

# GRATKE WEALTH, LLC

CRD #: 145983

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This brochure provides information about the qualifications and business practices of Gratke Wealth, LLC ("Gratke Wealth"). If you have any questions about the contents of this brochure, please contact us at (888) 970-8987 or [dave@gratkewealth.com](mailto:dave@gratkewealth.com). 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.

Additional information about Gratke Wealth is also available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select "investment adviser firm" and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.

We are a Registered Investment Advisor Firm. Our registration as a Registered Investment Advisor does not imply any level of skill or training. The oral and written communications we provide to you, including this brochure, are for you to evaluate us. Please use this information as factors in your decision to hire us or to continue our business relationship.



FEBRUARY 1, 2012

## ITEM 2 – MATERIAL CHANGES

This brochure, dated February 1, 2012, has been prepared by Gratke Wealth, LLC to meet new SEC requirements. This section of the brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

We may, at any time, update this brochure and then either send you a copy or offer to send you a copy (either by email or in hard copy form). At minimum, a new brochure will be offered within 120 days of the close of each fiscal year.

As of our 2011 annual offering, the following changes have been made:

- ADV Part 2 A brochure (this document) template has been renewed in concept; any content changes are listed below.
- Item 4.e: Assets under management have been updated.
- 5.d.1: Termination verbiage has been added
- Item 19: these items have been added as Gratke Wealth is transitioning from an SEC registered Investment Advisor to a State registered Investment Advisor.

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## ITEM 4 – ADVISORY BUSINESS

### 4.A: FIRM DESCRIPTION

Gratke Wealth, LLC was established in April 2000 by David C. Gratke, Managing Member and Chief Compliance Officer. Gratke Wealth, LLC's main office is located in Beaverton, Oregon.

#### 4.a.1: Principal Member(s)

- David C. Gratke, Managing Member and Chief Compliance Officer: Mr. Gratke may be contacted by email at dave@gratkewealth.com or by telephone at (888) 970-8987.

### 4.B: TYPES OF ADVISORY SERVICES

Gratke Wealth offers a variety of investment advisory services to our clients. We tailor our advice and services to your objectives, means and timelines. We will create a document that will precisely define the types of services we are providing, our role in providing those services to you and how we may carry out those services for you.

Client services may include:

- Portfolio Management
  - Through proper development of an investment policy statement; and
  - Continuous reviews and consultation with client.
- Financial Planning
  - Thorough definition of specific goals requested as decided by you and your advisor.
- 401(k) Planning Consultant

#### *Financial Planning*

Gratke Wealth offers financial planning services for our clients. We will prepare a written financial plan for all financial planning clients. The plan includes gathering all information necessary to provide you with appropriate and agreed upon services, which may include one or more of the following:

- Investment Planning
- Investment Policy Statements
- Financial Independence

- Retirement Planning
- Capital Needs Analysis (Goal Funding)
- Income Tax Planning
- Risk Management (Life and Disability Insurance)
- Employee Stock Option Planning
- Budgeting and Cash Flow Planning
- Disability Planning and Income Protection
- Debt Management
- Estate Planning
- Business Succession Planning

The plan considers all of your assets, liabilities, goals and objectives.

You are encouraged to review your plans on a regular basis.

Financial Planning includes, in all or part, but is not limited to, the preparation of a financial plan by an Investment Advisor or an associated person of an Investment Advisor for an investment advisory client which may include a state or tax planning recommendation, an annual or periodic review of a financial plan, the management and/or monitoring of a client's investments under a financial plan, a provision of information and/or advice to a client regarding the purchase and/or sale of securities, real estate, insurance contracts, annuities contracts, or any types of real or personal property under a financial plan.

#### **4.C: CLIENT TAILORED RELATIONSHIPS AND RESTRICTIONS**

As a fiduciary, Gratke Wealth always acts solely in your best interests. Your portfolio is customized based on your investment objectives. You may make requests or make suggestions regarding the investments made in your portfolio. Restrictions on trading which, in our opinion, are not in your best interest cannot be honored.

Similarly, you are under no obligation to act upon Gratke Wealth 's or associated person's recommendations. If you elect to act on any of the recommendations, you are under no obligation to effect the transaction through Gratke Wealth or its associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.

#### **4.D: WRAP FEE PROGRAM**

Gratke Wealth does not sponsor a wrap fee program.

#### 4.E: ASSETS UNDER MANAGEMENT (AUM)

Gratke Wealth, as of January 1, 2012, has \$45,000,000 in non-discretionary reportable Assets under Management.

### ITEM 5 – FEES AND COMPENSATION

#### 5.A: FEE SCHEDULES

| Assets Under Management    | Annual Fee (%) |
|----------------------------|----------------|
| Less than \$500,000        | 1.00%          |
| \$500,000 to \$1,000,000   | 0.80%          |
| \$1,000,001 to \$1,500,000 | 0.50%          |
| \$1,500,001 and above      | 0.30%          |

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported are valued at the last reported sale price on the principal market in which they are traded (or, if there shall be no sales on such date, then at the mean between the closing bid and asked prices on such date). Other readily marketable securities shall be priced using a pricing service or through quotations from one or more dealers. All other assets shall be valued at fair value by Gratke Wealth, LLC whose determination shall be conclusive. Gratke Wealth, LLC may modify the terms in this Section prospectively on at least 30 days prior written notice. Notwithstanding the above, fees are generally negotiable.

The fee includes the time and activities necessary to work with your attorney and/or accountant in reaching agreement on solutions, as well as assisting them in implementation of all appropriate documents. We are not responsible for attorney or account fees charged to you as a result of the above activities.

Compensation for our services will be calculated in accordance with what is set in the client's agreement. We may modify the terms of any agreement with at least 30 days prior written notice.

## *Financial Planning Fees*

Fees for financial planning services are based on a rate of \$250.00 per hour, due at time of service. We will also perform certain financial planning projects on a fixed fee basis.

All Investment Advisors are required to disclose to their clients that lower fees for comparable services may be available from other sources.

### **5.B: FEE PAYMENT OPTIONS**

#### *Investment Management Fees*

Gratke Wealth fees are paid from your account by the custodian when we submit an invoice to them. The invoice we submit shows the amount of fees, the value of your assets on which the fees are based, and the specific manner in which the fees are calculated. If there is insufficient cash in your account, securities may be sold. In addition to our fees, there may be custodial, mutual fund or similar third party management fees and charges.

### **5.C: THIRD PARTY FEES**

Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your account(s). We do not receive, directly or indirectly any of these fees charged to you. They are paid to your broker, custodian or the mutual fund or other investment you hold. The fees include but are not limited to:

- Brokerage commissions;
- Transaction fees;
- Exchange fees;
- SEC fees;
- Advisory fees and administrative fees charged by Mutual Funds (MF), Exchange Traded Funds (ETFs)
- Advisory fees charged by sub-advisers (if any are used for your account);
- Custodial Fees;
- Deferred sales charges (on MF or annuities);
- Odd-Lot differentials;
- Deferred sales charges (charged by MFs);
- Transfer taxes;
- Wire transfer and electronic fund processing fees;
- Commissions or mark-ups / mark-downs on security transactions ;



- Among others that may be incurred.

All brokerage commissions, stock transfer fees, and other similar charges incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to the investment management fees paid to us. You bear the responsibility for verifying the accuracy of fee calculations.

#### **5.D: FEE PAYMENTS**

##### *Investment Management Fees*

Compensation to Gratke Wealth, LLC for its services will be calculated in accordance with “Schedule A” of the Investment Advisory Agreement, which may be amended from time to time by Gratke Wealth upon 30 days prior written notice to client. Gratke Wealth fees are paid quarterly in advance, with payment due within 10 days from the date of the invoice. Our fee is determined by taking the percentage rate we charge, times the market value of the account, divided by the number of days in the year and multiplied by the number of days in the quarter. The market value is the sum of the values of all assets in the account, not adjusted by any margin debit. Fees for partial quarters at the commencement or termination of our agreement will be billed or refunded on a pro-rated basis contingent on the number of days the account was open during the quarter. Quarterly fee adjustments for additional assets received into the account during a quarter or for partial withdrawals will also be provided on the above pro rata basis.

##### *Financial Planning Fees*

Fees for financial planning services are based on a rate of \$250.00 per hour, due at time of service. We will also perform certain financial planning projects on a fixed fee basis. Services performed on a fixed fee basis require a retainer equal to one-half the fixed fee. The remaining balance will be billed in equal installments on a monthly basis until the project is completed. All invoices are due within 10 days of invoice. Special arrangement may be made with clients wishing to retain financial planning services on an ongoing basis.

Gratke Wealth, LLC will prepare a written financial plan for all financial planning clients. The plan includes gathering all information necessary to provide client with appropriate and agreed upon services, which may include one or more of the following: budgeting and cash flow planning, disability planning and income protection, debt management, estate planning,

business succession planning, retirement planning and investment planning. The plan considers all client assets, liabilities, goals and objectives.

The fee also includes the time and activities necessary to work with client's attorney and/or accountant in reaching agreement on solutions, as well as assisting those advisors in implementation of all appropriate documents. Gratke Wealth, LLC is not responsible for attorney or account fees charged to client as a result of the above activities.

#### **5.d.1: Termination**

Either Gratke Wealth or our clients can terminate our agreement upon receipt of written notice to the other party.

When an agreement is terminated, we will refund any pre-paid, unearned fees based on the number of days remaining in the quarter after termination. Refunds will be made within 30 calendar days of the effective date of termination.

When an agreement is terminated, all assets may need to be transferred from the current custodian. You will be responsible for paying all fees including full quarterly custodial administrative fees, account closure fees, mutual fund fees and all trading costs due to the termination. Custodian may assess additional fees for transfer of illiquid investments. If there is insufficient cash in the account, the liquidation of some securities may be used to pay the fees. Prior to termination of an agreement, we can provide a good-faith estimate of these fees.

#### **5.E: OTHER INVESTMENT COMPENSATION**

Gratke Wealth does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

### **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Gratke Wealth does not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance based fees). Our advisory fee compensation is charged only as disclosed above.

## ITEM 7 – TYPES OF CLIENTS

Gratke Wealth generally provides asset management and financial planning services to the following types of clients:

- Individuals;
- High net worth individuals;
- Corporations or other business entities; and
- Pension and profit sharing plans.

### *Minimum Account Size*

Gratke Wealth does not have an account minimum. However, we may decline to accept clients with smaller portfolios.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### 8.A: ANALYSIS

Gratke Wealth uses multiple sources of information to obtain analysis and strategies. They include sources such as financial newspapers, research prepared by others, corporate rating services, prospectuses, company press releases and annual reports and filings with the SEC.

### 8.B: INVESTMENT STRATEGIES

Gratke Wealth utilizes multiple investment strategies to meet your investment objectives, primarily as defined by your Financial Planning Agreement.

These may include Long Term Trading, which is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. This may also include Short Term Trading and options writing, which generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

*Securities investments involve a risk of loss that you should be prepared to bear.*

## **8.C: RISK OF LOSS**

All investments include a risk of loss. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We use our best efforts and expertise to manage your assets. However, we cannot guarantee any level of performance or that you will not experience financial loss.

Gratke Wealth will use our best judgment and good faith efforts in rendering services to you. We cannot warrant or guarantee any particular level of account performance, or that the account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. You assume all market risk involved in the investment of account assets under the Investment Advisory Agreement and understand that investment decisions made for this account are subject to various market, currency, economic, political and business risks. Except as may otherwise be provided by law, we will not be liable to you for (a) any loss that you may suffer by reason of any investment decision made or other action taken or omitted in good faith by Gratke Wealth with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (b) any loss arising from our adherence to your instructions; or (c) any act or failure to act by a custodian of your account. Nothing in this document shall relieve us from any responsibility or liability we may have under state or federal statutes.

## **ITEM 9 – DISCIPLINARY INFORMATION**

### **9.A: CIVIL OR CRIMINAL ACTIONS**

Gratke Wealth and its managers have never been found guilty, convicted or plead no contest to a criminal or civil action in a domestic, foreign or military court.

### **9.B: ADMINISTRATIVE ENFORCEMENT PROCEEDINGS**

Gratke Wealth and its managers have never been found by the SEC, any other state or federal agency or any foreign regulatory agency to have caused loss of the ability of an investment-related business to do business or been sanctioned, barred or limited in investment-related activities.

### **9.C: SELF-REGULATORY ORGANIZATION ENFORCEMENT PROCEEDINGS**

Gratke Wealth and its managers have never been found by a self-regulatory agency to have caused loss of the ability of an investment-related business to do business. Additionally,

Gratke Wealth and its managers have never been found in violation of self-regulatory agencies rules such that they were barred, suspended, limited in advisory functions or fined.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **10.A: BROKER DEALERS AND REGISTERED REPRESENTATIVES**

Gratke Wealth is not registered as a broker-dealer and our employees are not registered representatives of any broker-dealer.

### **10.B: REGISTRATION AS A FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR, OR A COMMODITY TRADING ADVISOR**

Neither Gratke Wealth nor our employees hold any of the above registrations.

### **10.C: REGISTRATION RELATIONSHIPS MATERIAL TO THIS ADVISORY BUSINESS AND POSSIBLE CONFLICTS OF INTERESTS**

The principal business of Gratke Wealth is that of a registered investment advisor and provider of financial planning services. Some of our members may be insurance agents. Employees who are insurance agents may also be paid based on these services they provide. In cases where we receive additional payment, there may be a conflict of interest. At all times, you are free to choose an outside agency to avoid the possibility of there being a conflict of interest.

Gratke Wealth may execute transactions with broker-dealers that pay a portion of 12b-1 fees to our principals. This interest conflicts with your interest of obtaining the lowest commission rate available. Therefore, we must determine in good faith, based on the “best execution” policy stated below that such commissions are reasonable in relation to the value of the services provided by such executing broker-dealers.

Gratke Wealth will disclose any material conflict of interest relating to Gratke Wealth, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

### **10.D: SELECTION OF OTHER ADVISORS OR MANAGERS AND HOW THIS ADVISOR IS COMPENSATED FOR THOSE SELECTIONS**

Gratke Wealth does not select other advisors.

## ITEM 11 – CODE OF ETHICS

### 11.A: CODE OF ETHICS DESCRIPTION

Gratke Wealth has adopted a Code of Ethics that governs a number of potential conflicts of interest we have when providing our advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you and to stress the importance of a culture of compliance within our firm.

An additional benefit of our Code of Ethics is to detect and prevent violations of securities laws, including our obligations we owe to you.

Gratke Wealth's Code of Ethics is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code of Ethics with annual training and on-going monitoring of employee activity. A complete copy of our Code of Ethics will be supplied to you, free of charge, if you request it.

Gratke Wealth's Code of Ethics includes the following:

- Requirements related to the confidentiality of your personal, business and financial information
- Prohibitions on insider trading (if we are in possession of material, non-public information)
- Reporting of gifts and business entertainment
- Pre-clearance of employee and firm transactions
- Reporting (on an on-going and quarterly basis) all personal securities transactions (what we call "reportable securities" as mandated by regulation)
- On an annual basis, we require all employees to re-certify to our Code of Ethics, identify members of their household and any account to which they have a beneficial ownership (they "own" the account or have "authority" over the account), securities held in certificate form and all securities they own at that time.

### 11.B, C & D: PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Gratke Wealth, or its employees, may buy and sell some of the same securities for our own accounts that we buy and sell for our clients. We will always buy or sell from our clients' accounts before we buy or sell from our accounts. In some cases Gratke Wealth, or its

employees, may buy or sell securities for our own accounts and not for clients' accounts, as it may not meet the objectives or plans for the client.

Gratke Wealth will always maintain full disclosure with our clients so that you can make informed decisions. We will always evaluate our activity from the view of our clients to ensure that any and all required disclosures are made. For example, we will disclose anything that would cause you to be unfairly influenced to make any decision regarding actions or inactions in your account.

For California Residents: Gratke Wealth adheres to the California Code of Regulations, Title 10 Section 260.238 (k), (1), (2) and (o) which prohibits investment advisers from:

(k) Failing to disclose to a client in writing before entering into or renewing an advisory agreement with that client any material conflict of interest relating to the adviser, its representatives or any requires that of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice including:

(1) Compensation arrangements connected with advisory services to clients which are in addition to compensation from such clients for such services; and

(2) Charging a client an advisory fee for rendering advice without disclosing that a commission for executing securities transactions pursuant to such advice will be received by the adviser, its representatives or its employees, or that such advisory fee is being reduced by the amount of the commission earned by the adviser, its representatives or employees for the sale of securities to the client.

(o) Making any untrue statement of a material fact or omitting a statement of material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading in the solicitation of advisory clients.

## **ITEM 12 – BROKERAGE PRACTICES**

### **12.A: SELECTING BROKERAGE FIRMS**

As part of our services, Gratke Wealth will recommend a broker-dealer. We have selected our broker-dealers based on price, reliability, speed of processing, tools and “best execution” in addition to other considerations. And while you are not required to effect transactions through any broker-dealer recommended by us, we feel we have made our selections based on a totality of benefits they offer.

Gratke Wealth may purchase software, tools, training programs or seminar services from our broker-dealer. Additionally, broker-dealers may provide services, tools or other non-

financial benefits to us as a benefit for using the broker-dealer's services. However, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of the types of benefits discussed above can create a potential conflict of interest by influencing our choice of a broker-dealer.

To avoid creating a possible conflict of interest in recommending broker-dealers, we have established the following restrictions in order to ensure its fiduciary responsibilities:

1. Gratke Wealth adheres to our Code of Ethics as outlined in Item 11 above.
2. If Gratke Wealth receives separate compensation for transactions, we will fully disclose them.
3. Gratke Wealth emphasizes the unrestricted right of you to select and choose your own broker or dealer.
4. Gratke Wealth will always act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
5. A director, officer, associated person, or employee of Gratke Wealth, LLC shall not buy or sell securities for her/his personal portfolio where her/his decision is substantially derived, in whole or in part, by reason of her/his employment unless the information is also available to the investing public or reasonable inquiry. No person of Gratke Wealth, LLC shall prefer her/his or her own interest to that of the advisory client.
6. Gratke Wealth, LLC maintains a list of all securities holdings for itself and anyone associated with its advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer of Gratke Wealth, LLC.
7. If Gratke Wealth, LLC receives separate compensation for effecting transactions on the client's behalf such compensation arrangements will be fully disclosed to client.
8. Gratke Wealth, LLC emphasizes the unrestricted right of the client to select and choose their own broker or dealer.
9. Gratke Wealth, LLC requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
10. Any individual not in observance of the above may be subject to termination.



## **ITEM 13 – REVIEW OF ACCOUNTS**

### **13.A: PERIODIC REVIEWS**

Accounts are reviewed by David Gratke or qualified staff members. All reviews are either conducted or supervised by David Gratke. The frequency of reviews is determined based on your investment objectives, but no less than annually.

Financial planning clients receive their financial plans and recommendations at the time the service is completed. Depending on the type of financial planning service requested, we may meet on a regular basis with you to discuss any potential changes to your financial plan.

### **13.B: REVIEW TRIGGERS**

The frequencies of reviews are determined based on the client's investment objectives. More frequent reviews may also be triggered by a change in client's investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in economic climate.

### **13.C: REGULAR REPORTS**

All investment advisory clients receive quarterly reports on representative investments recommended specifically by Gratke Wealth. Investment advisory clients also receive standard account statements from the custodian of their accounts on a monthly basis. We encourage you to compare reports for accuracy.

Financial planning clients do not normally receive investment reports.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

### **14.A: ECONOMIC BENEFITS PROVIDED BY THIRD PARTIES FOR ADVICE RENDERED TO CLIENTS**

Gratke Wealth may execute transactions with broker-dealers that pay a portion of 12b-1 fees to our principals. This interest conflicts with your interest of obtaining the lowest commission rate available. Therefore, we must determine in good faith, based on the “best execution” policy stated below that such commissions are reasonable in relation to the value of the services provided by such executing broker-dealers.

Gratke Wealth will disclose any material conflict of interest relating to Gratke Wealth, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

#### **14.B: COMPENSATION TO NON-ADVISORY PERSONNEL FOR CLIENT REFERRALS**

Gratke Wealth does not directly or indirectly compensate any person for client referrals.

### **ITEM 15 – CUSTODY**

Gratke Wealth clients' accounts are held by a qualified custodian and Gratke Wealth shall have no liability to the client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The client understands that SIPC provides only limited protection for the loss of property held by a broker-dealer. Custodial statements will include fees charged by Gratke Wealth. We strongly urge you to review the investment advisory fees contained in the custodial statement for accuracy.

### **ITEM 16 – INVESTMENT DISCRETION**

Gratke Wealth is authorized to aggregate purchases and sales and other transactions made for your account with purchases and sales and other transactions in the same or similar securities or instruments for other clients of ours. When we aggregate transactions, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities or instruments involved at the average price obtained. Stock exchange regulations may in certain instances prevent the executing broker-dealer from delivering to the account a confirmation slip with respect to its participation in the aggregated transaction and, in such event, we will advise you in writing of any purchase or disposition of instruments for the account with respect to any such aggregated transaction. We will direct that confirmations of any transactions effected for the account will be sent, in conformity with applicable law, to you.

Gratke Wealth generally asks our clients to give us discretionary authority to execute transactions without our client's prior approval. These transactions may include the

purchase and selling of securities, arranging for payments or generally acting on behalf of our clients in most matters necessary to the handling of the account.

## **ITEM 17 – VOTING CLIENT SECURITIES**

The clients of Gratke Wealth retain the authority to proxy vote and will continue to do so until we otherwise may agree in writing. You should ensure that proxy ballots are mailed directly to you by selecting this option on your custodial application forms. You are welcome to delegate said proxy voting authority to a third-party representative (non-advisory personnel) by filing the appropriate custodial form.

## **ITEM 18 – FINANCIAL INFORMATION**

### **18.A: BALANCE SHEET**

Gratke Wealth does not solicit prepayment of more than \$500 in fees per client six (6) months in advance and is not required to submit a balance sheet.

### **18.B: FINANCIAL CONDITIONS**

Gratke Wealth has no financial issues that could impair our ability to carry out our fiduciary duty to our clients.

### **18.C: BANKRUPTCY PETITION**

Gratke Wealth has never been the subject of a bankruptcy petition.

## **ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

### **19.A: PRINCIPAL EXECUTIVE OFFICERS AND MANAGEMENT PERSONS; THEIR FORMAL EDUCATION AND BUSINESS BACKGROUND**

Gratke Wealth's executive officer is David Gratke. David Gratke's education and business background can be found on the Supplemental ADV Part 2 B form.

### **19.B: OTHER BUSINESSES IN WHICH THIS ADVISORY FIRM OR ITS PERSONNEL ARE ENGAGED AND TIME SPENT ON THOSE**

All other business activities can be found on the supplemental ADV Part 2 B brochures.

**19.C: HOW PERFORMANCE BASED FEES ARE CALCULATED AND DEGREE OF RISK TO CLIENTS**

As stated above, Gratke Wealth does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

**19.D: MATERIAL DISCIPLINARY DISCLOSURES FOR MANAGEMENT PERSONS OF THIS FIRM**

Other than disclosures made in Item 9 above, neither Gratke Wealth nor our employees have been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding.

**19.E: MATERIAL RELATIONSHIPS MANAGEMENT PERSONS HAVE WITH ISSUERS OF SECURITIES**

Gratke Wealth may execute transactions with broker-dealers that pay a portion of 12b-1 fees to our principals. This interest conflicts with your interest of obtaining the lowest commission rate available. Therefore, we must determine in good faith, based on the “best execution” policy stated below that such commissions are reasonable in relation to the value of the services provided by such executing broker-dealers.

Gratke Wealth will disclose any material conflict of interest relating to Gratke Wealth, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.