

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC FILE NUMBER  
8- 14485

FACING PAGE  
Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/19 AND ENDING 12/31/19  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: TAG Wealth Management LLC

OFFICIAL USE ONLY  
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

20815 N Cave Creek Road

(No. and Street)

Phoenix

AZ

85024

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Jack Biltis

602-525-8084

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Michael Maastricht, CPA

(Name - if individual, state last, first, middle name)

11225 North 28th Drive, Suite D-101

Phoenix

AZ

85029

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant  
 Public Accountant  
 Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Jack Biltis, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of TAG Wealth Management LLC, as of December 31, 20 19, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

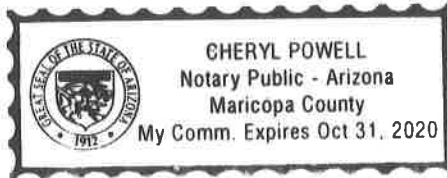
[Handwritten Signature]

Signature

President

Title

[Handwritten Signature: Cheryl Powell]
Notary Public



This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
(d) Statement of Changes in Financial Condition.
(e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
(f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
(g) Computation of Net Capital.
(h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
(i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
(j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
(k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
(l) An Oath or Affirmation.
(m) A copy of the SIPC Supplemental Report.
(n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**TAG WEALTH MANAGEMENT, LLC**

Phoenix, Arizona

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**FINANCIAL STATEMENTS  
WITH ACCOUNTANT'S REPORT**

as of December 31, 2019

**MICHAEL MAASTRICHT, CPA**  
Certified Public Accountant

# TAG WEALTH MANAGEMENT, LLC

Year Ended December 31, 2019

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# **MICHAEL MAASTRICHT, CPA**

Certified Public Accountant

11225 North 28<sup>th</sup> Drive, Suite D-101  
Phoenix, Arizona 85029

(602) 375-2926 - Office  
(602) 375-2761 - Fax  
[mike@maastrichtcpa.com](mailto:mike@maastrichtcpa.com) - e-mail

## **Report of Independent Registered Public Accounting Firm**

To the Member  
Tag Wealth Management, LLC:

### **Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Tag Wealth Management, LLC as of December 31, 2019, the related statements of income, changes in member's equity, and cash flows for the 2019 then ended, and the related notes and schedules. In our opinion, the financial statements present fairly, in all material respects, the financial position of Tag Wealth Management, LLC as of December 31, 2019 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

These financial statements are the responsibility of Tag Wealth Management, LLC's management. Our responsibility is to express an opinion on Tag Wealth Management, LLC's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Tag Wealth Management, LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### **Auditors' Report on Supplemental Information**

The computation of Net Capital Pursuant to Rule 15c3-3 has been subjected to audit procedures performed in conjunction with the audit Tag Wealth Management, LLC's financial statements. The supplemental information is the responsibility of Tag Wealth Management, LLC's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Michael Mastrelli, CPA".

We have served as the Company's auditor since 2014.

Phoenix, Arizona  
February 26, 2020

**TAG WEALTH MANAGEMENT, LLC**

Statement of Financial Condition

December 31, 2019

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**ASSETS**

Current assets:

Cash	\$ 34,941
Other assets	<u>200</u>
Total current assets	<u>35,141</u>
	<u><u>\$ 35,141</u></u>

**MEMBER'S EQUITY**

Current liabilities:

Accrued liabilities	\$ <u>1,000</u>
Total current liabilities	<u>1,000</u>

Member's equity:

Capital	19,897
Accumulated profit	<u>14,244</u>
Total member's equity	<u>34,141</u>
	<u><u>\$ 35,141</u></u>

See accompanying notes.

**TAG WEALTH MANAGEMENT, LLC**

**Statement of Income**  
**For the Year Ended December 31, 2019**

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Revenue:		
Consulting income		\$ 36,000
Expenses:		
Compliance		13,675
Regulatory fees and expenses		2,755
Overhead		12,000
Technology		2,900
		<u>31,330</u>
Net income		<u>\$ 4,670</u>

See accompanying notes.

**TAG WEALTH MANAGEMENT, LLC**

Statement of Changes in Member's Equity  
For the Year Ended December 31, 2019

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	<u>Capital</u>	<u>Accumulated Profit</u>	<u>Total</u>
Balance, December 31, 2018	\$ 19,897	9,574	29,471
Net income		4,670	4,670
Balance, December 31, 2019	<u>\$ 19,897</u>	<u>14,244</u>	<u>34,141</u>

See accompanying notes.

**TAG WEALTH MANAGEMENT, LLC**

Statement of Cash Flows  
For the Year Ended December 31, 2019

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Cash flows from operating activities:	
Net income	\$ 4,670
Adjustments to reconcile net income to net cash provided by operating activities:	
Decrease in other assets	<u>55</u>
Net cash provided by operating activities	<u>4,725</u>
Net increase in cash	4,725
Cash, beginning of year	<u>30,216</u>
Cash, end of year	<u>\$ 34,941</u>

See accompanying notes.

## **TAG WEALTH MANAGEMENT, LLC**

Notes to Financial Statements  
For the Year Ended December 31, 2019

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### (1) Summary of significant accounting policies:

#### Nature of Company's business:

Tag Wealth Management, LLC (the "Company") was registered in 2011 under the laws of the State of Arizona to operate as a broker-dealer.

#### Statement of cash flows:

Cash consists of Federally insured bank deposits.

#### Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### Financial instruments

Fair value is determined by using available market information and valuation methodologies. Financial instruments include cash, which is carried at fair value.

#### New and Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update 2014-09, "Revenue from Contracts with Customers" (Topic 606), that supersedes current revenue recognition guidance, including most industry-specific guidance. ASU 2014-09, as amended, requires a company to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. The guidance also requires additional disclosures regarding the nature, amount, timing, and uncertainty of revenue that is recognized. Under the new guidance, an entity is required to perform the following five steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction

## TAG WEALTH MANAGEMENT, LLC

### Notes to Financial Statements For the Year Ended December 31, 2019

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(1) Summary of significant accounting policies (continued)

price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfies a performance obligation. The adoption of ASU 2014-09, as amended, did not result in a material change in the timing of revenue recognition or a material impact on financial position, results of operations, or cash flows from adopting this standard.

In February 2016, the FASB issued ASU 2016-02, "Leases", that requires for leases longer than one year, a lessee to recognize in the statement of financial condition a right-of-use asset, representing the right to use the underlying asset for the lease term, and a lease liability, representing the liability to make lease payments. The accounting update also requires that for finance leases, a lessee recognize interest expense on the lease liability, separately from the amortization of the right-of-use asset in the statements of earnings, while for operating leases, such amounts should be recognized as a combined expense. In addition, this accounting update requires expanded disclosures about the nature and terms of lease agreements. The Company has reviewed the new standard and does not expect it to have a material impact to the statement of financial condition or its net capital.

#### Expense sharing

The Company has an expense sharing agreement with an affiliated company, Tag Employer Services, LLC, whereby certain expenses, primarily rent, payroll, and equipment are shared by the companies. Under the arrangement, the Company has no liability under rental leases or for payroll taxes and related compliance and owns no depreciable assets.

(2) Revenue recognition:

Consulting income is recognized in the period services are rendered.

## TAG WEALTH MANAGEMENT, LLC

### Notes to Financial Statements For the Year Ended December 31, 2019

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(3) Related party:

Revenue comprises a consulting fee with a related party totaling \$36,000 for the year ended December 31, 2019.

Amounts paid to the Company's owner for shared expenses follow:

Overhead	<u>\$ 12,000</u>
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(4) Income taxes:

All income and expense is passed through the Company for income tax purposes and reported on the income tax returns of the individual member. Accordingly, the financial statements include no provision or liability for income taxes. Generally, the Company is subject to examination by U.S. Federal and state income tax authorities for three years from the filing of a tax return.

(5) Net capital requirements:

The Company is subject to regulatory requirements for minimum capitalization by FINRA. At December 31, 2019, the Company had net capital of \$33,941, which was \$28,941 in excess of its required capital of \$5,000

(6) Subsequent events:

The entity did not have any subsequent events through February 26, 2020, which is the date the financial statements were available to be issued, requiring recording or disclosure in the financial statements for the year ended December 31, 2019.

**TAG WEALTH MANAGEMENT, LLC**  
**SCHEDULE I**

Computation of Net Capital Under Rule 15c3-1 of the  
Securities and Exchange Commission  
December 31, 2019

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Member's equity per balance sheet at December 31, 2019	\$ 34,141
Less not allowable assets: Cash in CRD account	<u>200</u>
Net capital for FINRA requirement purposes as of December 31, 2019	33,941
Net capital required	<u>5,000</u>
Net capital in excess of amount required	<u><u>\$ 28,941</u></u>

**Note:** There are no material differences between the above computation and the Company's corresponding unaudited Part II of Form X-17A-5 as of December 31, 2019

**TAG WEALTH MANAGEMENT, LLC  
SCHEDULE II**

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
UNDER RULE 15C3-3 OF THE SECURITIES AND EXCHANGE COMMISSION FOR  
THE YEAR ENDED DECEMBER 31, 2019**

Not applicable – The Company is exempt pursuant to the (k)(2)(i) exemptive provision of SEC Rule 15c3-3 and does not hold customer funds or securities.

**TAG WEALTH MANAGEMENT, LLC  
SCHEDULE III**

**INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS  
UNDER RULE 15C3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Not applicable – The Company is exempt pursuant to the (k)(2)(i) exemptive provision of SEC Rule 15c3-3 and does not hold customer funds or securities.

# MICHAEL MAASTRICHT, CPA

Certified Public Accountant

11225 North 28<sup>th</sup> Drive, Suite D-101  
Phoenix, Arizona 85029

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(602) 375-2761 - Fax  
[mike@maastrichtcpa.com](mailto:mike@maastrichtcpa.com) - e-mail

## Review Report of Independent Registered Public Accounting Firm

To the Member  
Tag Wealth Management, LLC:

We have reviewed management's statements, identified in the accompanying Exemption Report, in which (1) Tag Wealth Management, LLC identified the following provisions of 17 C.F.R. §15c3-3(k) under which Tag Wealth Management, LLC claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(i) (the "exemption provisions") and (2) Tag Wealth Management, LLC stated that Tag Wealth Management, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. Tag Wealth Management, LLC's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Accounting Oversight Board (United States) and, accordingly, included inquiries and other related procedures to obtain evidence about Tag Wealth Management, LLC's, compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the conditions set forth in paragraph (k) (2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.



Phoenix, Arizona  
February 26, 2020

