

**DISCLOSURE BROCHURE  
FORM ADV, PART 2A**



**13001 University Ave.  
Clive, IA 50325  
800-722-9861**

**March 31, 2011**

This Brochure provides information about the qualifications and business practices of DeWaay Capital Management, Inc. If you have any questions about the contents of this Brochure, please contact us at 515-224-9861 or 800-722-9861. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

DeWaay Capital Management, Inc. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. Additional information about DeWaay Capital Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as a CRD number. The CRD number for DeWaay Capital Management, Inc. is 116214.

## Item 2: Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure is a new document prepared according to the SEC’s new requirements and rules. As such, the document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our Brochure.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will also provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting your personal investment advisor representative or our Home Office at 515-224-9861, 800-722-9861 or [compliance@dewaayfinancial.net](mailto:compliance@dewaayfinancial.net).

Additional information about DeWaay Capital Management, Inc. (hereinafter referred to as “DCM”, “us”, “we”, “our” or the “Firm”) is also available via the SEC’s web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with DCM who are registered, or are required to be registered, as investment adviser representatives of DCM.

**DeWaay Capital Management, Inc.**  
**March 31, 2011**

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This brochure provides prospective clients with information about DeWaay Capital Management, Inc. that should be considered before or at the time of receiving investment advisory services from DeWaay Capital Management. Please be advised that DeWaay Capital Management will not assign its duties to you to any other party without your consent. Please maintain this brochure for future reference.

#### **Item 4: Advisory Business**

DeWaay Capital Management, Inc. is an investment adviser registered with the Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940, as amended. The Firm has been registered with the SEC since May 20, 2002.

DCM offers personalized investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. Our services and fee arrangements are described on the following pages.

Individuals who are appropriately licensed, qualified, and/or authorized to provide advisory services on behalf of DCM are known as Investment Adviser Representatives ("IARs"). IARs and other persons associated with DCM may also be registered representatives of DeWaay Financial Network, LLC ("DFN"), a securities broker/dealer and member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). IARs and other persons associated with DCM may also be IARs of DeWaay Advisory, LLC ("DeWaay Advisory"), an Iowa-based investment adviser registered with the SEC.

#### ***Principal Owners***

DCM is 100% owned by Donald G. DeWaay.

#### ***Portfolio Management Services***

DCM primarily provides continuous discretionary asset management and investment advisory services. In order to participate in these services, clients generally grant discretion and authority to DCM to manage their accounts and to perform various functions, at the client's expense, without further approval from the client. Such functions include making all investment decisions for the (a) securities purchased or sold; (b) the amount of securities purchased or sold; (c) the timing of trade execution of securities purchased or sold; (d) selection of the broker or dealer to execute transactions; and (e) the commission rates paid. Once the portfolio is constructed, DCM provides ongoing management, monitoring and re-balancing of the portfolio as changes in market conditions and client circumstances may require. In limited circumstances, the Firm may enter into non-discretionary arrangements with clients whereby clients must provide approval to the Firm prior to the execution of a trade.

DCM is actively engaged in managing diversified portfolios of equity, fixed income and cash equivalent securities on behalf of its clients. Equity portfolios are comprised of securities that are diversified not only by market capitalization but also by economic and industry sectors. Fixed income portfolios are diversified by issuer and maturity date. Portfolios may include but are not limited to individual stocks, taxable and municipal bonds, exchange traded funds, mutual funds and structured products.

An IAR will work with the client to obtain necessary information regarding the client's financial condition, investment objectives, liquidity requirements, risk tolerance, time horizon, and any restrictions on investing. Portfolio composition will be determined based on each client's needs, portfolio restrictions, if any, financial goals and risk tolerances. Some strategies involve more risk than other available strategies and are only appropriate for certain investors.

The client may terminate an investment advisory services agreement without penalty within five business days after the date when all parties have signed the agreement. After the five-day period, either party may terminate the management agreement upon 30 days written notice to the other. DCM will pro-rate the management fee for the quarter in which the termination notice was given and will return any unearned fees to the client.

#### ***Self-Directed 401(k) Plan Consulting / Asset Management Services Program***

DCM provides investment consulting and asset management services to self-directed 401(k) plan participants

and/or beneficiaries. In general, these services may include asset allocation advice, money management services, communication and education services, investment performance monitoring, and/or ongoing consulting. DCM may provide these services independent of other services offered or the client may contract with DCM for additional services.

### ***Third Party Management Services***

Through negotiated arrangements with certain registered investment advisers, for example Boyle Capital Management, LLC, DCM may refer client accounts to third-party investment advisers (“Sub-Adviser”) to actively manage a portion of, or the entire, client account. Under such arrangements, DCM will make recommendations regarding the suitability of a Sub-Adviser or investment style based on, but not limited to, the client’s long-term goals, risk tolerance, time horizon, account profile, investment objectives, and/or financial situation. All Sub-Advisers that DCM utilizes on behalf of clients must be either a state licensed investment adviser or a federally registered investment adviser.

In addition to evaluating and recommending Sub-Advisers to clients, DCM will gather information from the client about the client’s financial situation, investment objectives, and reasonable restrictions the client may wish to impose on the management of the account. DCM then monitors the Sub-Adviser’s performance; reviews reports provided to the client; contacts the client periodically to review the client’s financial situation and objectives; and assists the client in understanding and evaluating the services provided by the Sub-Adviser. Clients should promptly notify DCM of any material change in their financial situation, investment objectives, or account restrictions.

The Sub-Adviser will actively manage the client’s portfolio and will assume investment discretionary and trading authority over the managed account. DCM may pay a portion or all of its management fee to the Sub-Adviser in return for the investment management and trading services provided to the client. DCM may manage or obtain investment discretion or trading authority over these client assets. However, DCM may assume discretionary authority to hire and fire Sub-Advisers and reallocate the client’s assets to other Sub-Advisers, where we deem the action to be in the best interest of the client.

Either party may terminate the management agreement within five days of the date of acceptance without penalty to the client. After the five-day period, either party, upon 30 days written notice to the other, may terminate the management agreement. If termination occurs prior to the end of a calendar billing period, DCM will refund to the client, on a pro-rata basis, any unearned fees.

In addition to evaluating and recommending Sub-Advisers to clients, DCM may utilize Sub-Advisers to provide portfolio recommendations or analysis specific to certain portfolios or securities but will not actively engage Sub-Advisers in the management of the account. DCM may pay a portion or all of its management fee to the Sub-Adviser in return for the recommendation or analysis services.

### ***Financial Planning and Consulting Services***

DCM may offer financial planning services which will typically involve providing a variety of services, principally advisory in nature, to clients regarding the management of their financial resources based upon an analysis of their individual needs. An IAR will first gather initial data in order to determine a client’s needs. Once such information has been reviewed and analyzed, a written financial plan, designed to achieve the client’s stated financial goals and objectives, will be produced and presented to the client. The primary objective of this process is to allow the Firm to assist the client in developing a strategy for the successful management of income, assets, and liabilities in order to meet the client’s financial goals and objectives.

DCM IARs base financial plans on the client’s current financial situation and utilize financial information disclosed by the client to the Firm. IARs may make certain assumptions with respect to interest rates, inflation rates, applicable tax rates, rates of return and volatility of specific securities, rates of return and volatility of asset classes, correlation of returns of specific securities and asset classes, and use past trends and

performance of the market and economy. Past performance is in no way an indication of future results. DCM cannot offer any guarantees or promises that the client will achieve his/her financial goals and objectives. As the client's financial situation, goals, objectives, or needs change, the client should notify the Firm promptly.

In limited circumstances, some clients may only require advice on a single aspect of the management of their financial resources. For these clients, the Firm offers modular financial plans and/or general consulting services that address only those specific areas of interest or concern.

Clients may act on the Firm's recommendations by placing securities or insurance transactions with any third-party firm the client chooses. The client is under no obligation to act on the Firm's financial planning recommendations.

The client may terminate a financial planning agreement without penalty within five business days after the date when all parties have signed the agreement. After this five-day period, either party may terminate the agreement upon written notice to the other. If DCM collects a deposit or fee from the client, the Firm will make a pro rata refund to the client. Conversely, the client may incur a pro rata charge for bona fide financial planning and/or consulting services rendered prior to such termination.

#### ***Personal Financial Counseling and Tax Services***

DCM offers comprehensive financial and tax services for its clients. These services consist of income tax planning and preparation, retirement planning, budgeting and personal cash flow planning, estate and business succession planning, education funding, stock option planning, and personal risk analysis including life insurance, disability and long-term care insurance needs assessment.

Donald DeWaay (49%) and Dave Merritt (2%) maintain an ownership and controlling interest (51%) in Brinkman and Reed CPAs located at 103 S 6<sup>th</sup> St., Estherville, Iowa 51334. DCM may utilize and rely on the CPAs, accountants and tax specialists from Brinkman and Reed to provide the aforementioned tax services. Through its controlling ownership and interest, DCM may pay client referral fees to Brinkman and Reed CPAs.

#### ***Manager of Managers***

DCM may leverage the expertise of other institutional investment advisers for the benefit of our clients. We have identified certain managers through evaluation of their strategies, their organizational and personal backgrounds, performance records and investment implementation capabilities. These managers do provide investment advisory services directly to our clients. We are responsible for the managers' investment advisory fee (there is no additional management fee incurred by the client for the managers' investment advisory services), monitor and evaluate the managers' performance.

The information we obtain regarding the managers is believed to be reliable and accurate; however, we do not guarantee accuracy or independently verify reported results. We may cease working with a manager if in our sole discretion, the manager does not execute its functions in a manner consistent with its stated philosophy and approach or if the manager becomes otherwise unsuitable for performing its required duties.

#### ***Assets under Management***

DCM manages approximately \$374,533,840 of client assets on a discretionary basis and \$164,155,068 of client assets on a non-discretionary basis as of December 31, 2010.

### **Item 5: Fees and Compensation**

#### ***Portfolio Management Fees***

DCM's portfolio management fees are negotiable based upon each client's individual needs and circumstances, such as the account size and the nature of the investment activity within the account. The specific services to be provided by DCM and the fees assessed for provision of such services are described in an Investment

Advisory Agreement (“Agreement”), or similarly titled agreement, to be executed between DCM and each client. The Firm’s portfolio management fees are generally at or near 1.00% of assets under management. The fees may be higher or lower than 1.00% based upon the individual circumstances noted above but will not exceed 2.20% of assets under management. Typically, fixed income and annuity portfolios will be charged 0.50%. DCM may aggregate accounts of members of the same household for the purposes of determining the advisory fee. This consolidation practice is designed to allow clients the benefit of an increased assets total, which could potentially result in a reduced advisory fee.

DCM bills portfolio management fees quarterly in advance based on the value of the assets under management on the last business day of the preceding calendar quarter. The first payment is due upon execution of the Agreement and will be assessed pro rata in the event the client agreement is executed at any time other than the first day of the calendar quarter. The Firm will assess fees pro rata in the event the parties execute the portfolio management agreement at any time other than the first day of the calendar quarter.

Clients will either receive an invoice from DCM for the advisory fees or the qualified custodian holding the client’s funds and securities will debit the client account directly for the advisory fees. Where the client account is debited directly for the advisory fee, the client must provide written authorization permitting the fees to be paid directly from their account held by the qualified custodian. DCM will not have access to client funds for payment of fees without written client consent. Further, the qualified custodian will deliver a quarterly account statement directly to the client. DCM encourages its clients to review their account statements for accuracy. DCM will receive duplicate copies of the statements.

#### ***Self-Directed 401(k) Plan Consulting / Asset Management Services Program Fees***

DCM will charge a minimum fee of \$250 per year or 1% of assets in the account for its 401(k) plan consulting and asset management services.

#### ***Third Party Management Fees***

On an annualized basis, DCM’s fee for third party management services is generally equal to 0.75% of assets under management, payable quarterly in advance. DCM may pay a portion or all of its management fee to the Sub-Adviser in return for investment management and trading services provided to the client. In all cases, the fee arrangements for each client will be described in the Agreement or Agreements executed prior to commencement of investment management services. In certain cases, other fees may be negotiated.

“Qualified” clients, who sign an agreement with Sub-Advisers, may enter into arrangements where performance-based fees are assessed for advisory services offered by the Sub-Adviser. All clients referred to such Sub-Advisers who charge performance-based fees must have at least \$750,000 under management with the Sub-Adviser or must certify to the Sub-Adviser that such client has a net worth of at least \$1,500,000 at the time of entering into the performance-based fee arrangement.

The Sub-Adviser’s fees, and fee-paying arrangements, are established and payable in accordance with the Form ADV Part 2A or other equivalent disclosure document provided by each Sub-Adviser to whom DCM refers its clients. These fees may or may not be negotiable. In addition, if the investment program recommended to a client is a wrap fee program, the client will also receive the Form ADV Part 2A supplement or equivalent wrap fee brochure provided by the sponsor of the program. In limited circumstances, DCM may share in a portion of the advisory fee, including performance-based fees collected by the Sub-Adviser, and in such cases, the client will not be assessed an additional fee by DCM. Clients referred to such Sub-Advisers are informed that lower fees may be available elsewhere, and they are under no obligation to accept DCM’s recommendation for a particular Sub-Adviser.

#### ***Financial Planning Fees***

DCM may charge financial planning fees on an hourly basis or as a fixed fee for topic-specific financial planning. The fee shall be dependent upon the facts and circumstances presented by the client’s financial situation and

the complexity of the service rendered by the advisor. Generally, the Firm's hourly fee for financial planning services ranges between \$150 and \$300. An IAR will determine an estimate of the total time and cost at the start of the advisory relationship. In limited circumstances, the time or cost could potentially exceed the initial estimate. In such cases, the Firm will notify the client and may request that the client approve the additional fee.

Generally, DCM requires clients to pay 50% of the estimated fee in advance, with the remaining portion due upon completion of the services rendered. Under no circumstances will the Firm require prepayment of a fee more than six months in advance and in excess of \$500. The Firm may negotiate the financial planning fees and fee payment arrangements with the client on an individual basis depending upon the client's individual needs and circumstances. In all such cases, the fees and terms of the agreement will be clearly set forth in the financial planning agreement.

At its discretion, DCM may waive or offset a portion of the financial planning fees should the client choose to implement the recommendations through IARs in their separate capacity as registered representatives of DFN or through implementation of a portfolio management program through the Firm. DCM reserves the right to determine whether it will waive its financial planning fees or offset commissions earned during the implementation process.

#### ***Personal Financial Counseling and Tax Services***

Generally, DCM will charge an hourly fee for financial counseling and tax services of between \$150 and \$300. The hourly fee is variable, based upon the individual circumstances, as well as the scope of the engagement, and the anticipated complexity of the client's individual circumstances. DCM will determine and communicate an estimate of the total cost to the client at the start of the counseling relationship. In limited circumstances, the cost could potentially exceed the initial estimate. In such cases, DCM will notify the client and may request that the client approve any additional fees.

#### ***Additional Fees***

DCM's fees are exclusive of brokerage commissions, mark-ups and mark-downs, transaction fees, and other related costs and expenses which will be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, dealers, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commission are exclusive of and in addition to DCM's fee, and DCM shall not directly receive any portion of these commissions, fees or costs.

Advice offered by DCM may involve investments in mutual funds. All fees paid to DCM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds (as described in each mutual fund's prospectus) to their shareholders. These fees generally include a management fee and other expenses. Further, clients may incur transaction charges when purchasing or selling securities.

Advice offered by DCM may also involve investments in structured products. In addition to the annual fee prescribed in the Investment Advisory Agreement, investments in structured products may also be subject to an additional one-time custodial transaction fee of approximately \$25.00 which will be charged to the client.

DCM does not share in any portion of the brokerage fees or transaction charges imposed by the custodian holding the client funds or securities. The client should review all fees charged by mutual funds, custodians, DCM, and others to fully understand the total amount of fees charged to his/her account(s).

#### ***Conflicts of Interest***

Investment Advisor Representatives of DCM may recommend products for clients for which they may receive a commission as a registered representative of DeWaay Financial Network. This may present a conflict of



interest because the type and amount of compensation available may affect the products IARs recommend. DCM advises its clients that all clients have total freedom to affect any and all recommendations of securities, insurance, and/or other services through any brokers or agents they choose including those not affiliated with DCM. Clients should understand that in some cases, IARs who are also registered representatives of DeWaay Financial Network may recommend products that are only available through this affiliated broker/dealer.

#### **Item 6: Performance-Based Fees and Side-By-Side Management**

DCM does not charge fees based on a share of capital gains on or capital appreciation of the assets of a client. In limited circumstances, DCM may share in a portion of the advisory fee, including performance-based fees collected by the Sub-Adviser, and in such cases, the client will not be assessed an additional fee by DCM.

#### **Item 7: Types of Clients**

DCM provides portfolio management and financial planning services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

#### **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

DCM will employ a wide range of methods to evaluate investments and manage portfolios including fundamental analysis, some aspects of technical analysis and study of price trends, and analysis of economic, market, industry, and product cycles and trends through the use of charts and other economic data.

Typical sources of information include company SEC filings, press releases, company websites, company earnings calls, financial news and quotation services, financial data providers, financial newspapers and magazines, corporate rating services, analyst research reports, financial weblogs, internet discussion boards, financial websites, and, where practical, inspections of company activities.

DCM will continually adapt its investment strategies to market conditions and individual client needs. Experience has shown that no one approach works at all times for all clients. DCM makes available a number of differing strategies with varying degrees of anticipated risk to accommodate clients with different risk tolerances based on long-term goals, time horizon, account profile, investment objectives, and/or financial situation. While DCM attempts to implement strategies that maximize investment returns while minimizing risk of loss, there is no guarantee against risk of loss. Past performance of securities and investment strategies is in no way an indication of future results.

#### **Item 9: Disciplinary Action**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of DCM or the integrity of the Firm's management. DCM has no information applicable to this Item.

#### **Item 10: Other Financial Industry Activities and Affiliations**

Donald G. DeWaay is the Managing Member of DFN Partners, LLC, a holding company that owns DeWaay Advisory, LLC, DeWaay Financial Network, LLC, and DeWaay Insurance Agency, LLC. Mr. DeWaay is President of DeWaay Capital Management and is a 49% owner in Brinkman and Reed CPAs, a private accounting practice that is located in Estherville, Iowa.

Certain associated persons of DCM are licensed to sell securities through DeWaay Financial Network, LLC, an affiliated securities broker/dealer and member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). Associated persons may be involved in the sale of securities of various types, including but not limited to, stocks, bonds and mutual funds. In addition, certain

associated persons are licensed to sell various insurance products. As a result of such sales activities, associated persons will receive additional compensation in the form of commissions and other fees for the sale of securities and insurance products.

Certain associated persons of DCM may be Investment Adviser Representatives of DeWaay Advisory, LLC, an Iowa-based investment adviser registered with the SEC.

Through common control and ownership, DCM is affiliated with DeWaay Benefit Administrators, LLC, a third-party administrative firm servicing pension and profit sharing plans. Clients of DCM may become clients of DeWaay Benefit Administrators but are under no obligation to do so.

Through common control and ownership, DCM is affiliated with DeWaay Insurance Agency, LLC, a licensed insurance agency. Clients of DCM may become clients of DeWaay Insurance Agency but are under no obligation to do so.

In addition to providing financial planning and investment advisory services, certain IARs of DCM may conduct tax planning, estate planning or insurance business in a manner not affiliated with DCM.

Donald DeWaay owns 100% of the following: DCM Partners, LTD, which serves as Managing Member to DCM Everest, LLC; DCM Natural Resources Partners, LLC, which is the Managing Member to DCM Natural Resources Fund I, LLC; and Alpha Management, Inc., which is the Managing Member to DCM Alpha, LLC (collectively referred to as the “Funds”). These Funds are pooled investment vehicles that invest in private funds (“hedge funds”). Boyle Capital Management, LLC serves as the investment adviser to the Funds. Investors in the Funds should refer to the offering documents of the Funds for detailed disclosures regarding participation in these investments.

Mr. DeWaay owns 100% of DCM Phoenix Partners, LLLC, which serves as the Managing Member of the DCM Phoenix Fund, LLLP whereby Boyle Capital Management, LLC is the contracted advisor.

Through common ownership and control, DCM is affiliated with DeWaay Fund Management, LLC which serves as the general partner for DeWaay Investment Partners I, LLLP, DeWaay Investment Partners II, LLLP, and DeWaay Monroe Capital Management, LLC, which serves as the general partner for DeWaay Monroe Capital Investors, LLLP.

Through common control, DCM is affiliated with Palisade Investment Corp. whereby Mr. DeWaay serves as a control person and member of the board.

Through common ownership and control, DCM is affiliated with DeWaay Real Estate Management, LLC. DeWaay Real Estate Management, LLC is the sole owner of NorthPark Real Estate Management, LLC, the general partner of Northpark Real Estate Investors, LLLP, and DeWaay Assisted Living Management, LLC, the general partner of DeWaay Assisted Living Investors, LLLP.

On occasion, Don DeWaay may purchase shares in illiquid securities, such as limited partnerships or private placements, from DCM clients. In such cases, this may occur where there is either a limited or no secondary market available and shares will be purchased at fair market value. In such cases, Mr. DeWaay may purchase such shares only in a personal capacity; DCM will not participate in principal transactions.

DCM or individuals associated with the firm may buy or sell, for their personal accounts, investment products identical to those recommended to clients. It is the expressed policy of DCM that no person employed by the firm may purchase or sell any security prior to the same transaction being implemented for an advisory account, therefore preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

## **Item 11: Code of Ethics**

DCM has adopted a Code of Ethics for all supervised persons of the Firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All associated persons at DCM must acknowledge the terms of the Code of Ethics upon affiliating with the firm and as the Code of Ethics is amended.

DCM anticipates that, in appropriate circumstances, consistent with its clients' investment objectives, it will cause accounts over which DCM has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which DCM, its affiliates and/or clients, directly or indirectly, have a position or interest. DCM's employees and associated persons are required to follow DCM's Code of Ethics.

Subject to satisfying this policy and applicable laws, employees and associated persons of DCM and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for DCM's clients. Engaging in this activity may potentially cause a conflict of interest between DCM and its clients. The Code of Ethics is designed to ensure that personal securities transactions of the employees and associated persons of DCM will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees and associated persons to invest for their own accounts. It is DCM's expressed policy that employees and associated persons of the Firm shall not have priority in any purchase or sale over client accounts.

DCM's clients or prospective clients may request a copy of the Firm's Code of Ethics by contacting [compliance@dewaayfinancial.net](mailto:compliance@dewaayfinancial.net) or calling 866-875-7112.

## **Item 12: Brokerage Practices**

From time to time, associated persons of DCM who are associated persons of DFN may attend due diligence conferences offered by various vendors and/or wholesalers. These conferences may be available to associated persons of DFN at no cost to the Firm.

### ***Research and Brokerage Products and Services***

Research products and services we may receive may include economic surveys, data, and analyses; financial publications; recommendations or other information about particular companies and industries (through research reports and otherwise); and other products or services (e.g., computer services and equipment, including hardware, software, and data bases) that provide lawful and appropriate assistance to us in the performance of our investment decision-making responsibilities. Brokerage products and services (beyond traditional execution services) consist primarily of computer services and software that permit us to effect securities transactions and perform functions incidental to transaction execution. We generally use such products and services in the conduct of our investment decision-making generally, not just for those accounts whose commissions may be considered to have been used to pay for the products or services.

### ***Suggestion of Brokers***

Associated persons of DCM may be registered representatives of DFN. In the event that a client freely chooses to implement the advice provided by DCM through such registered representative, the broker/dealer utilized will be DFN. DCM may recommend to clients in need of brokerage services that they utilize DFN. DCM believes that DFN provides a full range of investment and other financial services at rates that are generally comparable to others in the financial services community. Clients may execute transactions through associated persons of DCM acting as registered representatives of DFN. However, the client may utilize the broker/dealer of his/her choice and has no obligation to purchase or sell securities through DFN. There is no

requirement that clients use any broker recommended by DCM.

Investment Adviser Representatives of DCM who are registered representatives of DFN are subject to FINRA rules that may restrict such registered individuals from conducting securities transactions away from DFN unless DFN provides the representative with written authorization. Therefore, IARs of DCM may be limited to conducting securities transactions through DFN and its clearing firm, Pershing, LLC.

DCM may recommend that a client in need of brokerage and custodial services utilize TD Ameritrade Institutional Services, a division of TD Ameritrade, Inc. ("TD Ameritrade"), Member FINRA/SIPC. DCM participates in the TD Ameritrade Institutional program which offers independent investment adviser services, which include custody of securities, trade execution, clearance, and settlement of transactions. DCM receives some economic benefits from TD Ameritrade through its participation in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research-related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing technology, and practice management products or services provided to DCM by third party vendors. Some of the products and services made available by TD Ameritrade may benefit DCM but may not benefit its client accounts. These products or services may assist DCM in managing or administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help DCM manage and further develop its business enterprise. These benefits received by DCM or its related persons do not depend on the amount of brokerage transactions directed to TD Ameritrade.

DCM considers a number of factors in selecting brokers and custodians at which to locate (or recommend location of) its client accounts, including, but not limited to, execution capability, experience and financial stability, reputation and the quality of services provided. In selecting TD Ameritrade as the broker and custodian for certain of its current and future client accounts, DCM takes into consideration its arrangement with TD Ameritrade as to obtaining price discounts for TD Ameritrade's automatic portfolio rebalancing service for advisers known as "iRebal".

The annual license fee applicable to DCM for iRebal is \$20,000 and is subject to specified reductions (and even complete waiver) if specified amounts of client taxable assets are either already on the TD Ameritrade platform or are committed to be placed on it. Specified taxable client assets either maintained on or committed to the TD Ameritrade platform will bring fee reductions of up to \$20,000 per year.

Although DCM believes the products and services offered by TD Ameritrade are competitive in the market place for similar services offered by other broker-dealers or custodians, the arrangement with TD Ameritrade as to the iRebal service may affect DCM's independent judgment in selecting or maintaining TD Ameritrade as the broker or custodian for client accounts.

As part of its fiduciary duties to clients, DCM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by DCM or its related persons in and of itself creates a potential conflict of interest.

Pursuant to IA-1092, DCM also makes the following statements: (1) Associated persons may also be associated with various life insurance companies. (2) Clients are under no obligation to implement any suggestions made in a financial plan. (3) If asked to implement the suggestions of the financial plan, associated persons intend to implement such financial planning, in whole or in part, through products offered by DFN. (4) To the extent associated persons do implement, they will be acting as agents for the broker/dealer and/or the insurance

company. (5) Although associated persons are registered representatives of DFN, advisory services provided herein are beyond the scope of association with the broker/dealer and these services are independent from such association with the broker/dealer. (6) If insurance or securities products are sold, associated persons of DCM, in their capacity as registered representatives of DFN, will receive commissions. (7) Clients shall have total freedom to execute securities and/or insurance transactions with any company of their choice. (8) It is likely that associated persons if asked to implement a financial plan will recommend or use only the financial products offered by the broker/dealer as stated above and the financial plan could be limited to such investments.

In selecting a broker/dealer based on discretionary authority or in suggesting a broker/dealer on behalf of a non-discretionary account, the Firm will endeavor to select those brokers or dealers that will provide quality services at reasonable commission rates. The reasonableness of a commission is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, and other services.

### ***Directed Brokerage***

In limited circumstances and at the Firm's discretion, some clients may instruct DCM to use one or more particular brokers for the transaction(s) in their account(s). Clients who may want to direct the Firm to use a particular broker should understand that this may prevent DCM from obtaining the most favorable net price and execution. Moreover, clients that direct brokerage may incur additional costs for performance reporting. Thus, when directing brokerage business, clients should consider whether the commission expenses and execution, clearance and settlement capabilities that they will obtain through their broker are adequately favorable in comparison to those that DCM would otherwise obtain for its clients.

DCM reserves the right to decline acceptance of any client account for which the client directs the use of a broker if we believe that this choice could hinder our fiduciary duty to the client and/or our ability to service the account.

### ***Aggregation of Orders***

DCM generally will aggregate orders with respect to a security if such aggregation is consistent with achieving best execution for the various client accounts. Orders from different portfolio managers may be aggregated if such aggregation is consistent with achieving best execution for the various client accounts. When orders are aggregated, each participating account will receive the weighted average share price for all transactions in a particular security effected to fill such orders on a given business day. Transaction costs will be shared pro rata based upon each account's participation in the transaction, subject to the discretion of the relevant portfolio manager depending on factual or market conditions and the duty to achieve best execution for client accounts.

### **Item 13: Review of Accounts**

DCM monitors client accounts on a continuous basis. All reviews are conducted by various persons with the Firm which may include the IAR, operations staff and compliance staff. Advisory accounts are reviewed on at least a quarterly basis for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. The Firm may conduct additional reviews based on a significant change in the market, the client's financial situation, significant additions to or withdrawals from the account, transactions and significant changes in asset allocations, or at the request of DCM or the client.

The custodian/broker typically sends clients a confirmation of every securities transaction and a monthly or quarterly brokerage statement reflecting all transactions in the client's account held by the custodian/broker. DCM may provide additional written reports to clients on a quarterly basis or as requested. Such reports may include a detailed holdings report, transaction reports and performance reviews. Statements may be provided electronically.

#### **Item 14: Client Referrals and Other Compensation**

DCM may enter into arrangements with individuals or entities (the “Solicitor”) under which the Solicitor will refer potential clients to DCM for investment advisory services. In return, DCM will agree to pay such Solicitor a referral fee, which may be a fixed amount or a percentage of the advisory fee collected. Remuneration to the Solicitor is predicated on the prospect entering into an advisory agreement with DCM.

Additionally, DCM has entered into contractual arrangements with one or more employees under which the employee(s) will receive compensation from DCM for the establishment of new business/client relationships. Incentive-based remuneration to the employee, not to exceed 15% of the advisory fee collected, is predicated on the prospect entering into an advisory agreement with DCM.

DCM may enter into arrangements with third-party registered investment advisors under which DCM will refer potential clients to the third party investment adviser for investment advisory services. In return, DCM may receive a referral fee, which may be a fixed amount or a percentage of the advisory fee collected by the third-party investment advisor.

Referral agreements will comply with the requirements as set forth in Rule 206(4)-3 of the Investment Advisors Act of 1940, and/or applicable state statutes, to the extent they apply. Under these arrangements, the client does not pay higher fees than DCM’s normal/typical advisory fees.

Applicable state laws may require these persons to become licensed either as IARs of DCM or as an independent investment adviser. The client will be asked to acknowledge this arrangement prior to acceptance of the client’s account for investment advisory services.

##### *Additional Compensation*

Associated persons of DCM may sell insurance products, including but not limited to, life, health, and long-term care products and may receive additional compensation from the sale of such products in the form of commissions. From time to time, associated persons of DCM may receive 12(b)-1 distribution fees from investment companies (mutual funds) in connection with the placement of clients’ funds into investment company products through the associated person’s capacity of being a registered representative of DFN.

#### **Item 15: Custody**

DCM may be deemed to have custody of client assets by the SEC. Clients should receive at least quarterly statements from the broker/dealer or qualified custodian that holds and maintains the clients’ investment assets. DCM urges clients to carefully review such statements and compare the account statements we provide to you with your official custodial records. DCM’s statements may vary from custodian statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16: Investment Discretion**

DCM usually receives discretionary authority from the client at the outset of an advisory relationship. Generally, clients grant DCM complete discretion over the selection, amount, pricing and timing of securities to be bought or sold for their account without obtaining their prior consent or approval. However, DCM’s investment authority may be subject to specified investment objectives and guidelines, and/or conditions imposed by the client. For example, a client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio. Such guidelines and/or conditions must be in writing, and the client can amend these conditions at any time. In limited circumstances, where the Firm enters into non-discretionary arrangements with clients, the Firm will obtain client approval prior to the execution of a transaction.



### **Item 17: Voting Client Securities**

As a matter of firm policy and practice, DCM does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. DCM may provide advice to clients regarding the clients' voting of proxies.

### **Item 18: Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about DCM's financial condition. DCM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

### **Item 19: Requirements for State-Registered Advisers**

DCM, LLC is registered with the Securities and Exchange Commission rather than a state securities division. Therefore, this section is not applicable to us.

### **Confidentiality**

Protecting its customers' private information is important to DCM. Therefore, the Firm has instituted policies and procedures designed to ensure that client information is kept private and secure. DCM does not disclose non-public personal information about its clients or former clients to any non-affiliated third parties except as required by or permitted by law. In the course of servicing a client's account, DCM may share some information with its service providers, such as transfer agents, custodians, broker/dealers, accountants, and attorneys. The Firm restricts internal access to non-public personal information to those employees who need access to such information in order to provide products or services to a particular client. The Firm also maintains physical, electronic, and procedural safeguards to protect client information.

DCM will provide a copy of its privacy policy notice to each client prior to, or contemporaneously with, the execution of the advisory agreement. Thereafter, the Firm will deliver a copy of the current privacy policy notice to its clients annually. Questions regarding this policy should be directed to DCM at 800-722-9861.