

## Form ADV Part 2 A (Brochure)

### Item 1 - Cover Page



777 – 108th Avenue NE, Suite 1800  
Bellevue, WA 98004

March 4, 2013

This Brochure provides information about the qualifications and business practices of Triad Wealth Stewardship, LLC ("Triad Wealth Stewardship", "Advisor", us, we, our). If you have any questions about the contents of this Brochure, please contact Larry Knudsen, Chief Compliance Officer at the number above or via email to Larry Knudsen [larry@triadw.com](mailto:larry@triadw.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any other authority.

Triad Wealth Stewardship, LLC is a Registered Investment Advisor with the Securities and Exchange Commission. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

Additional information about Triad Wealth Stewardship, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 - Material Changes

This ADV Part 2 A has been revised when compared to our Form ADV Part 2 A dated December 11, 2012. The following material amendments have been made to this Part 2 A / B:

1. Item 4: We have added two new advisory services, consulting and portfolio management services to ERISA clients;
2. Item 4: Addition of specific ERISA related disclosures, including 2(21) and 3(38) ERISA services;
3. Item 5: Fee schedules for ERISA client services; updated our fee schedule to reflect the fees charged for those Clients solicited and introduced to us by a third party investment adviser / broker dealer (as described under Item 14 of this Brochure);
4. Item 12: Addition of another broker dealer / custodian we recommend (Fidelity Investments); revisions to block trading disclosure and the addition of rotational procedure disclosure;
5. Item 14: Addition of Cash Solicitation Services – whereby we have entered into a Cash Solicitation Agreement with a third party registered investment adviser and broker dealer;
6. Part 2 B Brochure Supplement: Addition of a new Investment Adviser Representative (part 2 B Brochure Supplement) for Randal Williams-Gurian.

### Item 3 - Table of Contents

Item 1 - Cover Page.....	1
Item 2 - Material Changes .....	2
Item 3 - Table of Contents .....	3
Item 4 - Advisory Business.....	4
Item 5 - Fees and Compensation.....	12
Item 6 - Performance-Based Fees and Side-By-Side Management.....	17
Item 7 - Types of Clients .....	18
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....	18
Item 9 - Disciplinary Information.....	23
Item 10 - Other Financial Industry Activities and Affiliations.....	24
Item 11 - Code of Ethics.....	26
Item 12 - Brokerage Practices.....	28
Item 13 - Review of Accounts.....	31
Item 14 - Client Referrals and Other Compensation.....	32
Item 15 - Custody.....	35
Item 16 - Investment Discretion.....	35
Item 17 - Voting Client Securities .....	35
Item 18 - Financial Information .....	36
Part 2 B of Form ADV: Brochure Supplement .....	37
Part 2 B of Form ADV: Brochure Supplement .....	40
Privacy Disclosure .....	46

## **Item 4 - Advisory Business**

### **Background**

Triad Wealth Stewardship, LLC is a Washington limited liability company, established in 2007. Triad is an investment advisor registered with the SEC.

### **Owners**

Triad Wealth Stewardship is owned by its two principals listed below:

Larry Knudsen, Wealth Advisor, Partner  
Dan Stober, Portfolio Manager, Partner

### **Portfolio Management Services**

To receive these services you are required to enter into a written Investment Advisory Agreement with us. We then (through our Partners), provide portfolio management services on an ongoing basis guided by your individual financial goals, objectives and needs.

Using the information you provide, we tailor the investment decisions for your account(s) based on your specific and particular individual situation. We regularly inquire about, and you are responsible for, providing information to us about, your investment goals, time horizon, risk tolerances and your investment experience / knowledge.

The result of this data is to create for you an Investment Policy Statement (IPS). The IPS process then leads us to select a particular asset allocation for your Account(s) through the use of Modern Portfolio Theory (MPT), a theory that we subscribe to. MPT allocates in 10% increments assets from 100% equity (highest risk) to 100% fixed income (lower risk).

As a result, your IPS will lead us to one of our ten (10) investment portfolio mixes / models. MPT attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets (classes/categories). Each model we manage contains a mix of fixed income and equity asset classes which include the following (although the "allocation" to a particular asset class may range from zero (0) to 5%. Asset classes include the following:

- Large Cap Growth
- Large Cap Value
- Mid Cap
- Small Cap
- International, and
- Alternative assets

Allocations to each of the preceding asset classes differ slightly with each model.

We consider many different types of securities when formulating the investment advice we give to you. If you come to us with existing investments, we evaluate them with respect to your IPS and the “fit” of those securities to help achieve your goals as defined in the IPS.

Depending upon your situation, your account(s) managed by us may contain:

- Individual stocks
- Corporate and/or government bonds
- Mutual funds (investment company securities)
- Exchange Traded Funds
- Private Real Estate (ill-liquid securities)
- Structured Certificates of Deposits (CDs) issued by JP Morgan; see Item 8 for related risk disclosure
- Options contracts on securities held in your account (covered calls, or writing); see Item 8 for related risk disclosure
- Private Funds (Real Estate, considered to be Ill- liquid)

You may impose restrictions on investing in certain securities or types of securities. You must clearly identify these restrictions in writing to Triad Wealth Stewardship at the inception of our relationship (typically in the IPS). You may also modify the investment restrictions you impose, if any; however these revisions must be in writing and agreed to by us prior to implementation. In addition, we have the authority to refuse to accept an account / client or to terminate a relationship if the investment restrictions you request (or require) are so broad or extensive that we would be unable to meet our contractual obligations to you. The restrictions would limit our ability to properly diversify your account(s) assets.

### **Assets Under Management**

As of December 31, 2012, we manage the following assets on an investment discretionary basis. We do not manage assets on a non-discretionary basis for any Client. Discretionary assets are:

**\$249,640,000.00**

## **Financial Planning**

We typically provide financial planning services to all of our Clients if requested (or if we deem necessary – for new relationships). Financial plans may include a written plan that includes the following information (among other data), based solely on information provided by you (personal, family obligations, assets, income, net worth, trusts, and estates, insurance, among other data points):

- A personal balance sheet, and
- Certain financial / cash flow or other projections

Reports, financial statements / projections, or analyses are intended exclusively for your use in developing and implementing your financial plan. We do not represent, directly or indirectly that any financial plan financial statements for your use are considered complete financial statements.

We provide financial planning services only; we are not accountants, a public accounting firm and do not provide services to any Client that are typically provided by a Certified Public Accountant or Accounting Firm.

It is likely that there will be material differences between projected and actual results because events vary and circumstances frequently do not occur as expected because assumptions are just that; they are based on events that have not occurred.

Financial planning is based upon software that we use which contains certain historical and projected assumptions. This, coupled with your best estimates of family planning, risk management / estate planning (insurance) and your personal and family obligations is data used to populate and generate your personal financial plan.

The financial plan assumptions and reports are primarily a tool to alert you to certain possibilities and opportunities to achieve your financial goals (and meet your obligations). Of course, nothing based on historical information (or ideas of the future) can predict future events, including the success of your plan or investment returns.

Upon presentation of your Financial Plan, you are free to select any broker dealer, insurance agent, accountant or attorney to “implement” the financial plan recommendations we make to you. Our plan recommendations are generic in nature, this means that they are not limited to any insurance product or solution or security offered by any product sales person or other party. Therefore, there are multiple solutions in the marketplace that can meet your needs when implementing your plan.

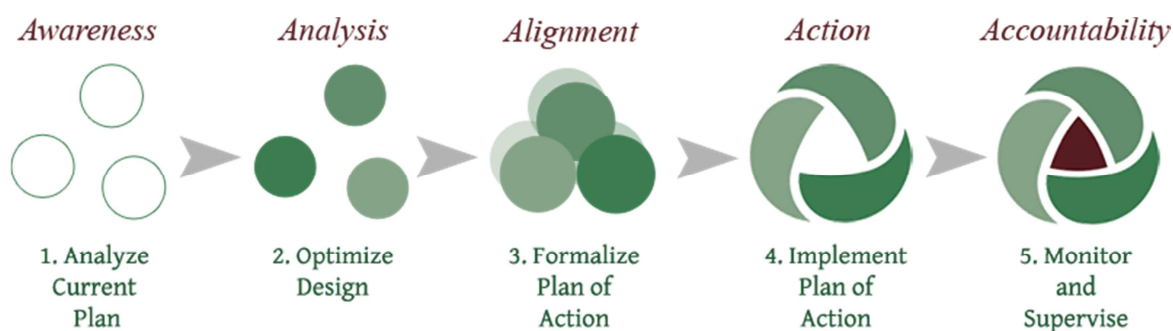
Plans for some of our clients are “limited in scope.” This means they do not address all potential aspects of financial planning, they are limited.

Our plans address:

- Retirement planning
- College funding
- Risk management (insurance - health, disability, and long-term care)
- Non-Securities matters, if applicable (buying or selling a business; mortgages; financing options, among others) as specific to each Client's individual needs

Recommendations may also include fixed annuities (purchased for you through life insurance companies).

Triad's Financial Planning Process encompasses the following areas:



Each section of the above diagram is described below.

1. **Analyze the Current Investment Plan** (and results) by conducting an analysis of your current investment process and activities to understand where you are at and where you want to be. We review:
  - a. Goals, objectives and time frames for your goals and objectives;
  - b. Review current investment strategies, policies and results;
  - c. Review legal and legislative constraints on your overall situation (as applicable);
2. **Design the optimal portfolio by assessing:**
  - a. Strategic and tactical investment strategies against the backdrop of current economic conditions;
  - b. Advise you on prudent investment strategies, portfolio strategies and investment alternatives that are aligned with who you are and your goals / objectives;
  - c. Propose optimal asset allocation strategies which are designed to help you and your family achieve your stated goals and objectives;

3. **Formalize your Investment Policy.** Triad believes this is the *most important step in the development and supervision of your investment portfolio*. This Investment Policy Statement (or IPS) documents:
- a. Investment objectives as summarized by steps 1 and 2;
  - b. Investment guidelines, including limitations, return goals, investment restrictions, if any;
  - c. Process for the identification and selection of investment products, managers and solutions to invest your assets. Of course, this includes the process for removing managers for under performance (among other reasons);
  - d. The process by which we monitor the portfolio whether we manage the assets directly or if we allocate the assets across third party money managers (through separate accounts in your name, mutual funds, exchange traded funds, alternative investments, etc.)
4. **Investment Policy.** To implement your IPS, we recommend a number of various money managers.
- a. These may be separate accounts, or mutual funds or exchange traded funds.
  - b. Where possible we will negotiate fees with the external money managers (typically, this applies only to separate accounts of your assets managed by these managers);
  - c. We coordinate brokerage, custody and transaction compensation with the recommended broker we utilize (Charles Schwab and Company; see Item 12, below);
5. **Monitor, Supervise and Re-Balance.** As markets move, your portfolio / asset allocation must be monitored; and re-balanced as we determine necessary based upon your IPS. This includes:
- a. Continual and on-going supervision of your investments, with a monthly portfolio analysis by our investment professionals;
  - b. We prepare and deliver to you performance reports / appraisals comparing the asset allocation of your assets to the IPS and the actual performance, including compliance with your stated investment restrictions, if any; and,
  - c. We have regular investment committee reviews which impact our recommended securities, or opportunities.

All clients should understand that our services and recommendations include securities (alternative and private securities) where the principals of Triad have a financial interest or ownership interest, as further described in this ADV Part 2 A / B. Our recommendations may also include those related to insurance products or services; these are offered by the principals of Triad as insurance agents of various insurance companies. However, you are not obligated to utilize either of Triad's principals based on our recommendations which relate to insurance products, services or solutions.



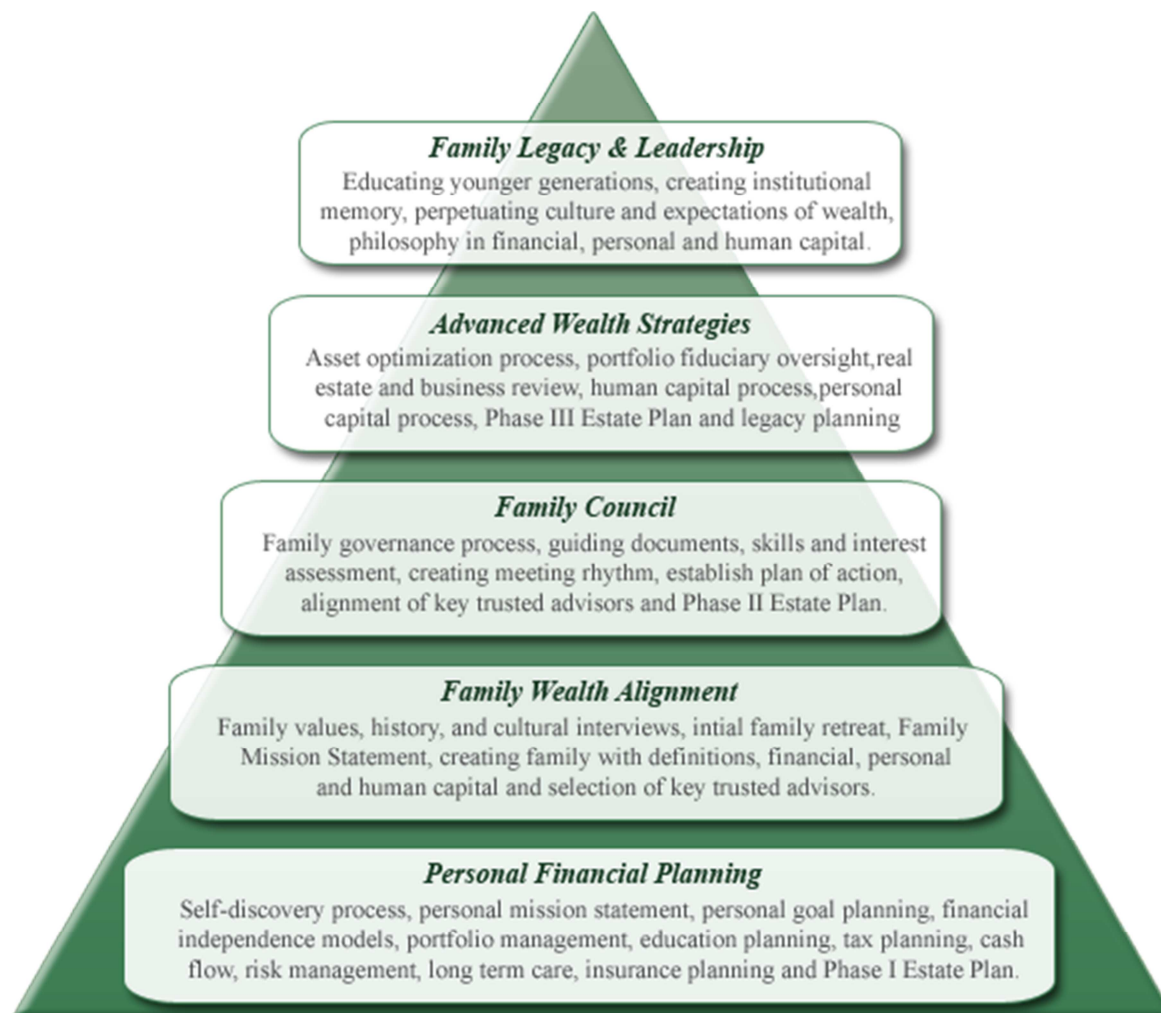
## Family Wealth Stewardship

For larger net worth families (typically \$20 million net worth and above) we offer the Family Wealth Stewardship structured framework for you and your family. This framework uses wealth management techniques to create a legacy that makes a difference for your family today and into the future.

Recent studies have indicated that wealth creates stress, the four primary concerns are:

- Stress from financial complexities
- The challenges of creating a legacy
- Fear of loss
- Unintended consequences

Triad is experienced in addressing these concerns with concrete solutions. Our Family Wealth Stewardship process will help determine your financial and personal goals, develop a coordinated plan, and also provide you with the necessary tools to protect your wealth for future generations.



Family Wealth Stewardship, as described by the pyramid on the preceding page, outlines the total program we offer Family Wealth Stewardship clients. These all-encompassing services include those that help you:

- Organize
- Document, and
- Deploy an investment management process

We believe this process, if implemented correctly and if managed actively, will provide you with the best opportunity to achieve the results you desire.

### **Services to Retirement Plans (ERISA Plans)**

Effective February of 2013, Triad provides services to retirement plans subject to ERISA (the Employee Retirement Income Security Act regulated by the US Department of Labor).

We categorize our services into two areas as listed (each is further described below):

ERISA 3(21) Consulting Services and

ERISA 3(38) Fiduciary / Portfolio Management Services

For ERISA 3(21) Consulting Services, Triad will enter into an agreement with the ERISA Plan and its Trustee(s). Under this service, Triad is an acknowledged fiduciary to the plan and its Trustees to provide certain services to the Plan, the Trustees and participants. Generally, Triad will:

- Develop an Investment Policy Statement (IPS) to assist the Plan's Trustees in making prudent investment related decisions. This IPS outlines the underlying philosophy and process for the selection, monitoring and evaluation of the investment options utilized by the Plan.
- Assess and make recommendations to the Trustees of mutual funds, exchange traded funds or other investments as applicable pursuant to the plan and trust documents (and as indicated by the Trustees).
  - However, Triad does not have, directly or indirectly, investment discretionary authority over the plan or the plan's assets. The Trustees have sole authority to follow (or not follow) the investment recommendations provided by Triad;
- Periodic Asset and Portfolio Performance Review (on a quarterly basis) for each investment available in the Plan, compared to its respective asset class and peer group.
- Quarterly fund weighting recommendations for each Asset Allocation Portfolio, including a written summary of the reasons for the changes from previous allocations;
- Supervision of rebalancing / allocation changes to the Asset Allocation Portfolios as provided to and approved by the Trustees;
- Quarterly investment performance returns to the Asset Allocation Portfolios are included in the quarterly market commentary provided to the Trustees;

- Attend meetings with the Trustees as required;
- Education and subscriber support services for the plan's participants, including:
  - Coordination with the Client's third party administrator (TPA), an independent entity from Triad on the preparation of employee enrollment materials;
  - Conduct periodic employee educational meetings, as requested.

For ERISA 3(38) Fiduciary / Portfolio Management Services, Triad will enter into an agreement with the ERISA Plan and its Trustee(s). Under this service, Triad will function as the investment manager of the Plan's Assets, including investment discretion, authority and control afforded to Triad as an investment adviser registered with the US SEC. In this case, the Trustees of the Plan delegate certain of their responsibilities to Triad. Under this service, Triad will:

- Identify, select and monitor investment options available under the Plan and to the Plan's participants;
- Develop an Investment Policy Statement (IPS) to assist the Plan's Trustees in making prudent investment related decisions. This IPS outlines the underlying philosophy and process for the selection, monitoring and evaluation of the investment options utilized by the Plan as determined by Triad;
- Provide quarterly reviews and comparisons of each investment included in the Plan with its respective asset class or peer group;
- Determining quarterly fund weightings for each Asset Allocation Portfolio Models including a written summary of the changes from previous asset allocations and performance;
- Provide quarterly market commentary;
- Provide supervision of rebalance and allocation changes to the Asset Allocation Portfolios as determined by Triad and communicated to the Trustees;
- Attend periodic Trustee meetings to review, semi-annually, the performance of the funds available, the models and comparisons of each to the appropriate benchmarks and peers;
- Such additional services that may be documented in the agreement with the Plan and Trustees;
- Education and subscriber support services for the plan's participants, including:
  - Coordination with the Client's third party administrator (TPA), an independent entity from Triad on the preparation of employee enrollment materials;
  - Conduct periodic employee educational meetings, as requested.

## Item 5 - Fees and Compensation

### Portfolio Management Services Fees

For portfolio management clients; you are charged on a percentage of the assets we manage for you. Your specific annual fee arrangement, based on this fee schedule is documented in the written agreement we have with you. The following fee schedule is our “standard” fee schedule and is subject to negotiation with each of our Clients. As a result, not all of our Clients pay the same fee.

Criteria used to negotiate fees include but are not limited to the following:

- Number of accounts
- Size of the portfolio(s)
- Anticipated “additional assets”
- Relationships to other clients
- Inclusion of other services (financial planning, Wealth Stewardship)
- Complication of your situation
- Among others

Assets Under Management	Annual Rates
\$0 to \$1,000,000	1.25%
\$1,000,001 to \$5,000,000	1.00%
\$5,000,001 to \$10,000,000	0.75%
Greater than \$10,000,001	negotiable

This fee schedule is “tiered” meaning that the annual rate you are charged (whether as indicated above or negotiated) is charged at the stated rate on the first million, the next rate on the next four million and so-on.

Our fee (annual, billed quarterly in arrears) is based on the value of the account at the end of the quarter or an agreed upon value (if assets are included in the total account value that are not held at your custodian).

For accounts where all assets are liquid and held at your custodian, the fee charged is based on the Custodial Value.

If we choose to invest a portion of your account in structured products, they will be valued based on independent valuation models of your account custodian (if applicable) or they are based upon valuations provided by the product issuer (and delivered to you, which you then provide to us, or as provided directly to us).

Your custodian will only accept those structured products that can be independently valued by their third-party pricing service. Please refer to Item 8, below for more detail.

For accounts opened or closed during a calendar quarter:

If the services do not span the entire quarterly billing period, the fee is pro-rated based on the number of days the account is open and services provided during the billing period. Your account custodian will send you statements, at least quarterly, showing all disbursements for the account including the amount of the advisory fee charged, if deducted directly from the account. We request that you review the “statement” we send you showing the asset value, the fee, calculation of the fee and the “debit request” sent to your custodian for our fee payment, as the custodian does not perform that task.

For Clients acquired through the efforts of the Cash Solicitor (as described in Item 14, below):

If you become a Client of Triad through the Cash Solicitation efforts of a third party, independent broker dealer / investment adviser with whom we have entered into a Cash Solicitation Agreement, there is a different fee schedule that applies to you. This fee schedule is:

**1.80% (180 basis points) per annum, billed quarterly in arrears**

Of this fee, Triad retains one-half of the fee and we pay KMS Financial Services (or “KMS” or the “Cash Solicitor”) the other half of the fee on a quarterly basis after we receive payment from you (we split the total fee equally with KMS).

This means that the advisory fees charged by Triad are “marked-up”, in part, for you to pay for the solicitation activities by KMS. Although we retain an asset based fee on a per annum basis that is lower than our stated and standard fee schedule, we may retain less or more compensation when you compare your total asset size to our standard fee schedule as described above.

Please note: there is no difference between the portfolio management services we provide to you as a client we obtain through the efforts of KMS versus those clients that we obtain directly.

Please see Item 14, below, for complete details on the Cash Solicitor Agreement we have in place with KMS.

See Item 12 – Brokerage Practices in this brochure for more information about your account custodian(s).

## **Financial Planning / Wealth Stewardship Fees**

We do not differentiate our Financial Planning or Wealth Stewardship fees from those charged for our Portfolio management Services. We provide financial planning when requested (or when we determine it is necessary to learn more about you and your needs) at no additional charge.

The same is true for Wealth Stewardship services. It is our goal to be as comprehensive in your financial make-up, needs and obligations necessary to ensure your IPS reflects who you are. We are also focused on your overall financial plan / needs and for those clients for whom suitable / necessary our Wealth Stewardship.

However, as is the case with most things in life, there are situations where a Client requests either comprehensive or limited (consultative) financial planning services. If these services are requested, we typically charge you a fixed fee for planning services.

These fees vary client-by-client depending upon the request, complexity, research or other variables that may impact the service. Fees will range typically from a low of \$500.00 to \$5,000 or more for very complex services. In the Planning agreement we have with you, the exact fee for the service will be identified. Fees charged are due and payable at the time the service is delivered.

Wealth Stewardship: The fees for Portfolio Management Services are the same fee schedule for Wealth Stewardship Services.

Note: We typically work with our Clients on a more holistic approach; this means that Clients engage us for all of our services (Portfolio Management, Financial Planning and / or Wealth Stewardship).

### **Services to ERISA Plans:**

For services to ERISA Plans, Triad is compensated based on the *market value of the Plan's assets as determined by the Plan's independent, third party custodian and / or the Plan's independent third party administrator (TPA)*. Fees are payable either by direct debit or by fee invoice as indicated in the written agreement between Triad and each Plan. Annual fees are charged quarterly, in arrears of the service. For relationships opened or closed during a calendar quarter, fees are charged based on a pro-rated basis for the number of days the services are provided.

As fees are charged in arrears, there is no provision for a refund of unearned, pre-paid fees to Triad.

**ERISA Consulting Services – 3(21) Services:**

<b>MARKET VALUE OF ASSETS</b>	<b>ANNUAL FEE</b>
Up to \$5,000,000	0.75%
\$5,000,001 - \$15,000,000	0.50%
\$15,000,0001	0.25%

**ERISA Portfolio Management Services – 3(38) Services:**

<b>MARKET VALUE OF ASSETS</b>	<b>ANNUAL FEE</b>
Up to \$5,000,000	0.85%
\$5,000,001 to \$15,000,000	0.65%
\$15,000,0001	0.50%

This fee schedule is “tiered” meaning that the annual rate you are charged (whether as indicated above or negotiated) is charged at the stated rate on the first five million, the next rate on the next ten million and so-on.

**How You Pay Portfolio Management Fees**Direct Debit:

Per the Portfolio Management Agreement, you authorize us to send to your custodian (at the inception of the account and each quarter thereafter, through the date of termination) a debit request of the fee due to us for the period our services are provided. Since we charge fees in arrears, we do not pro-rate refunds to you upon termination. We will, however, process the final invoice and either request the payment from your custodian through the date of termination, or invoice you for the final fees due and payable (this depends upon timing, only).

In your account application with your custodian, you authorize for them to pay our debit requests upon their receipt.

### Pay by check:

Certain Clients request to pay portfolio management fees based upon our delivery of an invoice and your submission of a check for payment. This is not something we often authorize and is at our discretion.

## **General Information on Advisory Services and Fees**

### Termination:

A Portfolio Management Agreement, Financial Planning Agreement or Wealth Stewardship Agreement or ERISA Plan Services Agreement may be terminated by either party upon written notification delivered to the other. Fees due and payable through the date of termination will be calculated and charged to your account (or invoiced to you).

### Valuation:

We charge our advisory fees based upon the portfolio value as determined by your Custodian (Schwab or Fidelity; please see Item 12, below).

However, if your account includes private funds, real estate (LLCs) or other ill-liquid securities; these may not be held by your Custodian and will be priced either:

1. At the purchase value inclusive (or exclusive) of cash flows or capital calls as the case may be, or
2. At valuations provided by the creator or issuer / manager of the security or in the case of structured products, the product sponsor (JP Morgan Securities).

Therefore, there may be a difference (and sometimes a significant difference) between the portfolio value as reported by your broker / Custodian (Schwab, please see Item 12 below) and those securities you own that are “subscribed to” (private funds, LLCs, etc.) not held by Schwab or Fidelity and priced by the product issuer (and not Triad) or third parties when pricing changes are provided or obtained.

All direct investments a Client may purchase based on our recommendations (through a private placement / subscription) are:

- Valued by the issuer of the security;
- Are not included in the portfolio value for fee calculation purposes; and,
- Are not included in the portfolio performance calculations.



### Additional Fees and Expenses:

In addition to the investment advisory fees you pay to us (asset based or hourly), you may pay the following fees or expenses related to securities transactions. These are charged by your custodial broker dealer or by the mutual funds, Exchange Traded Funds (ETF) or other securities. Additional fees may include the following:

- Periodic distribution fees (12b-1 fees)
- Commissions or loads on mutual funds (if purchased prior to Triad)
- Electronic fund and wire transfer fees
- Certificate delivery fees
- Reorganization fees
- Account transfer fees (outbound)
- Returned check fees
- International security transfer fees
- Overnight mail and check fees
- Rule 144 transfer fees
- Transfer agent fees
- Exchange / SEC fees
- Among others, including
- Investment Company Fees (Mutual Funds and ETF)
  - Investment company funds that are held by you will bear their own internal transaction and execution costs, as well as directly compensate their investment managers along with internal administrative services
- Fees paid by our ERISA clients to their TPA (third party administrator) of the plan; in certain circumstances, these TPAs may receive 12b-1 fees from the mutual funds recommended by Triad.

A complete explanation of these charges is contained in the Prospectus and Statement of Additional Information for each investment company fund. You can get a prospectus through the investment company website, by telephone, or by mail. If we purchase the Fund, your custodian will send you the prospectus.

Please see Item 12 for additional information.

Insurance Services / Additional Compensation (please see Items 10 and 14 for additional information related to the insurance agent licensing of our partners.

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

We do not charge fees that are based upon a share of capital gains or capital appreciation of client assets. Our fees are charged solely as described under Item 5, immediately above.

## Item 7 - Types of Clients

Triad Wealth Stewardship provides advisory services to a variety of clients including:

- Individuals
- Trusts
- Charities
- Associations
- Pension & profit sharing plans
- Corporations
- Small businesses

We do not impose a minimum account size, minimum annual fees or other requirements for portfolio management services. There are no minimums or requirements for financial planning or Wealth Stewardship services, although Wealth Stewardship services are appropriate for families of \$20 million net worth and above. This is not, however, a minimum net worth requirement.

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

### Method of Analysis

We use several approaches when evaluating securities to use in our portfolio management services:

1. Technical analysis. Used for forecasting the direction of prices through the study of past market data. We focus primarily on price and volume by examining what investors fear or think about those developments. We also try to assess whether or not investors have the wherewithal to back up their opinions.
2. Fundamental analysis. Used to examine:
  - a. Earnings
  - b. Dividends
  - c. New products
  - d. Research
  - e. Among other criteria
3. Outsourced tools and resources:
  - a. Schwab
  - b. Morningstar
  - c. Reuters
  - d. Standard and Poor's
  - e. Fi360
  - f. Others

We balance these two analysis methods by utilizing the resulted data together. Both have limitations inherent in their use as both include assumptions about the various stock, bond and global markets or economics.

In addition, we may employ charting which plots the span between the high and low prices of a security, industry or sector during specified trading periods. Some price spans widen and fill during the interval between the open and close prices to emphasize the open/close relationship. A risk of relying on charting would be similar to the weaknesses of the technical approach. The price may reflect a trend as opposed to fundamental research which holds that economic factors influence a security's price.

By examining the data (on a recurring and periodic basis) and movements in prices or other time related factors, we may also utilize cyclical analysis. Again, cyclical may be too narrow of a measure to predict price movements without the addition of, or integration of, other, relevant factors.

Our overall analysis methodology is to utilize various methods to eliminate risk of one method over another.

### **Investment Strategies**

As identified under Item 4, above, we use MPT in the management of your account. Therefore, our strategies are:

1. Long term focused
2. Based upon allocations of equity + fixed income + alternatives as appropriate for your individual needs and circumstances (IPS)
3. Short term (when markets dictate); typically securities held under 1 year, or
4. Trading (where a security may have a major price movement (up or down) and we feel it necessary to sell to limit losses or sell to lock in profits

We also modify our MPT models by internally and tactically managing them by over or under weighting the percentage allocations based on current market conditions using top down / bottom up technical assessments (see above).

We also use a third party tool (purchased by us on a subscription basis) to research the mutual funds we use for your account. The tool screens the funds using the following factors:

- Manger tenure
- Fund expenses
- Historical returns
- Alpha (positive performance)
- Standard deviation (variances over time)
- Style drift

- Among others

The output of the software is a score that we use (the top 10-25% of their respective category). We complete our own, further due diligence / assessment using Morningstar and Schwab tools as well as contacting the fund company themselves. From this process we identify 1-3 funds / managers to add (or replace) funds on our Mutual Fund Highlight (approval) list.

We run this process quarterly, if a fund no longer meets our assessment criteria it is removed, although this does not happen frequently (the fund must NOT drop below the 50 percentile for more than two quarters in a row). If this happens, the fund moves to the watch list and we will further assess the fund. If the fund is removed, our process will have identified a replacement fund.

### Real Estate Strategies

Real Estate is typically a strategic allocation within our standard investment models. We might use an investment vehicle such as a Real Estate Investment Trust (REIT) or mutual fund for the majority of clients.

We will occasionally use a limited partnership structure where market opportunity exists. Such limited partnership interests are “Private Offerings” as defined by the Exchange Act and are exempt from registration under the Investment Company Act (known as “Reg D filings”). These are offerings that are not for public distribution or marketing. In addition, only those clients who are both an “accredited investor and a qualified client” can invest in these private funds.

Such private funds generally have “lock-up” periods; are ill-liquid and should only be invested in by those clients for whom the investment is:

- Suitable
- Who must “subscribe” to the interests in the private fund (we cannot and do not use our investment discretionary authority to purchase interests for you – we do recommend the investment); and
- Who can afford the risk of loss or lack of access to their cash invested for up to 12 to 15 years

In addition, some of the real estate private funds recommended by us are private funds where our partners are investors or “guarantors” of the note for the private fund real estate investment. Of course, this situation is a conflict of interest (please see Item 10, below)

## **Risks**

As with any investment you make, you could lose all or part of your investments managed by us. To be clear: The risk of loss when investing in securities is real. You may lose some or all of your invested assets. The following list summarizes some of the related risks you may face (this varies client-by-client):

### Asset Class Risk

Securities in your portfolio(s) or in underlying investments such as mutual funds may underperform in comparison to the general securities markets or other asset classes, due to a variety of factors, including additional fees charged.

### Concentration Risk

To the extent that we recommend portfolio allocations that are concentrated in a particular market, industry or asset class, your portfolio may be susceptible to loss due to adverse occurrences affecting that market, industry, or asset class. We may do this even in the context of MPT when we tactically concentrate exposures.

### Equity Securities Risk, Including Growth, Value or Micro-Cap / Mid-Cap

Equity securities are subject to changes in value that may be attributable to market perception of a particular issuer or general stock market fluctuations. Also a factor: global stresses and geo-political influences that affect all issuers. Investments in equity securities may be more volatile than other types of investments. Securities of companies with smaller market capitalizations, historically, tend to be more volatile and less liquid than larger company stocks. Smaller companies may have no or relatively short operating histories, or be newly public companies. Some of these companies have aggressive capital structures, including high debt levels, or are involved in rapidly growing or changing industries and/or new technologies, which pose additional risks.

### Issuer Risk, Including Management

Your account's performance depends on the performance of individual securities in which your account invests. Any issuers may perform poorly, causing the value of its securities to decline. Poor performance may be caused by poor management decisions, competitive pressures, change in technology, disruptions in supply, labor problems or shortages, corporate restructurings, fraudulent disclosures, or other factors. Changes to the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline.

### Market Trading Risks

Your investment account faces numerous market trading risks, including the potential lack of an active market for investments held in your account and losses from trading in secondary markets.

### Options

We may use option contracts on securities in a client's managed portfolio. Option strategies are not used in all client portfolios. The use of option strategies is not always successful at increasing return or reducing losses. The use of options adds risk and cost to the portfolio including the custodian's requirements for margin (loans) if a margin balanced is used. This includes the expense of the margin loan (earned by your broker custodian who loans you the margin) or capital calls. For our clients, the margin loan or the assets you pledge for the loan may be through Schwab Bank, a banking affiliate of Charles Schwab and Company (please see Item 12, below). Triad does not participate or receive any compensation from Schwab or its affiliates in our providing advice to you.

Option strategies can diminish account performance.

### Structured Certificates of Deposits (CDs)

We may use structured indexed CDs as part of your portfolio's investment allocation. These structured indexed CDs are manufactured, derivative-based investment vehicles that typically combine a zero-coupon bond, note or other debt instrument with an over-the-counter option contract.

In using these products for your account; you will be notified and will receive related disclosure information as to the pricing, valuation and other factors related to any structured product we use.

### We use:

A Structured Certificate of Deposit which is designed to return the entire investment principal when held to maturity if the referenced market index provides negative performance.

In a Structured Certificate of Deposit the principal deposit is an obligation of the issuing bank, and further backed by FDIC insurance, up to current FDIC limits and conditions.

These products are designed to offer some of the upside potential of the underlying investment strategy or market index, with a reduced downside or loss exposure.

For example, \$100,000 may be invested for a five-year period and if held to maturity, have the issuer's guarantee of return of the original investment, a 0% return, and a potential gain of 100% to 105% of the relative index.

### Leverage and Derivative Risk

Certain transactions may give rise to a form of leveraging, meaning the use of margin or “borrowing” which increases your costs (you pay for the loan from the broker / custodian). Such transactions may include the following; these are considered “derivative securities” (they derive their value from other securities):

- Pledged assets (through Schwab Bank)
- Loans of portfolio securities,

When using leverage, the transactions cause associated risks. For example, they may cause you to liquidate portfolio positions when it may not be advantageous to do so.

Leveraging may make a portfolio more volatile than if the portfolio had not been leveraged. This is because leverage tends to increase a portfolio’s exposure to market risk, interest rate risk or other risks by increasing assets available for investment.

The use of derivatives such as futures, options, and swap agreements can lead to losses, including those magnified by leverage, particularly when derivatives are used to enhance return rather than offset risk.

### Liquidity Risk

A security may not be able to be sold at the time desired at all. In addition, the security may be sold but at a substantial discount (for example, pennies on the dollar).

### Regulatory Risk

Changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment or markets.

## **Item 9 - Disciplinary Information**

Neither Triad Wealth Stewardship nor any of our partners or employees has been involved in any civil or criminal investment-related events.

## Item 10 - Other Financial Industry Activities and Affiliations

### Insurance Services:

Our partners are separately licensed as insurance agents. As a result, they are licensed and will receive separate and customary commission compensation if you choose to use either of them to implement plan recommendations related to insurance products or services (including selling insurance or replacing insurance). The commission compensation received by our partners as insurance agents are not credited against the advisory fees (asset based or fixed fees) that you pay us for portfolio management, financial planning or Wealth Stewardship services.

They are separate and in addition to any other fees you pay us.

Of course, you are not obligated to utilize either of our partners in this separate capacity. All of our insurance recommendations are generic in nature. This means they are not limited to products or services available through any insurance agent or company.

As a result, we can also assist you in the identification of an agent or insurance product or service that meets your needs and as documented in the plan recommendation through any agent or insurance company of your choice.

Insurance recommendations via a plan are those that are designed to help you manage risks (related to life, health, disability and long-term care insurance).

Thus, the receipt of additional compensation is a conflict of interest between our interests (more compensation) and yours. In addition, depending on the commission charged for the insurance product we may have an incentive to recommend one product over another. We manage the conflict of interest in a number of ways:

1. You are not required to use either of our partners for financial planning recommendations; you may choose *any* insurance agency, broker or agent for your planning insurance recommendations
2. We review the insurance products, costs and commissions for any recommendations our planning services indicate are appropriate for you – to ensure the reasonableness and appropriateness of those factors
3. You receive from the insurance companies we represent detailed information that describes the fees, expenses, limitations, benefits and other factors that you need to evaluate when reviewing planning insurance recommendations. Such disclosure is provided to you by our two partners who are insurance agents with various insurance companies



### Private Real Estate Investments / Private Offerings:

As of the date of this brochure, we have recommended to our clients the investment of a portion of their invested assets in private real estate transactions where our partners (Larry Knudsen and Dan Stober) are also investors, shareholders. A summary of these is provided below. Note that additional offerings may be made in between updates to this Form ADV Part 2 A.

Investments in these offerings are by “subscription” meaning any Triad Client that purchases an interest must manually subscribe to such interests. If you do subscribe the amount invested in the Private Real Estate Offering are excluded from your total portfolio value we manage; and are excluded from the performance of your “accounts” under our management.

<b>Offering Name</b>	<b>Triad Partners Involvement</b>	<b>Ownership</b>	<b>Compensation, if applicable for personal guarantees to the Mortgage</b>
CRE Velo, LLC	Shareholders	100 Class B shares, each partner	\$87,500 each partner at closing
Cadre Centerview Apartments LLC	Shareholders	75 Class B shares, each partner	None.
Whitworth Apartments, LLC	Shareholders	100 Class B shares, each partner	\$50,000 each partner at closing
Plaza 305, LLC	Shareholders	58 Class B shares, each partner	\$75,000 each partner at closing

Note that Triad itself does not make these investments nor is Triad involved in the management or other services provided by the actual LLC.

However, the partners of Triad do recommend investments in these LLCs to those of our clients who can qualify as accredited investors when the recommendation is suitable and appropriate for those clients (according to the IPS’ used to manage your account assets).

Recommendations may have included any or all of these LLCs or others as may be created from time-to-time and offered (to you); including those that may not be listed above (as this Disclosure Document is updated from time-to-time, only). The recommendation of interests will occur until such time as the offering is closed (fully subscribed). It may be the case that one or more of our Clients may subscribe to interests in these LLCs including purchasing a substantial amount of the offering.

Our partners are specifically identified (including ownership and compensation payable for mortgage guarantee) in the offering documents that are delivered to prospective investors in any of the LLCs, including any of our current Clients.

There is of course, a material conflict of interest between the partners of Triad and any Client to whom we may recommend a subscription to LLC interests. This is due to the:

- Ownership interests of our two partners in the LLCs
- Compensation payable to our two partners (for the personal guarantee of the notes on the properties), and
- That if the subscription is completed in full, that may limit the personal guarantee exposure (but not fully eliminate) of default on the mortgage properties (and the notes)
  - If any of the private real-estate transactions to which our two partners have provided personal guarantees happens to fail, this would cause a significant personal financial impact to the two partners. As a result, this could impact their economic viability as individuals (and their personal finances), which may also impact their role as a shareholder and owner of Triad. If this situation were to occur, Triad would notify all of our Client's immediately and the potential impact to Triad. We do not anticipate these events will occur.
- Our partners conduct due diligence (as investors) in each of the Real Estate LLCs presented to them prior to their becoming a shareholder and guarantor of the notes.
- Clients should understand that the offering of the LLCs is made, in part, due to the due diligence of our Partners and their personal guarantees (thus believing the LLCs are appropriate investments for certain of our Clients). Fulfilling the subscription whether from Triad clients, or not, is a conflict between those interests of our partners and those of our clients.

## **Item 11 - Code of Ethics**

As an investment advisor registered with the Securities and Exchange Commission, we are obligated to have a written Code of Ethics and Insider Trading Prohibition Policy (we blend these requirements, among others, into our Code of Ethics).

The Code of Ethics (or Code) apply to all Triad employees and is designed to meet our fiduciary obligations of putting your interests first, disclosing all actual and potential conflicts of interest (and the mitigation of those conflicts), among other materials.

In addition, we follow our own advice, meaning that we may purchase, sell, and hold the same securities (including private offerings) that we recommend to and purchase or sell for your account.

To manage these actual and potential conflicts we:

1. Require all employees to be aware of and act in the highest level of ethical standards
2. Require all employees to comply with our Policies and Procedures, including the Code
3. To initially and annually disclose:
  - a. All members of their household
  - b. All "beneficial ownership brokerage accounts" (as defined in the code)

- c. All securities holdings
  - d. All brokerage accounts
  - e. All non-custodial securities
  - f. Political contributions (initial only, upon hire)
4. Quarterly, we require the reporting of
- a. All transactions for the employee, members of their household and any beneficial ownership account (within 30 days of the calendar quarter end) in all reportable securities (as defined by the Code)
  - b. To pre-clear any investment in a private placement security, including those real estate LLCs listed above
  - c. All political contributions
  - d. Gifts given or received (within the Code's reporting limits)
  - e. New brokerage accounts opened or closed
  - f. Any "new" beneficial ownership accounts
  - g. Among others
5. We also:
- a. Prohibit the purchase by any employee of an "IPO" or initial public offering, including secondary offerings
  - b. Require each new hire and annually, a certification of receipt, understanding and compliance with our Policies and Procedures governing our advisory practice, including the Code
  - c. Remind each employee that it is that person's personal responsibility (extending to their members of their household) to ensure their compliance with our Policies and Procedures, including the Code, and
  - d. That for failures to comply, remedial sanctions will be imposed
  - e. Do not require, due to the nature of our business:
    - i. Pre-clearance of personal transactions in equity, fixed income or ETF security transactions
    - ii. Impose holding periods for personal transactions or
    - iii. Impose black-out or similar restrictions on personal trading

This is a summary of our Code of Ethics and Code reporting. If you would like a copy of our complete Code, please contact Larry Knudsen, Chief Compliance Officer, at 425-455-6623 or [larry@triadw.com](mailto:larry@triadw.com).

## Item 12 - Brokerage Practices

We *do not have* brokerage discretionary authority (the ability to select a broker and negotiate commissions on a transaction-by-transaction basis).

We do, however, recommend broker dealers / custodians to you. We also require you to “direct” us to utilize that broker / custodian for all of your securities transactions we place on your behalf. This is via a limited power of attorney you enter into with the broker / custodian, which authorizes us to place trades on your behalf at your directed broker.

We participate in and recommend to our Clients (and require you to select one of the two recommendations, below):

Charles Schwab & Company (Schwab) Advisor Services Program

Fidelity Investments (Fidelity) Institutional Services Program

We recommend only Schwab and Fidelity to clients in need of brokerage and custodial services. Schwab and Fidelity are securities broker dealers registered with the Securities and Exchange Commission, members of the Financial Industry Regulatory Authority (FINRA), members of the National Futures Association (NFA), and members of Securities Investors Protection Corporation (SIPC).

We are not affiliated with Schwab or Fidelity; we are an independent entity.

### **Factors Considered When Recommending Broker-Dealers**

In our initial and on-going assessment of Schwab and Fidelity, we have evaluated Schwab and Fidelity based on the following of criteria, including services Schwab and Fidelity provides investment advisers like us. These criteria include:

- reasonableness of commissions, and other costs of trading
- ability to facilitate trades
- access to client records
- computer trading support
- other operational considerations
- access to institutional mutual funds that would not be accessible otherwise
- responsiveness to our trade request
- reputation
- financial strength
- disciplinary history
- trade practices (including trade error volumes)
- best execution and best execution reporting
- no additional charge for “custodial” services
- among others

See also Item 14 for additional detail related to Schwab and Fidelity.

When evaluating Schwab or Fidelity, we also recommend Clients evaluate Schwab and Fidelity on the basis of the fees charged by these custodians on security transactions. The commissions vary based upon:

1. The method we use to place the transaction (telephone, electronic or via fax); telephone transactions tend to cost more;
2. Size of the transaction;
3. Type of security purchased or sold (equity, option, fixed income, mutual fund, ETF, etc.)
4. Among others

For a full commission fee schedule charged by Schwab or Fidelity to clients of Triad, please contact your portfolio manager or Triad relationship manager.

In addition, certain of our clients use two (2) other custodians. We do not recommend either of these custodians.

US Trust, and  
Harris Bank

These client assets are held at this Trust company and Bank which service these two client accounts. As a result, we have accommodated the Client's request, including the placement of all account transactions at these designated custodians of the account assets. We do not generally; accept accounts held at a broker / custodian other than Schwab.

Directed Brokerage:

As a result of our requiring you to independently evaluate, select and direct us to place your securities transactions at Schwab or Fidelity, your "directed broker" you understand the following:

In directing us to use Schwab or Fidelity you understand we do not have the authority to negotiate commissions, obtain volume discounts or seek out other brokers or dealers for your transactions. As a result, you may pay higher (or lower) commission costs or price that the use of an investment advisor that had brokerage discretionary authority may achieve. This means that we may not be able, through directed brokerage, to achieve best execution for your portfolio transactions.

However, we believe that Schwab and Fidelity provides a balance of price, service and market liquidity that meets both our Client's needs and ours. This is why we evaluated and selected Schwab or Fidelity as the broker custodians we recommend to you.

### For Clients Subject to ERISA:

The Trustee of the Plan's has independently evaluated the recommended brokers for Plan transactions, if applicable to the services we provide to such Plans. Thus, the Trustees have independently evaluated Schwab or Fidelity to ensure the commissions and fees charged by these custodians / brokers are reasonable in light of the services provided to the Plan. In addition, the Trustees represent and acknowledge that the direction of brokerage for Plan assets (and Participants, if applicable) is for the full benefit of the Plan.

This evaluation includes the assessment of the economic benefits provided to Triad as a participant in the programs offered by Schwab and Fidelity to investment advisers such as Triad.

### Block Trading:

When we are purchasing or selling securities for multiple clients at the same time (for example, clients invested in one or more of our models), we will aggregate these similar trades together at Schwab and / or Fidelity, however, we do not combine security transactions across custodians. As a result, we will run "mini" blocks whereby all Schwab accounts or all Fidelity accounts are blocked together. This allows us the ability to create larger "blocks" of transactions which offer us the ability to achieve best execution by the ability of Schwab or Fidelity to negotiate price of find a price more advantageous than the highest bid or offer on a particular security.

In addition, personal trades of our employees may be included in these block transactions, with all participating accounts receiving the same price (or if multiple executions occur, an average price). If we decide to terminate a block (due to market movements or other factors) and employee trades are included in the block with client trades, we instruct Schwab to fill the client trades first. We instruct Schwab or Fidelity (as the case may be) to withhold allocations to our employee or personal accounts trades; Clients go first as is consistent with our fiduciary obligations to you.

### Rotational Systems / Who Goes First

Due to the recommendation of two custodians, and our inability to block the same transactions at the same time for multiple clients across both Schwab and Fidelity, we will utilize a rotational system to determine what groups of clients go first when an investment recommendation is suitable for multiple clients. In this regard, the process is to fairly and equitably rotate Schwab and Fidelity so neither group of clients go first; the decision is rotated from Fidelity to Schwab and vice versa.

### Brokerage for Client Referrals

None – we do not direct brokerage (away from Schwab or Fidelity) for client referrals.

## Item 13 - Review of Accounts

### Reviews – Portfolio Management

Our partners, Larry Knudsen and Dan Stober and (effective 2/2013) Randall Williams-Gurian provides investment advice and review Client accounts.

Accounts are reviewed for consistency with each Client's:

1. Stated IPS
2. Consistency with the selected / identified model
3. Account performance

Reviews are conducted quarterly, semi-annually, or annually with more frequent reviews conducted as various events dictate:

- Changes in a client's personal, tax, or financial status
- Client request
- Life events (marriage, divorce, birth, death, etc.) or
- By domestic or global economic or disaster / terrorist events, as the case may be (which impact financial markets)

Clients are reminded to notify us as soon as possible when personal events occur that may impact your financial needs, goals or risk tolerances.

The underlying funds, securities, strategies, structured products, private funds, LLCs, etc. used to in Client accounts we manage are reviewed on a more frequent basis, typically (but not always) monthly.

### Reviews – Financial Planning or Wealth Stewardship Services (stand –alone):

If you contract with us for specific or modular planning services, such services terminate upon completion of services. No on-going reviews or oversight services are performed. We recommend you have your needs reviewed and updated at least annually and contact us if your financial goals, risk tolerance, or investment time horizon changes. If you contract with us for specific or modular planning services, you will be required to execute a new agreement and pay an additional fee.

For Services provided to ERISA 3(21) and 3(38) Clients, please see Item 4, above for review information.

## Reports

We prepare and internally distribute summary reports on each of our Clients on a monthly basis. These are not sent to Clients; they may be used in a Client meeting. Reports, when delivered to you are either mailed or are available electronically. We utilize a third party vendor for the preparation of your reports.

In addition, monthly statements are available via a secure client portal (website) through

[www.schwabinstitutional.com](http://www.schwabinstitutional.com)  
or  
[www.fidelityadvisorservices.com](http://www.fidelityadvisorservices.com)

These portals are owned and maintained by Schwab or Fidelity (your custodian and broker) with a link directly to the web address above or through a link on our website. Note that you receive “hard copies” of these statements mailed directly to you from Schwab or Fidelity (we receive copies or access them electronically). If so elected on the Schwab or Fidelity account application, these statements may be provided electronically by Schwab or Fidelity

*If you do not receive your brokerage / custodial statements directly from Schwab or Fidelity, please contact Schwab or Fidelity immediately (or Triad). It is very important that you receive your custodial statements.*

These “brokerage statements” describe all activity in your accounts during the period including:

- All holdings
- All transactions
- All debits and credits in your account, and
- The advisory fee payable to Triad (if you authorized us to directly debit our fee from your account, see Item 5 above)

For Reports provided to ERISA (3(21) and 3(38)) Clients – please see Item 4, above for report information.



## Item 14 - Client Referrals and Other Compensation

### Client Referrals:

Triad has entered into a Cash Solicitation Agreement, consistent with the requirements under the Investment Advisers Act of 1940 with:

KMS Financial Services, Inc., Seattle, Washington

KMS is a:

- Registered investment adviser with the SEC
- Registered broker dealer with the SEC and the Financial Industry Regulatory Authority; and,
- Also an insurance agency working through various insurance companies.

As indicated under Item 5, above, Triad has entered in the agreement with KMS Financial Services, Inc. (KMS) and certain of their authorized, individual investment adviser representatives who function as the solicitors for KMS. KMS and authorized representatives will introduce to Triad certain of their clients for whom they believe the portfolio management services provided by Triad are suitable. Although we will make our own suitability determination, if Triad enters into an advisory agreement with a prospective client introduced (solicited) by KMS, we will pay KMS 50% of the standard advisory fee we charge to the solicited clients.

As described under Item 5, above, we charge a higher asset based advisory fee to clients introduced to Triad by KMS. This higher fee is due, in part, to the agreement we have entered into with KMS which calls for an equal share of the advisory fee we charge for our portfolio management services. To ensure KMS and Triad receive adequate compensation for the Solicitation Services, Triad has established a standardized fee of 1.80% per year, billed quarterly with .90% retained by Triad and the balance paid to KMS.

In providing the solicitation services, the agreement between Triad and KMS requires KMS to:

1. Limit the solicitation activities to states where KMS and the identified investment adviser representative (IAR) are licensed to provide solicitation activities;
2. Deliver at the time of the solicitation, a copy of Triad's Form ADV, Part 2 A / B (this brochure);
3. Deliver at the time of the solicitation, a copy of KMS' Form ADV Part 2 A (and B Supplement for the individual providing the solicitation activity);
4. Deliver a copy of the Separate Solicitor's Disclosure Brochure as required by the Rule under the Investment Advisers Act of 1940; and,
  - a. Obtain and deliver to Triad, a manually executed copy of the Solicitor's Disclosure Brochure, executed by *every solicited prospective client, regardless of whether or not the prospective client becomes a client of Triad.*

In providing solicitation services for Triad, KMS and its IARs are prohibited from providing investment advice other than the introduction of the prospective client to Triad. However, Triad is under no obligation to enter into an agreement with any introduced client if Triad's services are not appropriate for or suitable for the introduced prospective client.

KMS' portions of Triad's fees are paid quarterly after receipt of the fee from each Triad client introduced to us by KMS.

Cash referral fees *are not earned by or paid to KMS* for any client account accepted by Triad that are a retirement plan subject to ERISA.

**Other Compensation:**

- Insurance Agent: Please see Item 10, above
- Recommendation of Schwab and Fidelity:
  - a. We require that clients establish brokerage accounts at Schwab and / or Fidelity. Schwab and Fidelity provides us a number of benefits at no cost or at substantial discounts (which we would not receive if we did not recommend and require you to open, maintain and direct us for your account transactions. These benefits include:
    - i. Access to its institutional trading and operations services
    - ii. Back office and administrative support
    - iii. Custody (at no fee to our clients)
    - iv. Access to institutional mutual funds and other investments at reduced investment levels
    - v. Back office administration of your accounts
    - vi. Software
    - vii. Technology (which allows access to your data, transactions and confirmations)
    - viii. Electronic trading platform
    - ix. Pricing information and other market data
    - x. Facilitate the direct debit of our fees from your account(s), subject to your specific authorization for us to do so
    - xi. Assistance with back-office support, recordkeeping, and client reporting, and
    - xii. Business management expertise, including
      - 1. Consulting,
      - 2. Publications and presentations on practice management,
      - 3. Information technology,
      - 4. Business succession,
      - 5. Regulatory compliance,
      - 6. Marketing
      - 7. Discounts
      - 8. Products

Because we receive discounts, products, or services we have an incentive to select or recommend Schwab and Fidelity based on our interest in receiving the listed economic benefits.

## **Item 15 - Custody**

Technical custody:

You have authorized us to deduct periodic investment advisory fees directly from one or more of your accounts managed by us. These deductions from our account are shown on the periodic statements sent by Schwab directly to you. You are encouraged to review these statements carefully and compare the amounts on the custodian statements we send and the fees charged to you based upon the schedule outlined in the Agreement we have with you (not applicable to stand alone financial planning or Wealth Stewardship services).

## **Item 16 - Investment Discretion**

In the Advisory Agreement we have with you for portfolio management services (see Item 4, above), you provide us with limited power of attorney to select, purchase, or sell securities without obtaining your specific prior consent to the transactions.

However, you may limit our investment discretionary authority by the identification (at the inception of our relationship) of investment restrictions you may desire. These restrictions are to be identified in the IPS we develop with you which governs the services we provide to you. As stated above, under Item 4, you may amend these restrictions, however, such restrictions must be in writing and are not implemented until approved / accepted by us.

We reserve the right to refuse to accept a client account(s) if we believe, in our sole determination, that the investment restrictions limit our ability to provide the contracted for services and do not allow us proper diversification of your account assets.

## **Item 17 - Voting Client Securities**

### Non-ERISA Clients:

We do not vote proxies for securities held in your accounts. Therefore, in the Schwab account opening paperwork, you reserve the receipt of proxies and other corporate action related materials are delivered to you.

Upon specific request we may discuss (with limited clarification) any proxy ballot issues presented in the voting materials based on our understanding of those issues as presented.

Schwab sends proxy statements directly to you.

### ERISA Clients:

If your account is for a pension or other employee benefit plan governed by the Employment Retirement Income Security Act (ERISA) you must specifically identify (based on your Plan and Trust Documentation) to whom proxy vote responsibility applies:

- Named Fiduciary (the Trustees of the ERISA Plan),
- A Named Fiduciary (typically the discretionary investment advisor to the Plan's assets (which would be Triad) or,
- Another named Fiduciary

As we do not generally vote proxies for any client, if we are required to vote for your Plan, we require a copy of the Plan's Proxy Voting Policies and Procedures (Guidelines) which will govern the vote decisions on behalf of your Plan, to ensure the votes are consistent with and to the benefit of the Plan and its participants. In addition, we will retain all records of ballots received, date of the vote, the vote and the result of the ballot issue; such records are provided upon request.

## **Item 18 - Financial Information**

We do not have and are not aware of any circumstance that is reasonably likely to impair our ability to meet contractual commitments to you.

## **Part 2 B of Form ADV: Brochure Supplement**

### **Item 1: Cover Page**

**Larry Lars Knudsen**

**Triad Wealth Stewardship  
777- 108<sup>th</sup> Avenue NE, Suite 1800  
Bellevue, WA 98004**

**(425) 455 – 6623**

**[www.triadw.com](http://www.triadw.com)**

**FIRM CONTACT: Larry Knudson, Chief Compliance Officer**

**This Brochure Supplement provides information about Larry Knudson that supplements our Part 2 A, Firm Brochure. You should have received a copy of the Firm Brochure as we “attach” Part 2 A / B together. Please contact Larry Knudsen, Chief Compliance Officer, if you did not receive the Part 2A brochure, or if you have any questions about the contents of this Supplement.**

## **Item 2: Educational Background and Business Experience**

**Name:** Larry Knudsen

**Year of Birth:** 1958

**Formal Education after High School:**

BA, 1981, Finance and Accounting; minor in philosophy and religious studies.

### **Business Background for Previous Five Years:**

Managing Member, Investment Advisor Representative Triad Wealth Stewardship, LLC	2007 to Present
Insurance Agent Various insurance companies / appointments	1986 to Present
Member – Owns and manages various commercial property	1992 to Present
Board member for the Graham Murray Foundation for Education.	2/2012 to Present
Trustee Christian Knudsen Life Fund	09/2012 to Present
Registered Representative, Investment Advisor Representative Cambridge Investment Research, Inc.	2007 to 2009
Registered Representative, Investment Advisor Representative, Owner Moss Adams Wealth Advisors, LLC Moss Adams Securities & Insurance, LLC (Formerly FSG Securities LLC/Financial Security Group)	1986 to 2007

### **License / Exams:**

Life, health, disability insurance licenses (Washington State)

FINRA Series 63, 1984 and 65, 2000

## **Item 3: Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Larry has no legal or disciplinary events related to the financial services industry.

#### **Item 4: Other Business Activities**

Mr. Knudsen is an insurance agent and sells, for commission compensation, insurance products or services for separate and typical compensation.

See biographical information, above for addition other business activity. He devotes 2-3 hrs. /Quarter to these personal interests.

#### **Item 5: Additional Compensation**

Mr. Knudsen is licensed as an insurance agent. As an insurance agent he will receive compensation usually based upon the size (premium amount) and/or type of insurance product. Because the commission compensation varies between investment options, Larry has a financial incentive to recommend one insurance product over another. This financial incentive creates a potential conflict of interest between you, Larry and Triad Wealth Stewardship, LLC.

#### **Item 6: Supervision**

Triad Wealth Stewardship, LLC supervises its investment advisor representatives through a system of internal control procedures overseen by Dan Stober and our Chief Compliance Officer, Larry Knudsen. This oversight includes review of client portfolios, investment advisor representative personal securities transactions and correspondence. You can reach him at 425-455-6623.

## **Part 2 B of Form ADV: Brochure Supplement**

### **Item 1: Cover Page**

**Daniel Todd Stober**

**Triad Wealth Stewardship  
777- 108<sup>th</sup> Avenue NE, Suite 1800  
Bellevue, WA 98004**

**(425) 455 – 6623**

**[www.triadw.com](http://www.triadw.com)**

**FIRM CONTACT: Larry Knudson, Chief Compliance Officer**

**This Brochure Supplement provides information about Daniel Stober that supplements our Part 2 A, Firm Brochure. You should have received a copy of the Firm Brochure as we “attach” Part 2 A / B together. Please contact Larry Knudsen, Chief Compliance Officer, if you did not receive the Part 2A brochure, or if you have any questions about the contents of this Supplement.**



## **Item 2: Educational Background and Business Experience**

**Name:** Daniel Stober

**Year of Birth:** 1972

**Formal Education after High School:**

BA, 1994, Business (concentration in finance, marketing and decision science), Western Washington University.

### **Business Background for Previous Five Years:**

Managing Member, Investment Advisor Representative Triad Wealth Stewardship, LLC	2007 to Present
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Insurance Agent Various insurance companies / appointments	2000 to Present
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Registered Representative, Investment Advisor Representative Cambridge Investment Research and Advisors, Inc.	2007 to 2009
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Owner Wealth Stewardship Partners	2007 to 2009
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Owner, Investment Advisor Representative Covault Wealth Advisors, LLC	2007-2008
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Registered Representative, Investment Advisor Representative Insurance Agent Moss Adams Securities & Insurance, LLC (formerly FSG Securities LLC/Financial Security Group)	2000 to 2007
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### **License / Exams:**

Life, health, disability insurance licenses (Washington State)

FINRA Series 63, 1996 and 65, 2003

### **Item 3: Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Dan has no legal or disciplinary events related to the financial services industry.

### **Item 4: Other Business Activities**

Mr. Stober is an insurance agent and sells, for commission compensation, insurance products or services for separate and typical compensation.

### **Item 5: Additional Compensation**

Mr. Stober is licensed as an insurance agent. As an insurance agent he will receive compensation usually based upon the size (premium amount) and/or type of insurance product. Because the commission compensation varies between investment options, Larry has a financial incentive to recommend one insurance product over another. This financial incentive creates a potential conflict of interest between you, Dan and Triad Wealth Stewardship, LLC.

### **Item 6: Supervision**

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## **Part 2 B of Form ADV: Brochure Supplement**

### **Item 1: Cover Page**

**Randall Williams – Gurian**

**Triad Wealth Stewardship  
777- 108<sup>th</sup> Avenue NE, Suite 1800  
Bellevue, WA 98004**

**(425) 455 – 6623**

**[www.triadw.com](http://www.triadw.com)**

**FIRM CONTACT: Larry Knudson, Chief Compliance Officer**

**This Brochure Supplement provides information about Daniel Stober that supplements our Part 2 A, Firm Brochure. You should have received a copy of the Firm Brochure as we “attach” Part 2 A / B together. Please contact Larry Knudsen, Chief Compliance Officer, if you did not receive the Part 2A brochure, or if you have any questions about the contents of this Supplement.**

## Item 2: Educational Background and Business Experience

**Name:** Randall Williams-Gurian

**Year of Birth:** 1963

**Formal Education after High School:**

Bachelor of Arts degree in business administration, with honors, from University of Puget Sound in 1986.

Masters in Finance and Entrepreneurship from the University of Arizona in 1990.

### **Business Background for Previous Five Years:**

Triad Wealth Stewardship, LLC Senior Advisor	2/2013 to Present
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BAC Capital Advisors Managing Member	2001-2/2013
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Benefit Administration Company, LLC Principal	2001-2013
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Undervalued Stock Ideas, LLC President	1994-2001
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### **License / Exams:**

Series 24

Chartered Mutual Fund Counselor (CMFC®)<sup>1</sup>

Series 65

Chartered Retirement Planning Counselor (CRPC®)<sup>2</sup>

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<sup>1</sup> The CMFC is a certification program developed and administered by the College for Financial Planning and the Investment Company Institute (ICI) the primary trade association for the mutual fund industry. The program provides a certificate holder with a complete knowledge of mutual funds and their various uses. Topics include: intro to mutual funds, closed and open end funds, other investment products; risks and returns; asset allocation; selecting funds for clients; retirement planning and ethics, integrity and professional conduct.

<sup>2</sup> The CRPC program is a certification program awarded by the College for Financial Planning to individuals who complete the study program and pass a multiple choice examination. The certification is used for 2 years and required 16 hours of continuing education and a fee to continue to use the designation. The program focuses on client centered problem solving, including a client's needs both before and after retirement. The program covers financial objectives, sources of retirement income, personal savings, employer sponsored retirement plans, taxes, cash flow, estate planning, asset management, and more.

### **Item 3: Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Randy has no legal or disciplinary events related to the financial services industry.

### **Item 4: Other Business Activities**

None

### **Item 5: Additional Compensation**

None

### **Item 6: Supervision**

Triad Wealth Stewardship, LLC supervises its investment advisor representatives through a system of internal control procedures overseen by Dan Stober and our Chief Compliance Officer, Larry Knudsen. This oversight includes review of client portfolios, investment advisor representative personal securities transactions and correspondence. You can reach him at (425) 455-6623.

## Privacy Disclosure

We are required by federal law to inform you of our policies regarding the privacy of your personal, non-public personal information we gather in providing services to you.

In the course of providing Clients with advice we will receive personal and non-public information on you such as your financial statements, account statements and tax returns which apply to you (and as provided directly to us or through your other trusted providers, i.e., attorney, accountant or other representatives). We hold all such information in strict confidence in accordance with our professional obligations; we *do not release* your information to people outside of Triad Wealth Stewardship, except when:

- We are obligated to do so consistent with the advisory services we provide to you
- As required by those regulators who oversee our advisory practice; and,
- Upon subpoena or similar request.

We may release your information to third parties through whom we provide our services to you (such as administrative, client service functions or marketing services, broker dealer custodial services, etc.), consistent with applicable law. In addition, each third party we utilize in providing services to you also have their own privacy requirements that require, among other things, the confidential treatment of Triad's Client's personal and non-public information and to not utilize the information for any other purpose.

We retain records relating to the professional services we provide so we are better able and informed to assist you with professional needs, and in some cases, to comply with professional guidelines. In order to safeguard your nonpublic personal information from unauthorized disclosure, we maintain physical, electronic and procedural safeguards. These include locked building / office access; locked file storage, password and other electronic safeguards to protect from un-authorized electronic access to our data and files.

If you have any questions on our privacy controls or this disclosure, please contact Triad Wealth Stewardship.