wide variety of different investments in several categories that do not correlate to each other. All asset categories will be considered based on the clients risk capacity. Client is advised to keep advisor aware of any changes in personal circumstances that may necessitate a change in the IPS.

Advisor does not take discretion of accounts and always gets prior approval for transactions in accounts either through the Investment Policy Statement or phone or e-mail communication with the client. Reviews are normally done by advisor on a quarterly basis. Under some economic scenarios more often. Review consists of reviewing Due-Diligence reports, Monitoring and Flash reports and reviewing with client as requested. Self-directed accounts reviews are done less than semiannually to annually (or at Clients request) once the accounts are set up. The review consists of providing reports and giving general portfolio asset allocation suggestions. Clients are responsible for all trades and implementing allocation suggestions. Describe below the nature and frequency of regular reports to clients on their accounts. Managed accounts

are reviewed by advisor on an ongoing basis or at least quarterly. Reviews are at least semiannually with the client directly at (RM)'s office, by phone or e-mail. The portfolio is compared to the IPS if client has a full asset under management account. Account is rebalanced at least annually to its strategic allocation. If allocation falls above or below target allocation by more than 25%, it is rebalanced as soon as practical. Under full assets under management, accounts will receive due diligence reports and full monitoring reports at least annually.

### **Item 13 Client referrals and Other Compensation**

No compensation is given for client referrals even though advisor does not receive referrals from TD Ameritrade, his receiving certain benefits (see 12) from TD Ameritrade could create a potential conflict of interest when recommending clients use the TD Ameritrade Institutional platform.

### **Item 14 Custody**

Resource Management never takes custody of client's funds and always uses the Custodian (TD Ameritrade) to custody all client's assets and monitor balances.

### **Item 15 investment Discretion**

Advisor does not take discretion and all trades are made after discussion with the client or according to the Investment Policy Statement (IPS)

### **Item 16 Voting Client securities**

Resource Management or Dr. Miller does not vote proxies votes except under the unusual circumstances where a proxy vote would have a significant impact on the client portfolio.

### **Item 17 Financial Information**

Resource Management has no debt.

### **Item 18 Requirements for State-registered Advisors**

Dr. Miller is a Registered Investment Advisor in the state of Hawaii.