

**Item 1: Cover Page**

**WRAP FEE PROGRAM BROCHURE**

(PART 2A APPENDIX 1 OF FORM ADV)

**LCM Capital Management Inc.**

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**Dated: April 19, 2024**

This wrap brochure provides information about the qualifications and business practices of LCM Capital Management Inc. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact LCM's compliance officer at (312) 705-3013 or [lcm@lcmcapital.com](mailto:lcm@lcmcapital.com) or your Advisor. 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 LCM Capital Management Inc. (CRD #111074) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 2: Material Changes**

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### **Annual Update**

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

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### **Material Changes since the Last Update**

Since the last filing of this brochure on April 26, 2023 the entire brochure has been updated for compliance purposes.

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### **Full Brochure Available**

This Firm Brochure being delivered is the complete brochure for the Firm.

**Item 3: Table of Contents**  
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## **Item 4: Services, Fees and Compensation**

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### **Firm Description**

LCM Capital Management Inc. ("LCM") is a registered investment advisor based in Chicago, Illinois. We are organized as a corporation under the laws of the State of Illinois. LCM has been providing investment advisory services since 2001. John Michael Nowicki and Gary Michael Wozny are the principal owners.

The following paragraphs describe our services and fees. As used in this brochure, the words "we", "our" and "us" refer to LCM Capital Management Inc. and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm. Such persons are registered as investment adviser representatives in all required jurisdictions.

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### **Program Services**

LCM provides continuous and regular supervisory services on a discretionary basis. LCM will offer Clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, assets allocation, portfolio monitoring and the overall investment program will be based on the above factors.

When the Client provides LCM discretionary authority the Client will sign a limited trading authorization or equivalent. LCM will have the authority to execute transactions in the account without seeking Client approval on each transaction.

Through a multiple step discovery process, LCM obtains the necessary financial data from the Client and assists the Client in setting appropriate investment objectives for the Program account. LCM obtains updated information from the Client during regularly scheduled Client performance reviews, as necessary in order to provide personalized investment advice to the Client.

The Client will be required to enter into a written agreement with LCM in order to establish a Program account. The Client will also be required to complete an application with the broker/dealer that will act as custodian for Program account assets.

A Wrap Fee Program is an investment advisory program in which Clients pay one bundled fee for both investment advisory services and the transaction costs in the account(s). This may result in a higher advisory fee to the Client. LCM does not charge Clients higher advisory fees based on the trading activity, but Clients should be aware that LCM may have an incentive to limit the trading activities in the account(s) because LCM may be charged for executed trades. By participating in a wrap fee program, Clients may end up paying more or less than they would through a non-wrap fee program elsewhere, where a lower advisory fee may be charged, but trade execution costs would be passed directly through to the Client by the executing broker.

The Program Fee is not based directly upon the actual transaction or execution costs for the transactions within the account(s). Depending on the underlying investments in the Program and how much trading activity occurs, Clients may pay more or less than if they chose another advisory program that does not have a wrap fee, or if Clients chose to pay separately for all of the transaction costs (e.g., pay the advisory fee plus all transaction charges). Similar services

to those offered in the Program may be purchased from another unaffiliated financial services provider.

### **Services**

LCM, as portfolio manager, is responsible for the research, security selection and implementation of transaction orders in your portfolio. We offer discretionary portfolio management services through the Program, which provides for various private client portfolio investment strategies.

These strategies are:

**Asset Allocation** - The portfolio strategy consists of an allocation of equity securities and fixed income securities designed to meet the client's specific risk profile. Risk profiles range from Aggressive (80% Equity / 20% Fixed Income) to Conservative (25% Equity / 75% Fixed Income).

**Custom Managed** - The portfolio strategy is customized for clients who require special care when merging old portfolios into new strategies or otherwise catering to a client's specific situation. The portfolios under Custom Managed can include different allocations of equity and fixed income securities. Risk profiles range from 100% Fixed Income to 100% Equity.

**Core Portfolio** - This equity-only portfolio strategy is designed to achieve long term capital appreciation by investing in a portfolio of diversified large cap US domestic leaders. Risk Profile: Aggressive - 100% Equity.

**Global Growth** - This equity only portfolio strategy is designed to achieve long term capital appreciation by investing in a portfolio of diversified large cap global leaders. Risk Profile: Aggressive - 100% Equity.

**Fixed Income** - A customized portfolio tailored to the client's specific needs. This portfolio could emphasize tax free monthly income, periodic lump sums, laddered portfolios, or a combination of fixed income vehicles. Risk Profile: Conservative - 100% Fixed Income.

LCM employs an investment process that is adapted to meet the needs and investment objectives of each client. We begin the investment process by having an in-depth conversation with the client to gain a thorough understanding of the client's investment objectives, risk tolerance, time horizon, and other relevant information.

Each potential client receives an Information Request asking for copies of documents relating to the client's current assets that make up the client's investment portfolios. LCM then performs an analysis in order to provide a proposal to the potential client. LCM also uses the information gathered from the potential client to identify the client's financial risk profile and to provide a comparison between LCM's proposed strategy and the prospective client's actual invested portfolio. An Associated Person of LCM will then discuss the contents of the proposal with the prospective client during a meeting or telephone conference.

We determine an appropriate investment strategy for the client based on mutual understanding. Portfolio holdings may be adapted to take into account specific client circumstances, such as cash flow needs, concentrated positions, existing holdings, taxes, and other considerations. The investment strategy provides a framework for determining the asset allocation that seeks to appropriately balance risk and return over a long-term time horizon. Asset allocation is the relative mix of cash, fixed income, and equity securities suitable for a client's investment portfolio. LCM believes investment risk is lessened when a portfolio is diversified. Diversification of a portfolio helps prevent under or over-exposure to sectors or specific securities. We implement the selected strategy in order to achieve the

client's investment objectives. Although strategies can be changed to account, for example, for changed circumstances, we believe adhering to our long term, low-turnover asset allocation approach will generally provide enhanced portfolio returns with reduced volatility.

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### **Program Fees**

The annual investment advisory fee ("Annual Fee") schedule for the Program is described below:

#### **Fixed Income Strategy Portfolios\***

<u>Assets Under Management</u>	<u>Maximum Annual Fee</u>
\$100,000 to \$499,999	1.50%
\$500,000 to \$999,999	1.00%
\$1,000,000 and above	0.75%

#### **Equity / Asset Allocation Strategy Portfolios\***

<u>Assets Under Management</u>	<u>Maximum Annual Fee</u>
\$25,000 to \$99,999	2.50%
\$100,000 to \$249,999	2.25%
\$250,000 to \$499,999	2.00%
\$500,000 to \$999,999	1.75%
\$1,000,000 and above	1.50%

\*Equity/Asset Allocation Strategy Portfolios are subject to a minimum size of \$25,000 and Fixed Income Strategy Portfolios are subject to a minimum size of \$100,000. **Portfolio minimums are negotiable at the sole discretion of LCM.**

At our discretion, we may combine the account values of family members to meet the Portfolio minimums and/or lower fee brackets. Older client relationships may be subject to a different fee schedule and Portfolio minimum. Advisory fees are based upon the initial investment contribution total of all the accounts represented in a portfolio. Once the annual fee percentage has been established, the fee rate remains in effect for the life of the portfolio. In the event of a significant deposit or withdrawal from the portfolio, our fee can be adjusted accordingly to reflect a higher or lower fee bracket for the combined total of all accounts in the billed portfolio.

Our annual portfolio management fee for portfolio management services is billed and payable monthly in arrears based on the number of days in the month. For fee purposes, the account valuation will be based upon the last day of the preceding month.

For the first and last month for which you are a client, you can be billed on a pro rata basis, which means that the advisory fee is based on the number of days in the month during which you are a client.

Except for certain accounts which will be invoiced, we will deduct our advisory fee through the qualified custodian holding your funds and securities. We will deduct our fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements, including management fees, from your account. Because the custodian does not calculate the amount of the fee to be deducted, we encourage you to carefully review the account statements to verify the fee calculation and the consistency of the fee deducted with our agreement with you, among other things. If you find any inaccurate or inconsistent information, please call our main office

number located on the cover page of this brochure. We will also have access to a duplicate copy of your account statements.

You may terminate the portfolio management agreement upon written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the month for which you are a client. A termination fee of \$750.00 per account will apply if the Investment Advisory Agreement is terminated within the first two years.

Upon termination of accounts held at Schwab or Fidelity, they can deliver securities and funds held in the account per your instructions unless you request that the account be liquidated. After the agreement has been terminated, transactions are processed at the prevailing brokerage rates/fees. You become responsible for monitoring your own assets and our firm has no further obligation to act upon or to provide advice with respect to those assets.

In the case of account closures or transfers out, client grants LCM the right to cross trade any/all bond position(s) held in account(s) with existing clients, prior to transfer. Client acknowledges these cross trades may or may not generate a taxable event, and may incur a liquidation transaction fee as defined in the Investment Advisory Agreement.

In the event of "partial or full liquidations" at the request of the client, a liquidation transaction fee of \$20.00 per transaction can be charged for those positions closed or adjusted to generate the cash and/or transfer of assets requested by client. This fee may also apply if client changes their investment criteria or risk profile significantly.

In addition to the Annual Fee, Clients may also incur certain charges imposed by third parties in connection with investments made through Program accounts, including those imposed by the custodian. These may include, but are not limited to, the following: mutual fund or money market 12b-1 fees, sub-transfer agent fees, certain deferred sales charges on previously purchased mutual funds transferred into the account, other transaction charges and service fees, IRA and qualified retirement plan fees, administrative fees, fees for trades executed away from custodian, administrative servicing fees for trust accounts, creation and development fees or similar fees imposed by unit investment trust sponsors, managed futures investor servicing fees, and other charges required by law. LCM does not receive any portion of these fees. In addition, LCM does not pay those costs that are embedded in the price of the security such as mark-ups or mark-downs on the purchase or sale of fixed income instruments and does not cover margin interest. LCM does not share in any portion of these fees imposed by the broker-dealer or custodian. Further information regarding charges and fees assessed by a mutual fund or variable annuity are available in the appropriate prospectus.

In general, with very few exceptions, LCM does not invest in Mutual Funds as a core principle in its investment strategies. In certain exceptional market conditions, we may also buy or sell money market mutual funds in your portfolios if we believe it is in your interest however we expect such purchases to be limited. For example, from time to time, the rates paid on free cash balances in your portfolio may be higher in money market mutual funds than in other cash management options such as custodial sweep accounts; in such event, we may buy and sell such funds in your portfolio in order to increase the income in your portfolio. From time to time, your account may hold cash equivalents with respect to which the custodian or other provider may charge a fee.

If you transfer Mutual funds into the LCM Wrap Program, the Mutual Funds may also charge a redemption fee if a redemption is made within a specific time period following your original

investment. The terms of any redemption fee are disclosed in the fund's prospectus. Transactions in mutual fund shares (e.g., for rebalancing, liquidations, deposits or tax harvesting) may be subject to a fund's frequent trading policy.

LCM recommends that Clients establish brokerage accounts with the Charles Schwab & Co. division of Charles Schwab & Co., Inc.<sup>1</sup> ("Schwab"), and/or Fidelity Investments<sup>2</sup> through Fidelity Brokerage Services LLC and National Financial Services LLC ("Fidelity"), FINRA<sup>3</sup> registered broker-dealers and SIPC<sup>4</sup> members, to maintain custody of Clients' assets and to effect trades for their accounts. Schwab and Fidelity have eliminated commissions for online trades of equities, ETFs and options (subject to \$0.65 per contract fee). This means that, in most cases, when we buy and sell these types of securities, we will not have to pay any commissions to Schwab or Fidelity, but would have to pay options contract fees. We encourage you to review the custodian's pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately. To see what you would pay for transactions in a non-wrap account please refer to Schwab's most recent pricing schedules available at [schwab.com/aspricingguide](http://schwab.com/aspricingguide) and Fidelity's schedules at [fidelity.com/why-fidelity/pricing-fees](http://fidelity.com/why-fidelity/pricing-fees).

Client should be aware that margin borrowing involves additional risks. Margin borrowing will result in increased gain if the value of the securities in the account go up, but will result in increased losses if the account value decreases.

Since LCM will receive 100% of the fees paid for management of the wrap program, this may create an incentive that Clients participate in a wrap fee program rather than a non-wrap fee program elsewhere (where Clients would pay for trade execution costs) and brokerage accounts where commissions are charged.

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### **Item 5: Account Requirements and Types of Clients**

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#### **Account Minimum**

In general, LCM requires a minimum of \$25,000 to open and maintain an Equity/Asset Allocation Strategy Portfolio and \$100,000 for a Fixed Income Strategy Portfolio. At our discretion, we may lower or waive this minimum account size.

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#### **Types of Clients**

LCM generally provides investment advice to individuals, high net worth individuals, pension and profit-sharing plans, charitable organizations and corporations.

Client relationships vary in scope and length of service.

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### **Item 6: Portfolio Manager Selection and Evaluation**

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#### **Portfolio Manager**

John Nowicki, Chief Compliance Officer, and Gary Wozny, principal owner will manage all Program accounts. Since no other persons, affiliated or unaffiliated will manage the wrap

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<sup>1</sup> For information regarding Schwab, please refer to their website: <https://www.schwab.com/>.

<sup>2</sup> For information regarding Fidelity, please refer to their website: <https://www.fidelity.com/>.

<sup>3</sup> FINRA is the largest independent regulator for all securities firms doing business in the United States. For more information, please refer to FINRA's website: <http://www.finra.org/>.

<sup>4</sup> For information regarding SIPC, please refer to their website: <http://www.sipc.org/>.

program, there are no additional processes for selection or review of managers. Clients make the decision to select LCM as their portfolio manager.

Since all programs are managed by John Nowicki and Gary Wozny, there is no conflict of interest regarding portfolio managers.

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### **Conflicts of Interest**

The Program may cost the Client more or less than purchasing Program services separately. Factors that bear upon the cost of the Program account in relation to the cost of the same services purchased separately include: the type and size of the account, the historical and/or expected size or number of trades for the account, and the number and range of supplementary advisory and Client related services provided to the account.

The Annual Fee is an ongoing fee for investment advisory services and may cost the Client more than if the assets were held in a traditional brokerage account. In a brokerage account, a Client is charged a commission for each transaction and the representative has no duty to provide ongoing advice with respect to the account. If the Client plans to follow a buy and hold strategy for the account or does not wish to purchase ongoing investment advice or management services, the Client should consider opening a brokerage account rather than a Program account.

LCM receives compensation as a result of the Client's participation in the Program. The amount of this compensation may be more or less than what LCM would receive if the Client participated in other programs or paid separately for investment advice, brokerage and other Client services. Therefore, LCM may have a financial incentive to recommend the Program account over other programs and services. LCM acts as the portfolio manager for the Program and retains the management fee less execution costs. This may create a conflict of interest because LCM may have a disincentive to trade securities in the account to keep the execution costs low therefore retaining a larger portion of the management fee.

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### **Advisory Business**

LCM offers Clients an asset management account through the Program in which LCM directs and manages Program assets for Client.

Client provided goals and objectives are documented in individual Client files. Investment strategies are created that reflect the stated goals and objective.

LCM also offers 529 Plan services and Pension Consulting.

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### **Recommendations or Selections of Other Investment Advisors and Conflicts of Interest**

LCM does not select or recommend other investment advisors.

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### **Sharing of Capital Gains**

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

LCM does not use a performance-based fee structure because of the conflict of interest. Performance based compensation may create an incentive for LCM to recommend an investment that may carry a higher degree of risk to the Client.

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### **Client Tailored Services and Client Imposed Restrictions**

The goals and objectives for each Client are documented in our Client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

A Client may impose restrictions on a minimum level of cash they want in their account, as well as from which account they want their withdrawals to come. Also, a Client may issue restrictions on what specific securities or security types they do not want LCM to buy or sell in their account.

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### **Methods of Analysis**

LCM primarily relies on a fundamental analysis in order to select portfolio securities, both equity and fixed income, and to determine whether particular securities should be held or sold. Our analysis focuses on the strength of the issuer. With respect to equities, LCM also considers sector and industry weightings of the company and whether it has the potential to be a long term holding versus other companies in a similar sector. LCM seeks to hold in its equity portfolios companies which hold a leading position in their sector. LCM will generally sell a holding if the equity no longer holds a leading position in its sector. The decision to add, remove or replace an equity security is based on the fundamentals of the security, for example, problems such as product failures or dividend cuts.

While cyclicity can play a role in some security selections, the overall purpose is to invest in securities within a sector that we believe are most likely to maintain their leading position despite a downturn in their sector or the general economy and markets. The LCM equity holdings are primarily derived from the S&P 500 and the EAFE International indices.

In addition to issuer fundamentals as described above, the selection of both equity and fixed income securities for client portfolios requires monitoring of, judgment related to, and a variety of factors including:

- Inflation
- Interest Rates
- Economy & Industry Sectors

The investment analysis process requires utilization of a variety of sources in order to provide the basis for objective and subjective informed judgments. These sources may include: government and Federal Reserve publications and reports, industry associations and publications, other Internet resources and seminars/webinars on economic, business and investment subjects.

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### **General Investment Strategy**

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 by providing written notice to LCM. Each Client executes a Client profile form or similar form that documents their objectives and their desired investment strategy.

LCM utilizes one or more of the following investment strategies when implementing investment advice:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

Generally, our investment strategies utilize long term purchases and low portfolio turnover and infrequently use short term purchases and trading.

We can rebalance portfolios in light of current market conditions and client needs. The investment advice provided along with the strategies suggested by LCM will vary depending on each client's specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. You should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed will be appropriate for you in relation to your experience, objectives, financial resources and other relevant circumstances.

### **Cross Trades**

LCM, at times, will effect a cross transaction for an advisory client, provided that we believe the transaction is consistent with its fiduciary duty to the client. Additionally, LCM will only execute cross transactions among its advisory clients if we believe the transactions will benefit both clients and both clients have been duly notified and have given their approval. These transactions will be executed through an independent broker. For any unsolicited cross trades, the seller may incur a liquidation transaction fee as defined in the Investment Advisory Agreement.

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### **Security Specific Material Risks**

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 and should discuss these risks with LCM:

#### **General Investment Risk**

Generally, while our investment strategy does not involve frequent trading, leverage, or short selling, there still exist material risks with any investment strategy. With fixed income investing the two principal factors of risk are maturity and default risk. We attempt to manage this risk by monitoring our holdings. Investing in equities presents risk of loss and we attempt to manage this risk with diversification, global asset allocation and rebalancing.

All investment programs have certain risks that are borne by the investor. Our investment approach 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 decline due to changes in general market conditions, economic trends or events that are not specifically related to the issuer of the security. For example, political, economic and social conditions may trigger market events, including the possibility that the markets will go down sharply and unpredictably. Local, regional or global events such as war, acts of terrorism, social disorder, acts of God, the spread of infectious illness, pandemic or other public health issue, recessions, or other events could have a significant adverse impact on the prices of stocks and bonds.
- **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 an industry or a 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. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy or a declining market value.
- **International Investment Risk:** Foreign securities may have special risks, in addition to those associated with any securities, such as trade tariffs, currency controls, exchange rate fluctuations, withholding taxes, political insecurity and instability which can result in losses.

### **Specific Strategies Risks**

In regard to certain clients and their individual financial needs, LCM may use short selling as a strategy to manage aspects of their portfolio. This strategy is utilized with consent from the client. Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third-party lender (typically, a broker-dealer) with the obligation of buying identical assets later to return to the third-party lender. Individuals who engage in this activity will only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

At the direction of the client, LCM uses margin in client accounts to manage liquidity needs and the timing of purchases and sales, as appropriate and with prior approval from the client. In addition, when appropriate, LCM can employ options strategies to hedge or gain additional exposure to a particular asset class or sector. Following are some of the risks associated with certain transactions:

- To the extent that a client authorizes the use of margin, and margin is thereafter employed by us in the management of the client's investment portfolio, the market value of your account and the corresponding fee payable by you to us will be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin shall correspondingly increase the management fee payable to us. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

- Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each client should understand and be willing to bear.

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### **Proxy Voting**

LCM as a matter of policy and as a fiduciary to our clients has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Our firm maintains written policies and procedures as to the handling, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. Our policy and practice include the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. Our policy states, among other provisions, that clients may direct our voting by placing reasonable restrictions in writing. Generally, LCM will vote in favor of routine corporate housekeeping proposals (including the election of directors). About other proposals, LCM will consider management's opinion and proposals' effects on shareholder value.

In the event you wish to direct our firm on voting a particular proxy, you should contact John Nowicki at (312) 705-3013 and/or [jnowicki@lcmcapital.com](mailto:jnowicki@lcmcapital.com) with your instruction.

LCM will identify any conflicts that exist between the interests of LCM and the client by reviewing the relationship of LCM with the issuer of each security to determine if LCM or any of its employees has any financial, business or personal relationship with the issuer. If a material conflict of interest exists, John Nowicki will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third-party voting recommendation.

LCM will maintain a record of the voting resolution of any conflict of interest. An LCM advisory client may, at any time, request a copy of LCM's proxy voting policies and procedures and a record of how certain proxies were voted.

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## **Item 7: Client Information Provided to Portfolio Managers**

### **Description**

LCM obtains the necessary financial data from the Client and assists the Client in setting appropriate investment objectives for the Program account. LCM obtains updated information from the Client as necessary in order to provide personalized investment advice to the Client. It is the Client's responsibility to inform LCM of any changes in their stated objectives, financial situation, life circumstances or risk tolerance.

Client will be required to enter into a written agreement with LCM in order to establish a Program account. Client will also be required to complete an application with the broker/dealer that will act as custodian for Program account assets.

## **Item 8: Client Contact with Portfolio Managers**

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### **Restrictions**

There are no restrictions placed on Clients' ability to contact and consult with the portfolio managers since John Nowicki and Gary Wozny are the portfolio managers.

## **Item 9: Additional Information**

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### **Disciplinary Information**

#### Criminal or Civil Actions

LCM and its management have not been involved in any criminal or civil action.

#### Administrative Enforcement Proceedings

LCM and its management have not been involved in administrative enforcement proceedings.

#### Self-Regulatory Organization Enforcement Proceedings

LCM and its management have not been involved in legal or disciplinary events related to past or present investment Clients.

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

#### **Broker-Dealer or Representative Registration**

LCM is not registered as a broker-dealer and no affiliated representatives of LCM are registered representatives of a broker-dealer.

#### **Futures or Commodity Registration**

Neither LCM nor its affiliated representatives are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

### **Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

John Nowicki and Gary Wozny, principals of LCM, are also licensed insurance agents, and in such capacity, may recommend, on a fully-disclosed basis, the purchase of certain insurance products. A conflict of interest exists to the extent that LCM or its advisory affiliates recommend the purchase of insurance products where the adviser or its advisory affiliates receive insurance commissions or other additional compensation. Clients may purchase these products through a different insurance agent.

LCM may recommend/require that clients establish brokerage accounts with Fidelity Investments (Fidelity) through Fidelity Brokerage Services LLC and National Financial Services LLC, Members NYSE, SIPC or the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Fidelity or Schwab is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. LCM is independently owned and operated and not affiliated with Fidelity or Schwab.

Schwab provides LCM with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at

Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, 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.

For LCM client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to LCM other products and services that benefit LCM but may not benefit its clients' accounts. These benefits may include national, regional or LCM specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of LCM by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist LCM in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of LCM's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of LCM's accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to LCM other services intended to help LCM manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to LCM by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to LCM. While, as a fiduciary, LCM endeavors to act in its clients' best interests, LCM's recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to LCM of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

We receive substantially similar economic benefits as a result of our participation in the Fidelity Institutional platform.

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### **Code of Ethics Description**

The employees of LCM have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of LCM employees and addresses conflicts that may arise. The Code defines acceptable behavior for employees of LCM. The Code reflects LCM and its supervised persons' responsibility to act in the best interest of their Client.

One area the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our Clients. We do not allow any

employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients.

LCM's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of LCM may recommend any transaction in a security or its derivative to advisory Clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

LCM's Code is based on the guiding principle that the interests of the Client are our top priority. LCM's officers, directors, advisors, and other employees have a fiduciary duty to our Clients and must diligently perform that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client's interests over the interests of either employees or the company.

The Code applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any Clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public.

LCM will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

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### **Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

LCM and its employees do not recommend to Clients securities in which we have a material financial interest.

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### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

LCM and its affiliated persons may buy or sell securities that are also held by Clients. In order to mitigate conflicts of interest such as trading ahead of Client transactions, Access Persons are required to disclose all reportable securities transactions as well as provide LCM with copies of their brokerage statements. An Access Person must obtain prior approval before trading securities used within LCM strategies.

The Chief Compliance Officer of LCM is John Nowicki. He reviews all trades of the affiliated persons each quarter. Gary Wozny CEO reviews all of CCO trades. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over associated persons' transactions.

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### **Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

LCM does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, Access Persons may buy or sell securities at the same time they buy or sell securities for Clients. In order to mitigate conflicts of interest such as front running, affiliated persons are required to disclose all reportable securities transactions as well as provide LCM with copies of their brokerage statements. An Access Person must obtain prior approval before trading securities used within LCM strategies.

The Chief Compliance Officer of LCM is John Nowicki. He reviews all trades of the Access Persons. The personal trading reviews ensure that the personal trading of Access Persons

does not affect the markets and that Clients of the firm receive preferential treatment over associated persons' transactions.

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## **Review of Accounts**

### Schedule for Periodic Review of Client Accounts and Advisory Persons Involved

Client accounts are reviewed at least quarterly depending on the nature of the account and Client relationship. All reviews are conducted by Gary Wozny and John Nowicki. Account reviews are performed more frequently when market conditions dictate.

### Review of Client Accounts on Non-Periodic Basis

Other conditions that may trigger a review of Clients' accounts are changes in the tax laws, new investment information, and changes in a Client's own situation.

### Content of Client Provided Reports and Frequency

Clients receive written account statements usually on a monthly basis, but no less than quarterly for managed accounts. LCM will also provide Clients with quarterly performance reports.

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## **Client Referrals and Other Compensation**

### Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

LCM is not registered as a broker-dealer and no affiliated representatives of LCM are registered representatives of a broker-dealer.

### Advisory Firm Payments for Client Referrals

LCM may enter into agreements with individuals and organizations, which may be affiliated or unaffiliated with LCM, that refer Clients to LCM in exchange for compensation. All such agreements will be in writing and comply with the requirements of Federal or State regulation. If a Client is introduced to LCM by a solicitor, LCM may pay that solicitor a fee. While the specific terms of each agreement may differ, generally, the compensation will be based upon LCM's engagement of new Clients and is calculated using a varying percentage of the fees paid to LCM by such Clients. Any such fee shall be paid solely from LCM's investment management fee and shall not result in any additional charge to the Client.

Each prospective Client who is referred to LCM under such an arrangement will receive a copy of this brochure and a separate written disclosure document disclosing the nature of the relationship between the solicitor and LCM and the amount of compensation that will be paid by LCM to the solicitor. The solicitor is required to obtain the Client's signature acknowledging receipt of LCM's disclosure brochure and the solicitor's written disclosure statement.

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## **Financial Information**

### Balance Sheet

A balance sheet is not required to be provided because LCM does not serve as a custodian for Client funds or securities and LCM does not require prepayment of fees of more than \$1,200 per Client and six months or more in advance.

### Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

LCM has no condition that is reasonably likely to impair our ability to meet contractual commitments to our Clients.

### Bankruptcy Petitions during the Past Ten Years

LCM has not had any bankruptcy petitions in the last ten years.

Part 2B: The Brochure Supplement: Here we provide information about advisory personnel on whom you rely for investment advice. We must provide this supervised person's supplement to you, our client initially at or before the time when that specific supervised person begins to provide you with advisory services.

#### Item 1. Cover Page

This brochure supplement provides information about John M. Nowicki that supplements the LCM Capital Management, Inc. brochure. You should have received a copy of that brochure. Please contact John Nowicki, the firm's Chief Compliance Officer, if you did not receive LCM Capital Management Inc.'s brochure or if you have any questions about the contents of this supplement. Additional information about John M. Nowicki is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

JOHN MICHAEL NOWICKI

LCM Capital Management Inc.  
[CRD # 111074/SEC # 801-67893]

Main Office

209 W. Jackson Boulevard, Suite 777  
Chicago, IL 60606

Telephone: 312-705-3013  
Facsimile: 312-705-5044

JOHN MICHAEL NOWICKI  
Born: 1965 / CRD-1740120  
President; Chief Compliance Officer, from 9/2002  
Registered with the firm since 5/1/2001

## Item 2. Educational Background and Business Experience

### Education:

Graduated from Indiana University 1987 Bachelor of Science in Financial Management

### Employment:

Registered Representative/Vice President for Oppenheimer & Co. from 1991 to 11/1994

Registered Representative/Senior Vice President for Dain Rauscher from 11/1994 to 1/2000

Registered Representative for Madison Securities, Inc. from 1/2000 to 5/2001

Managing Director/Adviser for Madison Asset Management, Inc. from 9/2000 to 5/2001

Registered Representative for LaSalle St. Securities, Inc. from 5/2000 to 8/2012

Investment Advisor Rep. for Quantum Holdings LLC dba Quantum Capital Investments from 8/2012 to 10/2013

Managing Director/ Adviser for LCM Capital Management, Inc. from 5/2001 to 9/2002

Independent Insurance Agent from 6/2001 to Present

Managing Director, President, COO, CCO for LCM Capital Management, Inc. from 9/2002 to Present

## Item 3. Disciplinary Information

Are there events disclosed about this Investment Adviser Representative? No

Is there information available about this individual in BrokerCheck? Yes.

Are there events disclosed about this broker? No

## Item 4. Other Business Activities

Mr. Nowicki has a financial industry affiliated business as an insurance agent. From time to time, he will offer clients advice or products from this activity. He may receive separate yet typical compensation in the form of commissions for the sale of insurance products.

This practice represents a conflict of interest because it gives Mr. Nowicki an incentive to recommend products based on the commission amount received. This conflict is mitigated by the fact that Mr. Nowicki has a fiduciary responsibility to place the best interest of the client first and the clients are not required to purchase any products. Clients have the option to purchase these products through another insurance agent of their choosing.

## Item 5. Additional Compensation

Mr. Nowicki receives additional compensation in his capacity as an insurance agent, but he does not receive any performance based fees.

## Item 6. Supervision

Mr. Nowicki is himself the supervisor for the persons registered with LCM to provide investment advice to clients.

He reviews the advisory activities of the independent contractor investment advisory representatives registered through the firm. Together Mr. Wozny and Mr. Nowicki supervise the formulation of investment advice used in the construction of the firm's model portfolios used in its wrap fee program. Mr. Wozny reviews Mr. Nowicki's personal trading activities as part of the firm's measures to enforce the prohibition against using insider information.

Part 2B: The Brochure Supplement: Here we provide information about advisory personnel on whom you rely for investment advice. We must provide this supervised person's supplement to you, our client initially at or before the time when that specific supervised person begins to provide you with advisory services.

Item 1. Cover Page

This brochure supplement provides information about Gary M. Wozny that supplements the LCM Capital Management Inc. brochure. You should have received a copy of that brochure. Please contact John M. Nowicki, Chief Compliance Officer, if you did not receive LCM Capital Management Inc.'s brochure or if you have any questions about the contents of this supplement. Additional information about Gary M. Wozny is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

GARY MICHAEL WOZNY

LCM Capital Management Inc.  
[CRD # 111074/SEC # 801-67893]

Main Office

209 W. Jackson Boulevard, Suite 777  
Chicago, IL 60606  
Telephone: 312-705-3013  
Facsimile: 312-705-5044

GARY MICHAEL WOZNY  
Born: 1960 / CRD-1749964  
Chairman, CEO of LCM since 9/2002

Registered with the firm 4/2001

## Item 2. Educational Background and Business Experience

### Education:

Graduated from Northeastern University 1982, with a Bachelor of Arts in Business

### Employment:

Registered Representative/Vice President for Oppenheimer & Co. from 8/1991 to 11/1994

Registered Representative/Senior Vice President for Dain Rauscher from 11/1994 to 1/2000

Registered Representative for Madison Securities from 1/2000 to 4/2001

Managing Director/Adviser Madison Asset Management, Inc. from 9/2000 to 4/2001

Registered Representative for LaSalle St. Securities, Inc. from 5/2000 to 8/2012

Investment Advisor Rep. for Quantum Holdings LLC dba Quantum Capital Investments 8/2012 to 11/2013

Managing Director/Adviser LCM Capital Management, Inc. from 4/2001 to 9/2002

Independent Insurance Agent from 2/1989 to Present

Managing Director, Chairman of the Board, CEO for LCM Capital Management, Inc. from 9/2002 to present

## Item 3. Disciplinary Information.

Are there events disclosed about this Investment Adviser Representative? No

Is there information available about this individual in BrokerCheck? Yes.

Are there events disclosed about this broker? No

## Item 4. Other Business Activities.

Mr. Wozny has a financial industry affiliated business as an insurance agent. From time to time, he will offer clients advice or products from this activity. He may receive separate yet typical compensation in the form of commissions for the sale of insurance products.

This practice represents a conflict of interest because it gives Mr. Wozny an incentive to recommend products based on the commission amount received. This conflict is mitigated by the fact that Mr. Wozny has a fiduciary responsibility to place the best interest of the client first and the clients are not required to purchase any products. Clients have the option to purchase these products through another insurance agent of their choosing.

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Mr. Wozny is himself a supervisor for the persons registered with LCM to provide investment advice to clients. He reviews the advisory activities of the independent contractor investment advisory representatives registered through the firm. Together Mr. Wozny and Mr. Nowicki supervise the formulation of investment advice used in the construction of the firm's model portfolios used in its wrap fee program. Mr. Nowicki reviews Mr. Wozny's personal trading activities as part of the firm's measures to enforce the prohibition against using insider information.