

**Householder Group Estate & Retirement Specialists, LLC**

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Item 1 - Cover Page  
**FORM ADV, PART 2A Appendix 1**  
**WRAP PROGRAM BROCHURE**

February 2015

**This wrap fee program brochure provides information about the qualifications and business practices of Householder Group Estate & Retirement Specialists, LLC. If you have any questions about the contents of this Brochure, please contact us at (602) 604-0600 and/or Jim Childress at [jchildress@householdergroup.com](mailto:jchildress@householdergroup.com). 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 Householder Group Estate & Retirement Specialists, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Any references to Householder Group Estate & Retirement Specialists, LLC as a registered investment adviser or its related persons as registered advisory representatives does not imply a certain level of skill or training.**

## Item 2 - Material Changes

At least annually, this section will discuss only specific material changes that are made to the Brochure and provide you with a summary of such changes. Additionally, reference to the date of the last annual update to this Brochure will be provided.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year, which is December 31st. We may further provide other ongoing dis-closure information about material changes as necessary.

Additionally, we will further provide you with a new brochure as necessary based on change or new information, at any time, without charge.

Our brochure may be requested free of charge by contacting Joe Lynch at (602) 604-0600 and/or [jlynch@householdergroup.com](mailto:jlynch@householdergroup.com). Additional information about Householder Group Estate & Retirement Specialists, LLC is also available via the SEC's website [www.adviser.sec.gov](http://www.adviser.sec.gov). The website also provides information about any persons affiliated with Householder Group Estate & Retirement Specialists, LLC who are registered, or are required to be registered, as investment adviser representatives of Householder Group Estate & Retirement Specialists, LLC.

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February 2015

Item 9 under the heading Other Financial Industry Activities and Affiliations – Added the following disclosure.

Since Householder Group Advisors are independent contractors, the advisory representatives may engage in other businesses and/or own other businesses including insurance agents, tax preparation, attorney, and/or insurance company or agency. Therefore, you may be offered services (such as accounting, insurance services, or legal advice) for a fee. You are under no obligation to purchase these services through your advisor. Because of the conflict of interest in having you purchase services through them, this disclosure is provided to you.

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#### **Item 4 - Services, Fees and Compensation**

Householder Group Estate & Retirement Specialists, LLC (“Householder Group”) offers a bundled or wrap program referred to as the Householder Group Wrap Program. The Householder Group Wrap Program option involves the client paying a single fee which will include asset management services and transactional fees. No separate transaction fees will be assessed.

Wrap accounts may be more suitable for the client who wants the cost of management and trading in one single fee without being charged for each transaction. While a non-wrap account will be more suitable for a client who prefers to separate management fees and pay for each transaction. Actively managed accounts will generally be better suited for a wrap account. Managed accounts that are infrequently traded or trade in no-transaction fee securities will be better suited for a non-wrap fee structure which is also offered by Householder Group and is further described in Householder Group’s Part 2A. A wrap program may cost you more or less than if you purchased advisory and transactional services separately.

Householder Group provides discretionary and non-discretionary portfolio management services where the investment advice provided is custom tailored to meet your individual needs and investment objectives.

Upon your approval, your Advisor will have you complete the Client Advisory Services Agreement and implement the portfolio allocation. Householder Group will provide continuous and ongoing management of your account.

As further described below, Householder Group has entered into a relationship to offer you brokerage and custodial services through LPL Financial Corporation (“LPL”). There is no affiliation between Householder Group and LPL.

Householder Group Advisors offers advice on all exchange-listed securities and those traded over-the-counter. Advice is also offered on: variable annuities, variable life insurance, mutual funds, U.S. government securities, corporate debt instruments, certificates of deposit, municipal securities, security and index option contracts, and any other products that would be appropriate for the individual client, provided such products are approved for offering by LPL.

Your Advisor will develop an asset allocation strategy for you that consists of an agreed upon percentage mix of fixed income and equity investments. The fixed income allocation may include one or more of the following (a) cash (b) money market funds (c) U.S. government securities (d) foreign government bonds (e) U.S. corporate debt (f) foreign corporate debt (g) municipal securities (h) fixed income mutual funds and (i) any other appropriate fixed income investment. The equity portion of the allocation may include one or more of the following (a) individual stocks which are exchange listed (b) individual stocks which are traded over the counter (c) individual stocks issued by foreign corporations (d) equity mutual funds (e) variable annuity products (f) securities option contracts (non-discretionary only and limited to purchases of put options where the account is long the underlying security & writing covered calls) (g) interests in direct participation programs (h) Exchange Traded

## Householder Group Estate & Retirement Specialists, LLC

Funds (“ETFs”) and (i) any other appropriate equity investment. Recommended mutual funds may be no-load or load-waived. Additionally, we provide managed portfolios containing an element of option transactions and strategies.

Householder Group also maintains three asset allocation portfolios consisting primarily of mutual funds and equities. These Householder Modelfolios include the following three portfolios with the listed allocations:

1. Tactical Allocation Portfolio
  - Conservative Allocation
  - Moderate Allocation
  - Aggressive Allocation
2. Strategic Fund Portfolio
  - U.S. Equity Funds
  - International Equity Funds
  - Global Equity Funds
3. Equity Portfolio
  - Pure Valuation/Profitability
  - Select Dividend Equity
  - Select Global Equity

The Householder Modelfolios are traded based upon information and research provided by Athena Invest. If you grant discretion to your advisor for these accounts, trades may be placed by the Householder Group Corporate office. In these cases you will not be contacted by the person actually entering the trades for your account. If you select to have a non-discretionary account which holds a Householder Modelfolio, you will be contacted by your Advisor prior to him/her entering the trade in your account. However, your specific portfolio may be managed independently of these models. Consequently, the performance of a non-discretionary account could be impacted positively or negatively since transactions will not be able to be readily executed when deemed appropriate by Householder Group without your prior authorization. Delays in implementation may result in the security not being purchased or sold depending on market conditions at the time your authorization is obtained.

### Joint Advisors

On occasion, a client may establish an account with two Householder Group Advisors (“Joint Advisor Accounts”). For Joint Advisor accounts, one Advisor shall be responsible for managing assets in the Joint Advisor Account (“Managing Advisor”) and the other Advisor (“Servicing Advisor”) will be responsible for establishing and servicing the Joint Advisor Account, communicating and conducting meetings with the client concerning the Joint Advisor Account and the performance of the Joint Advisor Account, making investment recommendations to the client including the use of the Managing Advisor to manage assets in the Joint Advisor Account and ensuring that all required documentation is maintained for the Joint Advisor Account. The client or the Servicing Advisor may discontinue the services of the Managing Advisor at any time and for any reason.

Transactions in the account, account reallocations and rebalancing may trigger a taxable event, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts.

## **Wrap Fee Schedule and Costs**

On an annualized basis, Householder Group charges a negotiable fee up to 2.9% of your assets under management. Each Investment Advisory Representative sets his/her own fee schedule which you will receive as part of the Client Advisory Services Agreement. Fees are not commensurate with experience or education.

The fee for portfolio management services is due and payable quarterly in advance. Fees are calculated based upon the value of your account at the end of the just completed calendar quarter. Fees may also be based upon the fair market value of the assets in the account and computed monthly or quarterly. Fees will be assessed pro rata in the event your agreement is executed at any time other than the first day of your decided billing period.

Fee calculations may be tiered or linear. A tiered fee schedule is similar to the current income tax system. Each level of assets is charged its own corresponding percentage rate. For example, a tiered fee schedule might charge 2% on the first \$250,000, 1.75% on the next \$250,000 and 1.5% on the next \$250,000, effectively giving the client a blended and lower rate than the initial 2%. With a linear fee calculation, as a client's assets grow and breakpoints are met, fees are decreased. Unlike the tiered fee schedule, once a breakpoint has been met, all of the assets back to dollar one are then charged at the new lower percentage rate.

Householder Group's advisory fees generally decline incrementally for larger account sizes. The account size and the nature of the services being provided are the primary determinants of the agreed upon fee to be charged. Fees may be negotiable depending on the extent and level of service to be provided. In instances where there is a Joint Advisor Account, the fees will be shared by the Servicing Advisor and the Managing Advisor; in no instance will you pay additional advisory fees for the services of the Managing Advisor.

You may make additions to your account or withdrawals for your account, provided the account continues to meet minimum account size requirements. Additional assets deposited into the account (i.e. inflows) after it is opened will be charged a pro-rata fee based upon the number of days remaining in the then current billing period. Additionally, partial withdrawals from the account (i.e. outflows) will result in a prorated portion of the fee being credited to the account. No fee adjustment will be made for account appreciation or depreciation.

At its discretion, Householder Group may allow accounts of members of the same household to be aggregated for purposes of determining the advisory fee or meeting the minimum account size. Householder Group may allow such aggregation, for example, where Householder Group services accounts on behalf of minor children of current clients, individual and joint accounts, and other types of related accounts.

Payment of the advisory fees will be made by the qualified custodian holding your funds and securities directly to Householder Group provided you supply written authorization permitting the fees to be paid directly from your account. Householder Group will not have access to your funds for payment

of fees without your written consent. Further, the qualified custodian is responsible for delivering an account statement, at least quarterly, to you directly, showing all disbursements from your account. You are encouraged to review all account statements for accuracy. Householder Group will receive a duplicate copy of your statement. In limited circumstances, you may receive an invoice directly from Householder Group for the payment of its management fees.

If this disclosure brochure, Form ADV Part 2A Appendix 1, is not delivered to you within 48 hours prior to entering into the asset management agreement, you may terminate the asset management agreement within five business days of the date of acceptance without penalty. If you receive the disclosure brochure 48 hours in advance or if the five-day grace period has expired, either party may terminate the agreement at any time upon 30-days written notice to the other party. Any pre-paid unearned fees will be refunded to you on a pro rata basis.

In addition to the wrap fee, you will pay a proportionate share of mutual fund expenses, including the fee paid to the adviser of the mutual fund. Also, there may be account maintenance fees and custodial fees charged direct by the account custodian. Householder Group does not share in any portion of such fees and expenses. The custodians and broker/dealers suggested by Householder Group may have account maintenance fees and transaction costs that may be higher or lower than those fees and charges charged by other broker/dealers and custodians.

Certain mutual funds can be conducted with no transaction fees. Therefore, there is an incentive for Householder Group to utilize funds for which the broker/dealer will not assess a transaction fee to Householder Group. Therefore, Householder Group's account costs are reduced. The funds available with no transaction fees may vary from broker/dealer to broker/dealer. Further, funds purchased with no transaction fees will typically need to be held for 90 days to avoid any early redemption charges being assessed.

Householder Group's Advisory Representatives who manage accounts consist of a combination of employees of Householder Group and independent contractors. Advisory Representatives who are independent contractors have a direct interest in the advisory fee charged to you since the Advisory Representative will receive a portion of the advisory fee you pay to Householder Group. Householder Group negotiates a payout with each Advisory Representative which is determined based on several factors including but not limited to production and experience. The payout Householder Group negotiates with each independent contractor Advisory Representative is not solely based on the Advisory Representative's assets under management and does not fluctuate with the amount of assets managed by the Advisory Representative. Householder Group retains up to 50% of the fee and up to 90% of the fee is paid to your Advisory Representative, depending on the Advisory Representative's agreement.

Householder Group offers other advisory programs. A description of Householder Group's other advisory programs is disclosed in the Householder Group Form ADV Part 2A available to you at any time upon written request. The fees for other advisory and management programs may be less than the fees for Householder Group's wrap program.

### **Item 5 - Account Requirements and Types of Clients**

Householder Group's clients include individuals, pension and profit sharing plans, trusts, estates, corporations, and other business entities. The Householder Group Modelfolios require a \$50,000 minimum investment per portfolio, which may be waived on a case-by-case basis.

### **Item 6 - Portfolio Manager Selection and Evaluation**

You have the independence to select your Advisory Representative or portfolio manager. All portfolio managers are Advisory Representatives of Householder Group. Should you want to change your portfolio manager you may contact the Compliance Department of Householder Group at (602) 604-0600.

A variety of investment advisory services are available through Householder Group. By leveraging a network of investment advisor representatives ("Advisors") with over 40 offices across the United States, Householder Group offers personalized investment advisory services to individuals, pension and profit sharing plans, trusts, estates, corporations, and other business entities. Additionally, Householder Group and its Advisors are regularly sought out by major financial news networks for financial opinions and commentary.

Householder Group is an investment advisory firm offering a variety of advisory services customized to your individual needs. You should carefully consider the information provided in this Brochure regarding Householder Group including its advisory services, fee arrangements and business practices before becoming an advisory client.

Householder Group offers the following services, which, are more fully described below.

- Portfolio Management Services
- Analysis, Recommendation & Monitoring of Third Party Managed Programs
- Financial Planning & Consulting Services
- Pension Consulting Services
- Seminar & Education Programs
- Estate Planning Services
- Retirement Plan Services

Whether you select a wrap account option or non-wrap account, the management of your account will be treated the same. The difference lies in the pricing structure.

You may impose restrictions and/or limitations on the investing in certain securities or types of securities.

At the inception of the relationship, a Householder Group Advisor will conduct a data gathering interview with you to determine your investment objectives, risk tolerance and other relevant information and may review and/or develop an Investment Policy Statement. Based on the Investment Policy Statement and/or other relevant information, the Advisor will recommend an initial portfolio to you.



Householder Group does not charge performance based fees.

Methods of Analysis, investment Strategies and Risk of Loss

Householder Group Advisors offers advice on all exchange-listed securities and those traded over-the-counter. Advice is also offered on: variable annuities, variable life insurance, mutual funds, U.S. government securities, corporate debt instruments, certificates of deposit, municipal securities, security and index option contracts, and any other products that would be appropriate for the individual client, provided such products are approved for offering by LPL.

In formulating investment advice or managing assets to accomplish stated financial objectives, Householder Group Advisors may use one or more of the following methods of analysis:

- Fundamental – Analyzes individual investments in relation to expectations regarding the market and international and national economic indicators, such as GDP growth rates, inflation, interest rates, exchange rates, productivity, and energy prices.
- Technical – Analyzes past market data trends, primarily price and volume, in an attempt to forecast the direction of securities prices.
- Cyclical – Analyzes past economic and market cycles in an attempt to forecast the direction of securities prices.
- Computer Model – Software programs utilizing statistics and probability, calculus, and econometrics to produce trading signals for the purpose of timing portfolio re-allocations.

Advisors may use one or more of the following investment strategies in managing client assets:

- Buy and Hold (passive management) - A long-term investment strategy based on the view that in the long run financial markets give a good rate of return despite periods of volatility or decline. This viewpoint also holds that short-term market timing, *i.e.* the concept that one can enter the market on the lows and sell on the highs, does not work so it is better to simply buy and hold.
- Market Timing (active management) - A strategy of making buy or sell decisions of financial assets by attempting to predict future market price movements. The prediction may be based on an outlook of market or economic conditions resulting from technical or fundamental analysis. This is an investment strategy based on the outlook for an aggregate market, rather than for a particular financial asset.
- Momentum Investing (active management) – A strategy of buying securities that have had high returns over a specific historical time period (ex. the twelve months), and selling those that have had poor returns over the same period.
- Strategic Asset Allocation - A strategy that involves the establishment of a long-term target allocation in major asset classes such as stocks, bonds, and cash based on portfolio objective, risk tolerance, and time horizon.
- Tactical Asset Allocation – A strategy that attempts to overweigh those asset classes that are expected to outperform on a relative basis and under weigh those expected to underperform. Financial and economic variables (“signals”) are used to predict performance and assign relative short-term asset-class weightings.

The strategies described above may utilize a combination of long term purchases (securities held at least a year), short-term purchases (securities sold within a year), trading (securities sold within 30 days), or options contracts (non-discretionary only and limited to purchases of put options where the account is long the underlying security & writing covered calls). Frequent trading in a client account can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investment strategies and recommendations may be based upon consideration of any of the following:

- Diversification – for the purpose of balancing risk while maintaining the possibility of gain; or,
- Risk Factors – including the risk of capital loss (market risk) and the risk of loss of purchasing power (inflation risk), and the client's understanding of, and financial ability to bear, such risks; or,
- Asset Balance – taking into consideration short and long-term liquidity needs, blending of lesser and greater risk approaches, and combining income, growth, and safety concepts; or,
- Discipline – emphasizing commitment and follow through over a reasonable period of time in order to permit the investment plan or recommendations to achieve the intended/pursued result; or,
- Income Tax Considerations - these should not replace the economic benefits as the principal determinant of investment decisions.

Investing in securities involves risk of loss that you should be prepared to bear. Risks associated with the strategies described above include:

- **Capital risk:** The risk that your investments may lose value.
- **Currency risk:** If the assets you invest in are held in another currency there is a risk that currency movements alone may affect the value.
- **Financial risk:** The risk that there may be a disruption in the internal financial affairs of the investment, thereby causing a loss of value.
- **Market risk:** The risk that the value of a security or portfolio will decrease due to the change in value of the overall market.
- **Credit risk:** The risk of loss arising from a borrower who does not make payments as promised.
- **Interest rate risk:** The risk that an interest-bearing asset, such as a bond, will lose value due to variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa.

To aid in mitigating some of the risk associated with investing in securities, Householder Group prohibits its Advisors from offering advice on securities products that have not been approved by the broker/dealer LPL. Some of these securities products may include futures contracts, private placements and Regulation D offerings. Similarly, Advisors are not permitted to offer advice on products in instances where they are not properly licensed. For example, an Advisor who is only Series 6 licensed cannot advise clients to purchase stocks, bonds, options, REITs.

We generally recommend stocks and mutual funds to you.

Investing in **stocks** involves the assumption of risk including:

- **Financial Risk:** which is the risk that the companies we recommend to you may perform poorly which will affect the price of your investment.
- **Market Risk:** which is the risk that the Stock Market will decline, decreasing the value of the securities we recommend to you with it.
- **Inflation Risk:** which is the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.
- **Political and Governmental Risk:** which is the risk that the value of your investment may change with the introduction of new laws or regulations.

Investing in **mutual funds** involves the assumption of risk including:

- **Manager Risk:** which is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.
- **Market Risk:** which is the risk that the Stock Market will decline, decreasing the value of the securities contained within the mutual funds we recommend to you.
- **Industry Risk:** which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, therefore decreasing the value of mutual funds that are significantly invested in that industry.
- **Inflation Risk:** which is the risk that the rate of price increases in the economy deteriorates the returns associated with the mutual fund.

Listed above are some of the primary risks associated with the way we recommend investments to you. Please do not hesitate to contact us to discuss these risks and others in more detail. In instances where we recommend that a third party manage your assets, please refer to the third party's ADV and associated disclosure documents for details on their investment strategies, methods of analysis and associated risks.

Investing in securities involves risk of loss, including the potential loss of principal. Therefore, your participation in any of the management programs offered by Householder Group will require you to prepare to bear the risk of loss and fluctuating performance.

#### Proxy Voting

Householder Group does not vote clients' securities. Unless you suppress proxies, securities proxies will be sent directly to you by the account custodian or transfer agent. You may contact Householder Group about questions you may have or opinions on how to vote the proxies. However, the voting and how you vote the proxies is solely your decision.

#### **Item 7 - Client Information Provided to Portfolio Managers**

Your financial history and information and personal information such as social security number, identify verification information, account numbers, etc. will be gathered and obtained by your Advisory Representative. The aforementioned information will be communicated as required by the account custodian you select to establish your account. Your non-public information will not be disclosed to any third party unless required by law or to provide you services you have requested.

At least annually your Advisory Representative will offer to meet with you to update your personal information, review your account and determine if the management of your account is suitable to your financial situation. Should your financial situation or investment goals or objectives change, you must notify Householder Group promptly of the changes.

#### **Item 8 - Client Contact with Portfolio Managers**

There are no restrictions or limitations on your ability to contact your Advisory Representative or any member of the Householder Group management team of the Householder Group model portfolios. You along with your Advisory Representative determine the frequency of meetings and reviews.

#### **Item 9 - Additional Information**

There is no reportable disciplinary information required for Householder Group or its advisory representative that would be deemed material to your evaluation of the advisory services offered by Householder Group or the integrity of Householder Group, its principal owners or your Advisory Representative.

#### **Other Financial Industry Activities and Affiliations**

The principal business of Householder Group is the provision of advisory services. Householder Group's Advisory Representatives are registered representatives of LPL Financial Corporation ("LPL"), a FINRA licensed broker-dealer firm. In addition, a number of Householder Group Advisory Representatives carry the required licensing to allow them to act as insurance agents. Accordingly, these individuals are licensed to sell securities and insurance related products for a separate commission based compensation.

Since Householder Group Advisors are independent contractors, the advisory representatives may engage in other businesses and/or own other businesses including insurance agents, tax preparation, attorney, and/or insurance company or agency. Therefore, you may be offered services (such as accounting, insurance services, or legal advice) for a fee. You are under no obligation to purchase these services through your advisor. Because of the conflict of interest in having you purchase services through them, this disclosure is provided to you.

From time-to-time, Advisory Representatives who are registered representatives may receive 12b-1 fees from investment companies in connection with the placement of client funds into investment companies. Additionally, Householder Group or its Advisory Representatives may receive administrative, investment advisory or other fees for providing support services, administrative support and/or client referrals to other investment advisory firms. These practices present a conflict of interest and may give Householder Group or a client's Advisor an incentive to recommend products based on the compensation received, rather than on a client's needs. In all such cases, these arrangements are fully disclosed to the affected client(s). Clients are not obligated to use their Advisor for any of the products or services referenced in this Brochure. Lower fees for comparable services may be available from other sources.

All compensation received by Householder Group Advisory Representatives for securities transactions through LPL will be separate for effecting the services and transactions, including 12b-1 fees for the sale of investment company products. Advisors may make differing recommendations with respect to the same securities or insurance products to different advisory clients. All recommendations made are specific to each client's individualized needs and current financial situation.

The conflicts described here are addressed through ongoing training, annual compliance meetings, and through routine transaction review by either Householder Group's Chief Compliance Officer or Compliance staff.

### **Participation or Interest in Client Transactions and Personal Trading**

Householder Group and its associated persons may buy or sell securities identical to those securities recommended to you. Therefore, Householder Group and/or its associated persons may have an interest or position in certain securities that are also recommended and bought or sold to you. Householder Group and its associated persons will not put their interests before your interests. Householder Group and its associated persons may not trade ahead of you or trade in such a way to obtain a better price for themselves than for you.

### **Code Of Ethics**

Householder Group has adopted a Code of Ethics for all supervised persons of the firm, including Advisors, describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of non-public client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Householder Group must acknowledge the terms of the Code of Ethics annually, or as amended.

Householder Group anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Householder Group has management authority to effect the purchase or sale of securities in which Householder Group, its affiliates and/or clients, directly or indirectly, have a position of interest. Householder Group's employees and persons associated with Householder Group are required to follow Householder Group's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Householder Group and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Householder Group's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Householder Group will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Householder Group's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit

employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Householder Group and its clients. The conflicts, which are disclosed in this Brochure, are addressed through ongoing training, annual compliance meetings, and routine review of transactions by either Householder Group's Chief Compliance Officer or Compliance staff.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Householder Group's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Householder Group will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

It is Householder Group's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Householder Group will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as the broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

Householder Group's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting our Compliance staff at 602-604-0700.

Client should understand that Householder Group and its Advisory Representatives may perform advisory and/or brokerage services for various other clients, and that Householder Group and its Advisory Representatives may give advice or take actions for those other clients that differ from the advice given to the client. The timing or nature of any action taken for a client may also be different.

## **Review of Accounts**

Householder Group Advisors perform account reviews on a periodic basis, such as quarterly or semi-annually, but typically no less than annually. Your Advisor will review your investments as well as your changing needs and objectives. In general, the frequency and extensiveness of the review is set between you and your Advisor based upon your preferences and the specific requirements of managing your portfolio and your personal needs. This said review may also occur when you inform your Advisor of substantial changes to your financial or tax status, investment objectives, risk tolerance or time horizons. Finally, reviews may occur when fundamental market factors (e.g., inflation rates, interest rates, GDP, etc.) change in a material way.

You will receive regular statements, at least quarterly, concerning your investments directly from the qualified custodian holding your assets. In some instances, and depending on the advisory program selected, you may receive additional "special" performance reporting provided to you on a quarterly basis detailing performance and comparative data. From time to time, and at the request of your Advisor, you may receive a consolidated report generated by Householder Group to help facilitate the portfolio review process between you and your Advisor.

## **Brokerage Practices**

Householder Group will recommend LPL, in its capacity as a broker-dealer, to clients in need of brokerage and/or custodial services. LPL is a fully disclosed introducing broker-dealer who clears transactions for Householder Group advisory clients.

Although you are not required to select LPL for execution and custodial services, Householder Group does not allow clients to participate in its investment advisory services if they select another broker-dealer. Householder Group does not have discretion to select the broker-dealer to use for transactions or to negotiate transaction costs. Transactions executed through LPL, in its broker-dealer capacity, as part of services identified in this Brochure, may be subject to LPL's then current transaction fee and commission schedule. If applicable, such commissions and fees will be "fully disclosed". These practices present a conflict of interest and may give Householder Group or your Advisor an incentive to recommend products based on the compensation received, rather than on your needs.

Due to Householder Group's business model, Householder Group's practice does not include negotiating commissions with broker-dealers or obtaining volume discounts. To improve the quality of execution, Householder Group Advisors may aggregate your transactions with other orders for his or her clients. Allocations of aggregated orders are made under procedures designed to treat all clients fairly. Aggregation of transactions typically occurs only when an Advisor is executing a transaction in the same investment in multiple client accounts. If transactions are not aggregated, this may result in higher costs to clients than if transactions are aggregated.

Not all advisory firms require their clients to direct brokerage to a specified broker-dealer. Accordingly, the investment advisory services provided by Householder Group may cost clients more or less than purchasing similar services separately. You should consider whether or not the appointment of LPL as the sole broker-dealer may or may not result in certain costs or disadvantages to you as a result of possibly less favorable executions. Factors to consider include the type and size of the account, the securities to be bought or sold and your historical and/or expected size or number of trades.

Householder Group has received a loan from LPL Financial in order to assist Householder Group with transitioning its business onto the LPL Financial custodial platform. This loan may not be forgiven by LPL Financial based on the scope of business Householder Group engages in with LPL Financial, including the amount of Householder Group's client assets with LPL Financial. This presents a conflict of interest in that Householder Group has a financial incentive to recommend that you maintain your account with LPL Financial in order to benefit by having the loan forgiven. However, to the extent Householder Group recommends you use LPL Financial for such services, it is because

Householder Group believes that it is in your best interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by LPL Financial.

Additionally, vendors and product sponsors such as variable and investment companies which are recommended to you may provide support to Householder Group and Advisory Representatives. Such support includes research, educational information, increased payout margins, and monetary support for due diligence trips and client events.

An Advisory Representative, when appropriate, may recommend that a Plan use a certain retirement plan platform or service provider (such as a record keeper, administrator or broker-dealer). That recommendation may include using our affiliate, LPL, to serve as broker-dealer in connection with the sale of securities or insurance products to the Plan. As noted above, for Plans that are subject to ERISA or are otherwise subject to Section 4975 of the Code, 12b-1 fees paid by product sponsors to LPL as broker-dealer of record to the Plan are used to offset the Fee

### **Client Referrals and Other Compensation**

Householder Group may receive an economic benefit from LPL Financial in the form of a loan, which is forgiven if Householder Group meets certain conditions in terms of maintaining a relationship with LPL Financial. Please see detailed discussion of the conditions and potential conflicts of interest above under the heading Brokerage Practices.

Vendors and product sponsors such as variable and investment companies which are recommended to you may provide support to Householder Group and Advisory Representatives. Such support includes research, educational information, increased payout margins, and monetary support for due diligence trips and client events.

#### Client Referrals

Investment Advisor may compensate other persons or organizations for client referrals. In each of those cases, Investment Advisor enters into an agreement with the referral agent and pays the agent a portion of the Fee. Many states require that any referral agent also be registered as an investment advisor representative. At the time that the agent refers Sponsor to Investment Advisor, the referral agent discloses to Sponsor both the arrangement Householder Group and its Advisory Representatives may also offer advisory services on the premises of unaffiliated financial institutions, like banks or credit unions. If so, Householder Group will have entered into agreements with the financial institutions to share compensation, including a portion of the Fee, with the financial institution for the use of the financial institution's facilities and for client referrals.

#### Householder Group's Use of Solicitors

Householder Group may compensate outside professionals or firms, such as attorneys, accountants, or other broker/dealers and investment advisers, for referring your advisory business to Householder Group. These professionals or firms are known as "Solicitors". Householder Group will pay a portion of the advisory fee you pay us to the Solicitor, typically for as long as you maintain an advisory relationship with us, to compensate the Solicitor for the referral. Householder Group will not charge a



## Householder Group Estate & Retirement Specialists, LLC

client who is referred to them by a Solicitor any amount for the cost of obtaining the client that is in addition to the fee normally charged by Householder Group for its investment advisory services. Such solicitation arrangements are disclosed to clients at the time of the solicitation via execution of a Solicitor Disclosure Statement or similar document that outlines the nature and amount of the compensation we pay to the Solicitor and whether or not the Solicitor is affiliated with or related to Householder Group. Solicitors are required to provide prospective clients with a current copy of Householder Group's Form ADV Part 2 no later than the date on which the client enters into an advisory relationship with Householder Group.

### Other Compensation

Advisory Representatives, Householder Group and its employees may receive additional compensation from various vendors, product providers, distributors and others. These providers may provide non-monetary compensation by paying some expenses related to training and education, including travel expenses, and attaining professional designations. Investment Adviser might receive payments to subsidize its own training programs. Certain vendors may invite Investment Adviser to participate in conferences, on-line training or provide it publications that may further its Advisory Representatives and employees' skills and knowledge. Some may occasionally provide Investment Adviser gifts, meals and entertainment of reasonable value consistent with industry rules and regulations.

### **Financial Information**

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you and we have not been the subject of a bankruptcy proceeding.

Householder Group will not require you to prepay more than \$1,200 and six or more months in advance of receiving the advisory service.