

### **Item 1. Introduction**

- What certifications do you have and what regulatory body are you regulated under?  
PDM Investment Services, LLC is a Registered Investment Advisor (RIA) registered in the State of Michigan since 2011. We are registered as an investment advisor and not a broker-dealer that sells commission products. We are held to the fiduciary standard acting in your best interest and not putting our interest ahead of yours.
- How can I obtain additional information about the firm and who can I talk to if I have concerns about my advisor?  
Additional information about PDM Investment Services and Philip Michalek is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for PDM Investment Services is 155217. See the ADV 1 and ADV 2 filings for more detailed info on PDM Investment Services.  
  
Free and simple tools are available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS) which also provides educational materials about investment advisors and investing.

### **Item 2. Relationship and Services**

- Who will have custody of our assets and who will have authority to make trades?  
Schwab has custody/possession of your account assets.  
Statements and tax documents are available on their website.  
  
PDM Investment Services has discretionary authority to make trades in your portfolio including equity and bond selection, amount and timing of transactions. We do not have physical possession of your account assets.
- What is your relative experience, including your licenses, education and other qualifications?  
Philip Michalek has been a practicing Registered Investment Advisor since 2011 and managed personal and family money since 2000. Passed the Series 65 exam in 2010. Bachelor of Science in Electrical Engineering 1981. Management training and experience in engineering career. Editor of the Focused Growth Investor since 2004.
- What is the minimum size of assets under management to establish a new relationship with PDM?  
No longer taking new clients.
- What investment services and advice can you provide me?  
We offer investment advisory services to retail investors. We use mutual funds, exchange traded funds and individual stocks in our portfolios and do not use proprietary products.
  - A. Financial Investment Advice and Services  
Financial advice, investment advice, account types, 401(k) designs and general guidance on retirement transition, taxes, insurance, 529 plans and estate planning. Behavior coach during market corrections and bubbles. Setting up accounts and process money moves, RMD's and account transfers.
  - B. Financial Planning  
A written financial plan is a summary of your financials that will give you and your family peace of mind. Establish your financial goals and risk level. Review your wealth building elements on income, spending, savings and investments. Summary and evaluation of your investments. Financial Plans contain projections in the accumulation phase and income in the retirement distribution phase. Plans keep clients actively involved with their financial planning and motivate them to keep up with their plan actions. A plan will make you less likely to overreact to market volatility and increase one's confidence and effectiveness in managing your financials.
  - C. Portfolio Design and Management  
Establish your investment strategies and investment vehicles. We use our newsletter the Focused Growth Investor as our investment strategy for portfolio management. Design, implement and manage your portfolios. Review your portfolios periodically for rebalancing, investments and performance to benchmark and make adjustments. Sell investments to free up cash for withdrawals and RMD distributions. Buy investments with new cash from contributions and rollovers. Process money moves.  
  
Portfolios are monitored monthly, and a full analysis is done every 3 to 6 months. Portfolio performance reports are sent to clients every January and are available upon request. The monthly newsletter analyses performance monthly. Philip Michalek invests his own personal money in the same strategy and investments as his clients.

#### D. Investment Education

Education on the stock market, strategies and investments. Our newsletter the Focused Growth Investor is published monthly. It contains a market summary, market outlook, strategy, sector ratings and mutual fund and stock recommendations. We recommend educational material and books.

- How will you choose investments to recommend to me?  
We perform deep research and constantly monitor the mutual funds and individual stocks that we use to build our portfolios. Investments and strategy are outlined in our newsletter, the Focused Growth Investor on our website.
- Given my financial situation, should I choose an investment advisory service? Why or why not?

### Item 3. Fees, Costs, Conflicts of Interest and Standard of Conduct

- What fees will I pay?  
Fees for our services are based on assets under portfolio management. Financial advice, financial planning and investment education are all included with the portfolio management fee. The only other fees are internal mutual fund fees and custodian transaction costs for purchase or sale of mutual funds and stocks. We only use no-load mutual funds and Schwab has low or no transaction fees.

PDM Investment Services will receive an asset-based fee on a quarterly basis for Portfolio Management based on the market value of assets under management at the beginning of each quarter. Fees are payable on a quarterly basis after each quarter. Fees are debited from your Schwab account each quarter seven days after you receive your invoice.

Assets Under Management	Annual Fee
\$300,000 to \$500,000	0.9%
\$500,000 to \$1,000,000	0.8%
\$1,000,000 to \$1,300,000	0.7%
\$1,300,000 to \$2,000,000	0.6%
\$2,000,000 and higher	0.5%

The fees include Financial Advice, Administrative Services, Financial Planning, Retirement Planning, Portfolio Design & Management and the Focused Growth Investor Newsletter.

I am no longer accepting new clients.

For more details on fees see our Disclosure, Privacy Policy and Fee Schedule on our website.

- What conflicts of interest exist do you have that would help you and could possibly hurt your clients?  
How else does your firm make money and what conflicts of interest do you have?

The more assets there is in an advisory account, the more a client will pay in fees, and the firm may therefore have an incentive to encourage the clients to increase the assets in his or her account. Rollovers of company plans to IRAs managed by advisor: Rollover agreement with the pros and cons is signed off by clients.

We do not receive any compensation that is contingent on any client's purchase or sale of a financial product.

We do not receive any compensation from the securities selected or the recommended broker-dealer.

We do not have any arrangements or are not affiliated with any organization such as a broker-dealer, investment company, bank, law firm, insurance company or another investment advisor.

We are not actively engaged in business other than giving investment advice.

- What are your legal obligations to me when acting as my investment advisor?

PDM Investment Services does not in any way guarantee the portfolio from loss, nor guarantee any minimum investment performance for client portfolios. Investing in securities involves risk of loss that clients should be prepared to bear.

PDM Investment Services shall be responsible only for the satisfactory performance of all duties expressly assumed.

Past performance is no assurance of future results. All investments involve individual security risk and market risk.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time.

### Item 4. Disciplinary History

- As a financial professional, do you have any disciplinary history? No  
PDM Investment Services and Philip Michalek have no disciplinary history.  
See ADV 1 and ADV 2 filings for more detailed info and disciplinary history on Philip Michalek and PDM Investment Services on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Item 5. Additional Information