



## Item 1

# FORM ADV PART 2B: BROCHURE SUPPLEMENT

March 29, 2019

This brochure supplement (Part 2B) provides information about Timothy J. Schauer, CFA<sup>®</sup>, CPA and Sophit Lee, CFP<sup>®</sup>. This section supplements the Docsa Capital Management, Inc. brochure (Part 2A). You should have received a copy of that brochure. Please contact Timothy J. Schauer, our Principal, at 269.488.2322 if you did not receive the firm's brochure, or if you have any questions about the contents of this supplement.

Additional information about Mr. Schauer and Ms. Lee is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and at our firm's website at [www.docsapital.com](http://www.docsapital.com).

## Docsa Capital Management, Inc.

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**Timothy J. Schauer, CFA<sup>®</sup>, CPA**

**ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Timothy J. Schauer, CFA<sup>®</sup>, CPA (b. 1965) is Docsa Capital Management, Inc.’s Principal, Chief Equity Strategist/Portfolio Manager, and Co-Compliance Officer. Mr. Schauer joined Docsa Capital Management, Inc. in 2001, and became the sole principal of the firm in May, 2003. Prior to this, he held accounting and controller positions at public accounting firms, a bank trust, and a private firm in Kalamazoo, Michigan.

**A. Experience**

- Investment: Over 27 years
- Accounting: Over 13 years

**B. Education Background**

- Master of Business Administration (MBA), *Western Michigan University* 2002
- Bachelor of Science, *Mankato State University* 1992

**C. Business Background**

- Principal, Chief Equity Strategist and Portfolio Manager, *Docsa Capital Management, Inc., Portage, MI* Since 2001
- Accountant, *Bell, Cerutti & Associates, Portage, MI* 1999 – 2001
- Controller, *DMS Electric, Kalamazoo, MI* 1997 – 1998
- Fund Accountant, *First of America Bank Trust Department, Kalamazoo, MI* 1996 – 1997
- Accountant, *Plante & Moran, Kalamazoo, MI* 1993 – 1996

**D. Professional Designations and Licenses**

- Certified Public Accountant (CPA) 1994
- Chartered Financial Analyst<sup>®</sup> (CFA<sup>®</sup>) 2003
- Series 65 - Investment Adviser State Law Examination 2001

**Designations, Qualifications and Related Criteria**

1. *Chartered Financial Analyst<sup>®</sup> (CFA<sup>®</sup>)*

Mr. Schauer has earned the right to use the Chartered Financial Analyst<sup>®</sup> or CFA<sup>®</sup> designation from the CFA Institute, a global, not-for-profit organization of investment professionals. Candidates must have in-depth knowledge of securities types and investment vehicles, and have earned at least a bachelor’s degree from an accredited school. To earn the CFA<sup>®</sup> designation, Mr. Schauer, successfully passed all three exam levels (six-hour each, covering ethics, quantitative methods, economics, corporate finance, financial reporting and analysis, security analysis, and portfolio management), completed at least four years of qualified investment work experience, and became a member of the CFA Institute. To maintain the designation, he must annually renew his pledge to adhere to the CFA Institute Code of Ethics and

Standards of Professional Conduct and maintain his membership in a local CFA member society. [Chartered Financial Analyst® and CFA® are trademarks owned by the CFA Institute.]

## 2. *Certified Public Accountant (CPA)*

To earn his CPA license, Mr. Schauer earned a degree in accounting, passed the CPA examination, and demonstrated qualifying work experience.

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two-year period or 120 hours over a three-year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's Code of Professional Conduct within their state accountancy laws or have created their own.

## 3. *Master of Business Administration (MBA)*

The MBA degree from the Western Michigan University is awarded to individuals who have successfully completed at least 36 credit hours of advanced curriculum focusing on general business management. The specialized MBA – Finance degree requires at least 9-18 hours of graduate level coursework in areas such as; corporate finance, investments, portfolio and security, or international finance. There is no maintenance requirement associated with the MBA – Finance degree such as continuing education or Code of Ethics.

### **ITEM 3 - DISCIPLINARY INFORMATION**

Mr. Schauer has never been the subject of any legal, judgement, liens, criminal or civil judicial action, regulatory action, or disciplinary event that would be material to your evaluation. There have been no complaints, barring, suspension, or pending events associated with investment related services or from self-regulatory organizations.

For clarity, here are some examples under the legal category:

- Any convictions for theft, fraud, bribery, perjury, forgery, counterfeiting, extortion and violations of securities laws, or a conspiracy to commit any of these offenses.
- Any named subject of a pending criminal proceeding involving investment-related offenses, including but not limited to fraud, forgery, wrongful taking of property, false statements, counterfeiting, or bribery.

Examples of under the administrative proceeding before a state\* or federal\*\* regulatory agency, or a self-regulatory organization\*\*\* may include:

- Instance(s) where our firm loses its authorization to provide investment-related business.
- If our firm or our employee was found to be in violation of an investment-related statute or regulation and our firm or our employee is denied, suspended, barred, or licenses revoked from practicing or conducting in an investment-related business.
- If our firm or our employee was subject to a civil money penalty of more than \$2,500.

Examples:

\* Michigan Department of Licensing and Regulatory Affairs.

\*\* Security and Exchange Commission.

\*\*\*Financial Industry Regulatory Authority (FINRA)

#### **ITEM 4 - OTHER BUSINESS ACTIVITIES**

Mr. Schauer is not engaged in any other business activities than those of Docsa Capital Management, Inc.

#### **ITEM 5 - ADDITIONAL COMPENSATION**

Mr. Schauer does not receive any additional compensation for providing advisory services.

#### **ITEM 6 - SUPERVISION**

Mr. Schauer is the sole owner of the firm and supervises all of its duties and activities. However, the firm follows a team approach in the management of client portfolios. Ms. Sophit Lee, CFP<sup>®</sup>, Managing Director and Chief Compliance Officer, also monitors the investment advice Mr. Schauer provides through the routine review of client documents, electronic and hard copy communications, and other data (such as trade and account information) downloaded from our primary custodian each business day. When rendering investment advice, Mr. Schauer strives to follow the firm's Code of Ethics, as well as the Code of Ethics of the CFA Institute to which he belongs. In his capacity as your fiduciary, he is committed to act in your best interests, providing full disclosure and seeking to act with care, prudence, and diligence. Mr. Schauer's and Ms. Lee's contact information can be found on the cover page.

**ITEM 7 - REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Mr. Schauer has never been the subject of an arbitration award, judgment, order, or other disciplinary event. He has never been the subject of a bankruptcy petition. State-registered advisers are required to disclose items described below. No supervised person with Docsa Capital Management, Inc. has ever been involved in:

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
  - a. an investment or an investment-related business or activity;
  - b. fraud, false statement(s), or omissions;
  - c. theft, embezzlement, or other wrongful taking of property;
  - d. bribery, forgery, counterfeiting, or extortion; or
  - e. dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - a. an investment or an investment-related business or activity;
  - b. fraud, false statement(s), or omissions;
  - c. theft, embezzlement, or other wrongful taking of property;
  - d. bribery, forgery, counterfeiting, or extortion; or
  - e. dishonest, unfair, or unethical practices.
3. Subject of a bankruptcy petition.

<b>Sophit Lee, CFP®</b>
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## ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Sophit Lee, CFP® (b. 1957) is the Managing Director, Portfolio Manager, Financial Advisor, and Chief Compliance Officer, serving Docsa Capital Management, Inc. since September, 2000. Prior to that, Sophit was the Vice-President and Managing Director at a private wealth management firm in Newport Beach, California.

### A. Experience

- Investment: Over 37 years
- Financial Planning: Over 24 years

### B. Education Background

- Personal Financial Planning certificate program, *University of California, Irvine* 1995
- Masters of Library and Information Science, *University of California, Berkeley* 1982
- Bachelor of Arts, Biological Sciences, *University of California, Berkeley* 1979

### C. Business Background

- Managing Director and Portfolio Manager, *Docsa Capital Management, Inc., Portage, MI* Since 2000
- Vice President and Managing Director, *Tarbox Equity, Inc., Newport Beach, CA* 1999 – 2000
- Financial Planner, Senior Research Analyst and Portfolio Manager, *Tarbox Equity, Inc., Newport Beach, CA* 1994 – 1998
- Section Manager, Corporate Libraries, *Allergan, Inc., Irvine, CA* 1986 – 1994
- Science Librarian; Head, Reference Department, *West Texas State University, Canyon, TX* 1982 – 1986

### D. Professional Designations and Licenses

- Certified Financial Planner™ Practitioner (CFP®) 1996
- NAPFA-Registered Financial Advisor 1999
- Series 65 - Investment Adviser State Law Examination 1998

### Designations, Qualifications and Related Criteria

#### 1. *Certified Financial Planner™ (CFP®) Professional Requirements*

The Certified Financial Planner Board of Standards, Inc. administers the certification process to individuals who are authorized to use the CFP certification marks in the U.S. CFP® Professionals must meet rigorous professional standards and agree to adhere to the principles of integrity, objectivity, competence, fairness, confidentiality, professionalism, and diligence when dealing with clients. The initial certification requirements are as follows:

**Education:** CFP® professionals must complete a comprehensive course of study at a college or university offering a financial planning curriculum approved by CFP Board. In addition, CFP® professionals must also hold an accredited college or university bachelor's degree or higher.

**Examination:** CFP® practitioners must pass a comprehensive CFP® Certification Examination that tests their ability to apply financial planning knowledge in an integrated format. The exam covers the financial planning process, tax planning, employee benefits and retirement planning, estate planning, investment management and insurance.

**Experience:** Prior to earning the right to use the CFP® certification marks, the CFP Board requires candidates to have at least 6,000 hours of professional experience related to the financial planning process, or 4,000 hours of Apprenticeship experience that meets additional requirements.

**Ethics:** CFP® professionals agree to abide by a strict code of professional conduct, known as CFP Board's *Code of Ethics and Professional Responsibility* that sets forth their ethical responsibilities to the public, clients and employers. The Standards require that CFP® professionals provide services that meet the fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients. The CFP Board also performs a background check during this process, and each candidate must disclose any investigations or legal proceedings related to their professional or business conduct.

**Ongoing Certification Requirements:** Once certified, CFP® professionals are required to maintain technical competence and fulfill ethical obligations. They must complete a minimum 30 hours of continuing education every two years to stay current with developments in the financial planning profession. Two of these hours must be on the CFP Board's *Code of Ethics* and other parts of the *Standards of Professional Conduct*. In addition to the biennial continuing education requirement, all CFP® practitioners must voluntarily disclose any public, civil, criminal or disciplinary actions that may have been taken against them during the previous two years as part of the renewal process.

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

## 2. *NAPFA Registered Financial Advisor*® Requirements

Sophit has been a NAPFA Registered Financial Advisor® since 1999. All NAPFA-Registered Financial Advisors must have at least three years of comprehensive financial planning experience and have a sample comprehensive financial plan reviewed by a NAPFA-Registered Financial Advisor. Current requirements also include a bachelor's degree from an accredited institution and either the Certified Financial Planner™ (CFP®) certification or the American Institute of Certified Public Accountants' Personal Financial Specialist (CPA/PFS) credential. All NAPFA-Registered Financial Advisors must also adhere to NAPFA's Fiduciary Oath, Standards of Membership and Affiliation, and Bylaws. NAPFA Registered Financial Advisors must also complete continuing education requirements of 60 hours every two years. All NAPFA-Registered Financial Advisors provide investment and/or financial planning services on a Fee-Only basis as defined by NAPFA.

**ITEM 3 - DISCIPLINARY INFORMATION**

Sophit Lee, CFP® has never been the subject of any legal, judgement, liens, criminal or civil judicial action, regulatory action, or disciplinary event that would be material to your evaluation. There have been no complaints, barring, suspension, or pending events associated with investment related services or from self-regulatory organizations.

For clarity, here are some examples under the legal category:

- Any convictions for theft, fraud, bribery, perjury, forgery, counterfeiting, extortion and violations of securities laws, or a conspiracy to commit any of these offenses.
- Any named subject of a pending criminal proceeding involving investment-related offenses, including but not limited to fraud, forgery, wrongful taking of property, false statements, counterfeiting, or bribery.

Examples of under the administrative proceeding before a state\* or federal\*\* regulatory agency, or a self-regulatory organization\*\*\* may include:

- Instance(s) where our firm loses its authorization to provide investment-related business.
- If our firm or our employee was found to be in violation of an investment-related statute or regulation and our firm or our employee is denied, suspended, barred, or licenses revoked from practicing or conducting in an investment-related business.
- If our firm or our employee was subject to a civil money penalty of more than \$2,500.

Examples:

\* Michigan Department of Licensing and Regulatory Affairs.

\*\* Security and Exchange Commission.

\*\*\*Financial Industry Regulatory Authority (FINRA), Certified Financial Planner Board of Standards, Inc.

**ITEM 4 - OTHER BUSINESS ACTIVITIES**

Ms. Lee is not engaged in any business activities other than those of Docsa Capital Management, Inc.

**ITEM 5 - ADDITIONAL COMPENSATION**

Ms. Lee does not receive any additional compensation for providing advisory services.

**ITEM 6 - SUPERVISION**

Mr. Timothy J. Schauer, CFA®, CPA, Principal and sole owner of the firm, is the supervisor of Ms. Lee. Mr. Schauer monitors the investment advice Ms. Lee provides through the routine review of statements, client documents, electronic and hard copy communications, and other data (such as trade and account information) downloaded from our primary custodian each business day. Ms. Lee works from offices in Michigan and Florida. All paper and electronic files are centralized in the Michigan location, and Mr. Schauer has access to Ms. Lee's computerized files and firm-related emails. When rendering investment advice, Ms. Lee strives to follow the firm's Code of Ethics, as well as to the Code of Ethics of both NAPFA and the Certified Financial Planner Board of Standards, Inc. to which she belongs. In her capacity as your fiduciary, she is committed to act in your best interests, providing full disclosure and seeking to act with care, prudence, and diligence. For questions regarding the supervision of Ms. Lee, please contact Mr. Schauer at 269.488.2322.



**ITEM 7 - REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Ms. Lee has never been the subject of an arbitration award, judgment, order, or other disciplinary event. She has never been the subject of a bankruptcy petition. State-registered advisers are required to disclose items described below. No supervised person with Docsa Capital Management, Inc. has ever been involved in:

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
  - a. an investment or an investment-related business or activity;
  - b. fraud, false statement(s), or omissions;
  - c. theft, embezzlement, or other wrongful taking of property;
  - d. bribery, forgery, counterfeiting, or extortion; or
  - e. dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - a. an investment or an investment-related business or activity;
  - b. fraud, false statement(s), or omissions;
  - c. theft, embezzlement, or other wrongful taking of property;
  - d. bribery, forgery, counterfeiting, or extortion; or
  - e. dishonest, unfair, or unethical practices.
3. Subject of a bankruptcy petition.