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FORM ADV PART 2 BROCHURE

This brochure provides information about the qualifications and business practices of HBW Advisory Services LLC. If you have any questions about the contents of this brochure, please contact us at (800) 473-3856. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about HBW Advisory Services LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable HBWAS REPD/CRD number for HBW Advisory Services LLC is 143665.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Generally, HBW Advisory Services LLC (HBW) will notify Clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our Clients promptly. HBW did not have any material changes to report on its annual updating amendment dated October 28, 2013. Since then, HBW has amended its brochure to disclose its new tiered fee schedule with respect to its HBW Advisor Money Manager program. The new tiered fee schedule is as follows:

| <u>Account Range</u> | <u>Annual Fee</u> | | <u>Account Range con't</u> | <u>Annual Fee</u> |
|-------------------------------|--------------------------|--|-----------------------------------|--------------------------|
| Up to \$2 million | 1.85% | | \$5 million up to \$10 million | 1.70% |
| \$2 million up to \$5 million | 1.80% | | \$10 million and up | 1.55% |

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Item 4 Advisory Services

HBW Advisory Services LLC (HBW) was formed on March 13, 2007 and is an SEC registered firm domiciled in the State of California. HBW Insurance & Financial Services, Inc. own 77.5% of HBW. HBW does not have any other intermediate subsidiary relationships.

HBW provides advisory services such as asset management, financial planning which includes retirement planning, investment planning, asset allocation, estate planning and college planning. HBW offers such services to individuals, businesses and institutional Clients (other than investment companies). HBW also offers the service of selecting of other advisers for Clients. HBW concentrates on servicing individuals with discretionary asset management. A complete breakdown of all our services is detailed in the Fees and Compensation section.

HBW will consider Client's risk tolerance by using a questionnaire to determine asset allocation and recommend models/strategies for investment planning based on the risk tolerance score results. HBW can also offer through certain Third Party Money Managers the ability to impose restrictions on investing in certain securities or types of securities. HBW does not participate in wrap fee programs.

HBW manages all accounts on a discretionary basis. The total accumulated assets held with HBW as of August 31, 2014 were \$205 million dollars.

Item 5 Fees and Compensation

Advisory Services and Fees

HBW provides advisory services with customized lifestyle securities portfolios. Each portfolio is designed on the advisory Client's life status and may broadly be described as growth, growth and income and income. HBW offers 3 distinct discretionary asset management services as stated below :

Assets Under Management

HBW Advisor money manager:

HBW manages all or a portion of advisory account. HBW utilizes subadvisors to tap talent that is not available in-house to manage all or some of the investment models. HBW will obtain written authorization from the Client in the Contract for Financial Advice for discretionary authority to manage Clients' accounts and for fee deduction at Trust Company of America (TCA) and Jefferson National (JeffNat). The annual tiered fee schedule per account is listed below:*

| <u>Account Range</u> | <u>Annual Fee</u> | | <u>Account Range con't</u> | <u>Annual Fee</u> |
|-------------------------------|--------------------------|--|-----------------------------------|--------------------------|
| Up to \$2 million | 1.85% | | \$5 million up to \$10 million | 1.70% |
| \$2 million up to \$5 million | 1.80% | | \$10 million and up | 1.55% |

* The Muni Bond Model annual fee is 1.25%. The annual fee is stated in the agreement for financial advice. The annual fee is prorated and deducted quarterly from the Client's advisory account based on the market value of the assets under management on the last business day of each quarter in arrears paid to HBW. HBW will be paid directly from fee deduction from Client accounts. HBW will pay Third Party Money managers for their services. Client shall receive an invoice for fees concurrent with the deduction by the account custodian. Client will also receive an account statement from the custodian at least quarterly.

Lower fees for comparable services may be available from other sources including other investment advisors.

HBW Advisor Solicits for Third Party money managers:

HBW may also act as a solicitor for Third Party money managers on those occasions when Advisor utilizes the services of a third party to manage all or a portion of an advisory account. Portfolio management for individuals and /or small businesses and portfolio management for business or institutional Clients will also be available through Third Party money managers. Advisory Clients shall only pay the fee assessed by the third party for that portion of the account managed by such third party as disclosed in the respective Form ADV Part 2 and Solicitors Agreement given to the Client at the time of solicitation. Client will also need to sign the Third Party Money manager's agreement at the time of sale. Advisor will receive a portion of the fee paid to third party money manager as disclosed in the Solicitors Agreement. Terminations are based on the Third Party money managers terms as disclosed in their ADV Part 2.

HBW Advisor Managed Other Account:

HBW will obtain written authorization from Client for discretionary authority on the Contract for Financial Advice to manage the Clients account(s) and for fee deduction at various other custodians. Annual fees range from 1%-2% depending on the size, complexity and custodian (excludes Everbank) of the account using the following as a guide.

| Assets under Management | Annual Fee |
|--------------------------------|-------------------|
| \$ 50,000 to \$ 250,000 | 2.00% |
| \$ 250,001 to \$1,000,000 | 1.75% |
| \$1,000,001 to \$2,000,000 | 1.50% |
| \$2,000,001 to \$3,000,000 | 1.25% |
| Over \$3,000,000 | 1.00% |

The annual fee is stated in the agreement for financial advice. The annual fee is prorated and deducted quarterly from the Client's advisory account based on the market value of the assets under management on the last business day of each quarter in arrears. Client shall receive an invoice for fees concurrent with the deduction by the account custodian. Client will also receive an account statement from the custodian at least quarterly.

Refunds and Terminations

Client may rescind this Contract within five (5) business days after its effective date, by giving written notice to Financial Advisor or HBW. If Client rescinds within five (5) business days, the contract will be terminated without compensation to HBW.

Either Client or HBW may terminate the contract by giving written notice to the other. Clients may terminate their Contract for Financial Advice at any time. Please allow ten business days to process the written notice and cancel the application. Client will be responsible to pay compensation for all services rendered under this Contract until the effective date of termination, or the date written notice of termination is received by HBW or Financial Advisor, if later. In the event Client terminates an asset management relationship prior to the end of the quarter, pro-rated quarter fees will be assessed to the date of termination.

Fees

If Client desires asset management services Financial Advisor may recommend the use of Trust Company of America (TCA), Jefferson National (JeffNat) or other custodians as the custodian broker-dealer. Client will pay an Asset Based Fee in return for asset management services. Asset Based Fees

shall only apply to the "Advisory Assets" of Client. "Advisory Assets" are defined as those assets which the Client directs the advisor to manage. This could include the Client's 401(k) plan(s), IRA plan(s), Joint, individual, and family investment plans, estate and/or trust plans, insurance plans or may include other assets which HBW and/or the associated person monitors or provides investment advice or analysis for Client. HBW will direct the custodian to debit the asset based fees from the account defined as Advisory Assets. Additional costs will be imposed by the custodians for account maintenance including, but not limited to, custodial fees and transaction fees in addition to any investment advisory fees described herein. JeffNat has a \$20/mo expense fee. TCA fees include, but are not limited to \$50 to close an account, \$25 per asset to transfer out in kind, \$25 to issue a check and \$35 for a wire. TCA's custodial fees will apply as follows:

| Account Range | Asset Based Fee* | Account Range | Asset Based Fee* |
|--------------------------|------------------|---------------------------------|------------------|
| \$0.00 - \$249,000 | 0.2613% | \$1,000,000.00 - \$1,999,999.99 | 0.950% |
| \$250,000 - \$499,999.99 | 0.2375% | \$2,000,000.00 - \$4,999,999.99 | 0.665% |
| \$500,000 - \$999,999.99 | 0.1425% | \$5,000,000.000 and above | 0.475% |

***Any revenue sharing provided by a fund company - transfer agent, shareholder servicing or 12(b)1 fees collected by Trust Company of America will be used as an offset against the account custody fees up to 0.25%. Series II models were designed to (1) significantly reduce custodial fees and (2) reduce the number of trades (which maybe more suitable for non-qualified accounts).**

For more information regarding brokerage please see section 12.

Hourly Charges

HBW also provides advisory services, including financial planning services. Financial Planning services are available to all Clients who desire or need the service.

Retirement Planning

Advisor will make a systematic plan for Client to use by setting a side income for Client's future retirement. Client will need to provide data such as number of years till retirement, approximate income desired in retirement, current assets available for retirement, qualified social security benefits to be considered or not, etc. in order to receive a meaningful plan.

Investment Planning & Asset Allocation

This service is offered by HBW and will consider Client's risk tolerance by using a questionnaire to determine asset allocation and recommend models/strategies for investment planning based on the risk tolerance score results.

Estate Planning

Limited estate planning is offered by HBW which is usually as a result of an attorney's recommendation. HBW recommends Clients with complicated Estate tax issues consult the advice of an attorney. HBW does not offer legal or tax advice.

College Planning

Advisor will make a systematic plan for future college expenses by analyzing Client's future college needs with data collected regarding these needs such as number of years till college, what type of college, in state or out of state, scholarship opportunities, money already set aside for college, and other relevant data.

Written Financial Plans are available for financial planning services with fees to be billed up to \$150/hour, plus any third party legal or accounting fees if applicable based on Client situation. Client will need to approve in writing any third party fees before they are incurred. Hourly rates are negotiable at the discretion of the advisor and are stated in the agreement for financial advice. Written Financial Planning services take approximately 5 - 10 hours to prepare and present. Time will be spent collecting financial data from Client, analyzing & computing data, then presenting the plan to the Client. The Firm cannot accept prepayment of more than \$1,200 more than six months in advance. If a Client cancels, any prepaid fees will be refunded, less time spent on the plan by the advisor, at the previously negotiated hourly fee of up to \$150.00 per hour. An estimated range of time is provided to the Client prior to the commencement of the plan and the total hours are usually capped at a given level. Should the scope change from that previously agreed in writing, then an adjustment in writing shall take place relative to that cap. Client will not be charged additional fees if the account is currently being actively managed and the account is being billed on an Asset Under Management fee basis.

HBW also offers financial advice service for specified accounts on an hourly basis for reviews or actively managed accounts. The hourly base rate for such service is \$200/hour. Specified accounts could include, but are not limited to, a variable annuity contract, 401(k), 403(b) or 457 accounts. Reviews are estimated to be billed approximately 15 minutes/quarter or 1 hour per year. Actively managed accounts specified by the advisor are estimated at 30 minutes/per occurrence approximately 6 times per year. Client will not be charged additional fees if the account is currently being actively managed and the account is being billed on an Asset Under Management fee basis.

Other hourly rates are available for additional financial services not mentioned above and are negotiable at the discretion of the advisor for \$150 - \$300/hour based upon the complexity and resources needed to complete the project.

Hourly fees are invoiced and billed in advance at the time of signing the agreement and an invoice is given to the Client.

Lower fees for comparable services may be available from other sources including other investment advisors.

Refunds and Terminations

Client may rescind this Contract within five (5) business days after its effective date, by giving written notice to Financial Advisor or HBW. If Client rescinds within five (5) business days, HBW will refund any prepayment on a pro-rata basis.

Either Client or HBW may terminate the contract at any time by giving written notice to the other. Clients may terminate their Contract for Financial Advice at any time. Please allow ten business days to process the written notice and cancel the application. Client will be responsible to pay compensation for all services rendered under this Contract until the effective date of termination, or the date written notice of termination is received by HBW or Financial Advisor, if later. If a Client cancels, any prepaid fees will be refunded, less time spent on the plan by the advisor, at the previously negotiate hourly fee of \$150 to \$300 per hour.

Fixed Fees

HBW also offers financial advice service for specified accounts on a fixed fee basis for reviews or actively managed accounts. A specified account could include, but is not limited to, a variable annuity contract, 401(k), 403(b) or 457 accounts. Reviews are billed at \$200 per contract or account. Actively managed specified accounts to affect trades by the advisor are \$500 per contract. HBW Advisors also provides other advisory services to certain advisory Clients for a fixed fee. These fixed fees could range in price from \$200 to \$2,000 depending on the size, complexity and hours estimated to complete

the project. Fixed Fees are negotiable at the discretion of the advisor and are stated in the Agreement for Financial Advice. Any fixed fee project over \$1,200 must be given approval by the Chief Compliance Officer to ensure ethical business practices are being maintained by the advisor. An example of where a fixed fee program would be used in lieu of an hourly fee program is when the Client requests a one time review rather than ongoing service or where the advisor negotiated a fixed fee for a financial plan. Fixed fees are invoiced and billed in advance at the time of signing the agreement and an invoice is given to the Client. Client will not be charged additional fees if the account is currently being actively managed and the account is being billed on an Asset Under Management fee basis.

Lower fees for comparable services may be available from other sources including other investment advisors.

Refunds and Terminations

Client may rescind the Contract within five (5) business days after its effective date, by giving written notice to Financial Advisor or HBW. If Client rescinds within five (5) business days, HBW will refund any prepayment on a pro-rata basis.

Either Client or HBW may terminate this contract at any time by giving written notice to the other. Clients may terminate their Contract for financial advice at any time. Please allow ten business days to process the written notice and cancel the application. Client will be responsible to pay compensation for all services rendered under this Contract until the effective date of termination, or the date written notice of termination is received by HBW or Financial Advisor, if later. If Client cancels, any prepaid fees will be refunded, less time spent on the plan by the advisor, at the previously negotiate fee.

Other compensation

HBW accepts compensation for the sale of securities or other investment products, including asset-based sales charges. HBW does not receive service fees from the sale of mutual funds, so excessive trading cannot generate additional revenue to supervised persons. HBW mitigates the issue of the supervised person's incentive to recommend investment products based on compensation received rather than Client's needs in HBW's Standard of Conduct section.

Client has the option to purchase investment products that HBW recommends through other brokers not affiliated with HBW.

Principals and associates of HBW may be registered representatives of HBW Securities LLC, a registered broker-dealer. Advisory Clients may be offered various securities in addition to the advisory services offered by HBW. The purchase of securities may result in the advisor receiving commission based compensation in addition to any advisory fee paid by the Client. Advisory Clients are not obligated to purchase any securities products from HBW or its associates. HBW has a 2 year voluntary prohibition on charging fees from commissions based variable annuities sold through broker-dealer. If the Client chooses to implement advisor's recommendations through HBW Securities LLC, a registered broker-dealer, a conflict of interest exists. These conflicts are mitigated by HBW's Standard of Conduct section.

HBW does not charge commissions or mark ups in addition to asset based advisory fees, therefore HBW does not reduce asset based advisory fees to offset commissions or mark ups.

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

HBW does not accept any performance-based fees.

Item 7 Types of Clients

HBW generally provides investment advice to individuals. Individuals make up more than 75% of the all the accounts held at HBW. HBW also provides financial services to businesses, trusts, estates, charitable organizations, pension and profit sharing plans. Requirements for opening and maintaining accounts for certain investments may be imposed by the custodians at the platform or other third party investment advisors managing the account. HBW does not require Client to open or maintain an account.

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

HBW primarily utilizes Third Party Registered Investment Advisors (TPIA) for market analysis and investment strategies used in managing assets. HBW seeks TPIA's who we believe will repeatedly outperform their relevant benchmarks. HBW has developed a platform at Trust Company of America that provides complete trading transparencies from TPIA's. At HBW we primarily select TPIA's that employ tactical and absolute return style strategies in an attempt to minimize investment risk and market losses. At HBW we believe that avoiding unrecoverable large losses are more important than trying to capture all of the upside. To accomplish this we have developed a multi manager platform that allows Clients to get a diversified investment portfolio of tactical and absolute return style investments from multiple investment strategies offered through multiple TPIA's. While the intent of using our multi manager platform is to deliver consistent, predictable returns uncorrelated to major stock market indices, all investing has the risk of loss of principle that Clients should be prepared to bear. In addition to our primary use of TPIA's on our multi manager platform, HBW also has solicitor agreements with a wide variety of TPIA's that our HBW Representatives can take Clients to on a direct basis. HBW also offers brokerage accounts where the HBW representative may use their own investment strategies. These investment strategies are closely monitored by the firm and are designed to offer very customized investment portfolios for Clients. All Clients are required to complete a thorough risk tolerance, investment objective questionnaire and must be a suitable investor for the respective strategies. Clients are reminded quarterly to update HBW if their risk tolerance has changed. Upon receipt of any change the representative may reallocate the Clients assets. Investing in any securities involves risk of loss and Clients of HBW should be prepared to take this risk.

Each investment strategy offered through HBW TPIA's is unique and involves material risk that are described in detail on fact sheets available for each strategy. Since most investment strategies offered through HBW TPIA's involve tactical or absolute return style investing performance is largely uncorrelated to major market indices. Therefore investment risk is shifted from market performance to money manager's skill. While HBW selects and monitors TPIA's that we believe can achieve superior investment results there is no assurance that the skill of the TPIA's will achieve desired results. Most investment strategies employed by our TPIA's will involve moving assets to fixed income or cash positions during periods of high market volatility to preserve principle. Some investment strategies will employ the use of inverse investments in an attempt to make gains in down markets. Use of inverse investments can result in losses even during 'up' markets. The use of fixed income or cash positions can result in lack of participation in market 'up' sides. Therefore the defensive techniques of cash or inverse investments can lead to loss of 'up' side capture or even losses if the TPIA's employ them in periods of 'up' markets. Therefore performance of these types of investments is largely dependent on the skill of the TPIA's and may not be correlated with major market indices.

Further, due to the frequent trading of securities employed by these types of strategies, the majority of capital gains will be short term capital gains which are taxed as ordinary income. Since ordinary income tax rates are typically higher than long term capital gains rates, Clients utilizing these strategies should consider adverse tax consequences for non-tax qualified accounts. This adverse tax ramification is not a factor for qualified accounts such as IRA's, Simple, 401(k), Roth's, SEP, etc.

Since these strategies involve frequent trading, to avoid increased brokerage and other transaction fee costs, HBW utilizes an asset based custody trading platform. This trading platform contains all brokerage and transaction costs to a flat custody fee of 0.04% to 0.26% depending on account size as stated in our Contract for Financial Advice. HBW also offers a brokerage platform for less frequently traded accounts where trades are transaction fee based.

HBW does not primarily recommend a particular type of security, proprietary fund or Third Party Money Manager.

Item 9 Disciplinary Information

In the past 10 years, neither HBW nor any of its representatives have been convicted of, nor pled guilty or nolo contendere ("no contest") to a felony; misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; nor of any conspiracy to commit any of these offenses as a criminal or civil action in a domestic, foreign or military court of competent jurisdiction.

In the past 10 years, neither HBW nor any of its representatives have been named as the subject of a pending criminal proceeding that involved an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses as a criminal or civil action in a domestic, foreign or military court of competent jurisdiction.

No domestic, foreign or military court of competent jurisdiction has ever found HBW or any of its representatives to have been involved in a violation of an investment-related statute or regulation; nor was HBW or any of its representatives the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, HBW or any of its representatives from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

In the past 10 years HBW has never had an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, any foreign financial regulatory authority or a self-regulatory organization (SRO) nor has HBW been found to have caused an investment-related business to lose its authorization to do business; or to have been involved in a violation of an investment-related statute or regulation that was the subject of an order by the agency or authority to deny, suspend, or revoke the authorization, association or significantly limit HBW to act in an investment-related business. Nor have they imposed a civil money penalty of more than \$2,500 to HBW.

Item 10 Other Financial Industry Activities and Affiliations

The Broker-Dealer (HBW Securities, LLC) is an introducing broker-dealer that operates in all 50 states and offers mutual funds, variable annuities, and variable universal life products to its individual customers and the insurance company (HBW Insurance & Financial Services, Inc.) offers term life and other simple insurance products (i.e. fixed annuities, equity index annuities, etc.) through a network of insurance companies (i.e. American General, ING, etc.) to its individual customers. Charles P. Reinhold is a principal of CPR Investments LLC. Most of CPR Investments LLC's Clients and assets will be moved to HBW at some time.

HBW may recommend or select other investment advisers for Clients. Client shall only pay the fee assessed by the third party for that portion of the account managed by such third party as disclosed in the respective Form ADV Part 2 and Solicitors Agreement given to the Client at the time of solicitation. HBW will receive a portion of the fee paid to third party money manager as disclosed in the Solicitors Agreement.

In addition HBW may refer Clients to EverBank, a national banking firm and receive remuneration in return for such referrals. HBW includes, under its management, those Clients assets which have been placed at EverBank. These assets include Savings Accounts, Certificates of Deposit and Money market accounts. HBW does not charge a management fee on these assets but is compensated by EverBank. The compensation schedule is as follows and is at the Investment Advisor Representative level not the Client level:

HBW Total Under Management Per Investment Advisor Rep**

| Total Deposits | Below \$500,000 | \$500,000 - \$2,999,999 | \$3 Million plus |
|---|---|--------------------------------|-------------------------|
| Yield Pledge Money Market Personal and/or Business Checking/Savings | 0.15% (annual) | 0.25% (annual) | 0.30% (annual) |
| Yield Pledge CD/Business CD | 0.10% (flat) | 0.10% (flat) | 0.10% (flat) |
| Personal /Business CDARS CD | 0.05% (annual) | 0.05% (annual) | 0.15% (annual) |
| WorldCurrency, Basket, MarketSafe CDs | 0.40% (flat) | 0.50% (flat) | 0.60% (flat) |
| WorldCurrency Access Deposit Acct | 0.40% (annual) | 0.50% (annual) | 0.60% (annual) |
| Credit Card | 7.50% (flat) of Actual Finance Charge Revenue | | |
| Metals Select Accounts | 0.25% (flat) | 0.25% (flat) | 0.25% (flat) |

**Comparable services maybe available from other sources including other Investment Advisors.

HBW Chief Compliance officer is available to address any questions that a Client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create. Comparable services may be available from other sources including other investment advisors.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Standard of Conduct:

HBW and its personnel subscribe to a strict code of ethics that requires the interests of the advisory Client be placed above everything else. All activities conducted by the Applicant on behalf of advisory Clients must benefit the Client. A complete copy of HBW's code of ethics is listed below. The Investment Advisers Act of 1940 imposes a fiduciary duty on investment advisers and as such HBW has a duty of utmost good faith to act solely in the best interests of each of our Clients. Our Clients entrust us with their funds which in turn places a high standard on our conduct and integrity. Our fiduciary duty compels all employees to act with the utmost integrity in all of our dealings. This fiduciary duty is the core principal underlying the Code of Ethics and the personal trading policy, and represents the expected basis of all of our dealings with our Clients.

This Code of Ethics consists of the following core principles:

1. The interests of Clients will be placed ahead of the firm's or any employee's own investment interests.
2. Employees are expected to conduct their personal securities transactions in accordance with the personal trading policy and will strive to avoid any actual or perceived conflict of interest with the Client. Employees with questions regarding the appearance of a conflict with a Client should consult with the CCO before taking action that may result in an actual conflict.
3. Employees will not take inappropriate advantage of their position with the firm.
4. Employees are expected to act in the best interest of each of our Clients.
5. Employees are expected to comply with all federal and state securities laws and strict adherence to the policy manual will assist the employee in complying with this important requirement.

A copy of the Code of Ethics will be provided to any Client of prospective Client upon request.

HBW does not buy or sell for Client accounts, securities in which HBW or a related person has a material financial interest.

Principals and associates of HBW may buy or sell securities identical to those recommended to Clients for their personal accounts. It is policy of HBW that no principals or associates of HBW may purchase or sell any security prior to a transaction(s) being implemented for a Client, therefore preventing such employees from benefiting from transactions placed on behalf of the Client's accounts.

Principals and associates of HBW may have an interest or position in a certain security(s) identical to those recommended to Clients for their personal accounts.

Principals and associates of HBW will on occasion buy or sell for themselves securities, mutual funds and/or insurance. In all cases, recommendations to Clients to purchase the same or similar securities are made only after careful review of the Client's financial situation and the recommendation is found to be suitable for their specific needs.

As all these situations represent a conflict of interest, HBW has established the Code of Ethics Core Principle found above to ensure HBW's fiduciary responsibilities to mitigate these conflicts. HBW is in compliance with CCR Section 260.23(k).

Item 12 Brokerage Practices

HBW has identified registered broker-dealers to provide the Firm with the necessary custodial and execution services. HBW has made arrangements for custodial broker-dealers to provide the needed services at reasonable and customary rates and are believed to be the best choice for the Firm's Client's needs. HBW will add additional broker-dealer platforms or change a broker-dealer if HBW deems necessary for a variety of factors being cost, accuracy and timeliness of trades, capacity and service. Representatives have research available to them on the broker-dealer website or other outside sources, but such research is obtained without a "soft dollar benefit" arrangement. HBW does not pay additional fees for any research. HBW does not direct Client transactions to a particular broker-dealer in return for Client referrals or for any other incentive which may not be in the best interest of the Client's needs.

EQIS Capital is an Investment Advisor who provides compensation to HBW based on a percentage of the assets of their platform. This compensation has been negotiated for the use of HBW to offset the costs to provide training events for our Investment Adviser Representatives. This is a conflict of interest and is mitigated by our representatives acting in the best interest of the Client and by our Standard of Conduct stated earlier. This arrangement does not effect the Client's execution of services or markups in fees.

HBW does not permit a Client to direct brokerage, which may cost Clients more money because the Client may receive less favorable prices.

HBW does on occasion execute portfolio transactions as part of concurrent authorizations to purchase or sell the same security for another Client or one or more of our associated persons. HBW may choose to aggregate trades for Client accounts with other Client accounts and personal accounts of persons associated with HBW. When HBW places an aggregate trade, all participants included in the block receive the same price per share on the trade. The price is calculated by averaging the price of all shares traded. Due to the averaging of price over all of the participating accounts, aggregated trades could be either advantageous or disadvantageous. Fees are not averaged. Clients will pay the same fee whether trade is placed as part of block or on an individual basis. The objective of the aggregated order will be to allocate the execution in a manner that is deemed equitable to all the accounts involved.

Item 13 Review of Accounts

REVIEWS: Managed accounts are reviewed quarterly. Account transactions are reviewed daily. Financial planning accounts are reviewed annually. The calendar is the triggering factor. Accounts at Third Party Money Managers are reviewed when the applicant receives their statements - usually quarterly. Unscheduled review may occur as needed or if Client requests such.

REVIEWERS: Charles Reinhold reviews all Client accounts at this time, until the number of accounts is in excess of his capacity. He reviews on a portfolio analysis basis.

REPORTS: Clients of applicant receive quarterly reports from account custodians, mutual funds or other Third Party Money Managers showing account values. Clients receive confirmations of all transactions unless they choose to opt out.

Item 14 Client Referrals and Other Compensation

HBW holds occasional training events for our representatives. At these events other Third Party Investment Advisors are invited to attend to train our representatives about their products, in return for a speaking slot on the agenda a cost will be imposed to them. This cost offsets the cost of the event. EQIS Capital is an Investment Advisor who provides economic benefits to HBW. Their compensation is based on a percentage of the assets of their platform. In both instances this is a conflict of interest and is mitigated by our representatives by acting in the best interest of the Client and by our Standard of Conduct stated earlier.

HBW strictly prohibits the compensation of any person who is not a registered supervised person for Client referrals.

Item 15 Custody

HBW's representatives will obtain written authorization from the Client for fee deduction by executing the HBW Contract for Financial Advice. Clients will receive account statements from the qualified custodian quarterly or more frequently. Clients should carefully review their statements and compare to fees invoiced by HBW. Clients should contact HBW or their representative with any questions.

Item 16 Investment Discretion

Each advisory Client grants Advisor limited discretion by executing HBW's Contract for Financial Advice to determine the securities to be bought or sold and the quantity of each security to be bought or sold. Each advisory Client grants the custodian authorization to withdraw the quarterly management fee. Advisor is not required to contact advisory Client when executing a transaction in a managed account.

HBW will consider Client's risk tolerance by using a questionnaire to determine Asset allocation and recommend models/strategies for investment planning based on the risk tolerance score results. Every new account is reviewed by the CCO for risk tolerance and model/strategy recommendation of the Representative. Clients are notified in writing at least once a year and in some cases quarterly to contact HBW or their representative if any changes occur to change their investment strategy.

Item 17 Voting Client Securities

HBW does not have authority to vote Client securities. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients can contact their representative with questions about their proxies or solicitation.

Item 18 Financial Information

HBW does not have any financial condition that would impair HBW'S ability to meet the Client's contractual requirements. HBW does not accept any prepay of more than \$500 in fees per Client, six months or more in advance.