

FFEC Advisory Group LLC

d/b/a **Denver Private Wealth  
Management**  
**Firm Brochure ~ Form ADV Part 2A**

*This brochure provides information about the qualifications and business practices of FFEC Advisory Group, LLC d/b/a Denver Private Wealth Management (referred to throughout this Brochure as Denver PWM). If you have any questions about the contents of this brochure, please contact us at (303)643-5954 or by email at: [rspicer@ffec.com](mailto:rspicer@ffec.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 FFEC Advisory Group LLC and Denver PWM is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). FFEC Advisory Group LLC's CRD number is: 171139.*

1999 Broadway Suite 550  
Denver, Colorado, 80202  
303-643-5954  
[rspicer@ffec.com](mailto:rspicer@ffec.com)

*Registration does not imply a certain level of skill or training.*  
4/14/2015

## **Item 2: Material Changes**

This is the first annual updating, amendment for FFEC Advisory Group, LLC d/b/a Denver PWM using the Form ADV Part 2A. The following material changes are reported.

Item 4: Pension Consulting services have been added

Item 10: Mark Levine and Daniel Katz are investment adviser representatives of First Financial Equity Corporation

Item 10: Sullivan Planning is an outside investment adviser that provides financial planning for Denver PWM

Item 12: First Financial Equity Corporation as the broker dealer for certain investment adviser representatives of Denver PWM who are registered representatives of First Financial Equity Corporation requires that commissionable securities transactions, not advisory transactions, are placed through the broker dealer.

Item 12: Directed brokerage is allowed.

## Item 3: Table of Contents

Item 1: Cover Page

Item 2: Material Changes.....ii

Item 3: Table of Contents.....iii

Item 4: Advisory Business.....v

A. Description of the Advisory Firm.....v

B. Types of Advisory Services.....v

**Pension Consulting Services.....2**

Selection of Other Advisers.....2

C. Client Tailored Services and Client Imposed Restrictions.....3

D. Wrap Fee Programs.....3

E. Assets Under Management.....3

Item 5: Fees and Compensation.....3

A. Fee Schedule.....3

B. Payment of Fees.....4

C. Client Responsibility For Third Party Fees.....4

D. Prepayment of Fees.....5

E. Outside Compensation For the Sale of Securities to Clients.....5

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

Item 7: Types of Clients.....6

Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss.....6

A. Methods of Analysis and Investment Strategies.....6

B. Material Risks Involved.....7

C. Risks of Specific Securities Utilized.....8

Item 9: Disciplinary Information.....10

A. Criminal or Civil Actions.....10

B. Administrative Proceedings.....10

C. Self-regulatory Organization (SRO) Proceedings.....10

Item 10: Other Financial Industry Activities and Affiliations.....10

A. Registration as a Broker/Dealer or Broker/Dealer Representative.....10

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.....	10
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests.....	10
D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections.....	11
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading...	11
A. Code of Ethics.....	11
B. Recommendations Involving Material Financial Interests.....	12
C. Investing Personal Money in the Same Securities as Clients.....	12
D. Trading Securities At/Around the Same Time as Clients' Securities.....	12
Item 12: Brokerage Practices.....	12
A. Factors used to Select Custodians and/or Broker/Dealers.....	12
1. Research and Other Soft-Dollar Benefits.....	13
2. Brokerage for Client Referrals.....	13
3. Clients Directing Which Broker/Dealer/Custodian to use.....	13
B. Aggregating (Block) Trading for Multiple Client Accounts.....	13
Item 13: Reviews of Accounts.....	14
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews.....	14
B. Factors That Will Trigger a Non-Periodic Review of Client Accounts.....	14
C. Content and Frequency of Regular Reports Provided to Clients.....	14
Item 14: Client Referrals and Other Compensation.....	14
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes).....	14
B. Compensation to Non-Advisory Personnel for Client Referrals.....	14
Item 15: Custody.....	15
Item 16: Investment Discretion.....	15
Item 17: Voting Client Securities (Proxy Voting).....	15
Item 18: Financial Information.....	15
A. Balance Sheet.....	16
B. Financial Conditions Reasonably Likely to Impair Ability to meet Contractual Commitments to Clients.....	15
C. Bankruptcy Petitions in Previous Ten Years.....	16

## Item 4: Advisory Business

### ***Business Description***

We provide services to individuals and high-net-worth individuals concerning mutual funds, fixed income securities, equities, hedge funds, private equity funds, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds and non U.S. securities. As a registered investment adviser, we are held to the highest standard of client care- a fiduciary standard. As a fiduciary, we always put our client's interests first and must fully disclose any potential conflict of interest. We do not hold customer funds for securities.

#### **A. Description of the Advisory Firm**

FFEC Advisory Group LLC (hereinafter "FFECAG") is a Limited Liability Company organized in the State of Colorado. FFECAG does business as Denver Private Wealth Management (hereinafter "Denver PWM")

FFECAG was formed in March 2014, and the principal owner is Robert Anthony Spicer.

#### **B. Types of Advisory Services**

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

Denver PWM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Denver PWM creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels.) Portfolio management services include, but are not limited to, the following:

Investment strategy	Personal investment policy
Asset allocation	Asset selection
Risk tolerance	Regular portfolio monitoring

Denver PWM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon and when appropriate will incorporate financial planning into the asset management process. Denver PWM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Denver PWM seeks to provide investment decisions made in accordance with the fiduciary duties owed to its accounts and without consideration of Denver PWM's economic, investment

or other financial interests. To meet its fiduciary obligations, Denver PWM attempts to avoid, among other things, investment or trading practices that systematically advantage, or disadvantage certain client portfolios, and accordingly, Denver PWM's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Denver PWM's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

#### ***Pension Consulting Services***

Denver PWM offers ongoing consulting services to pension or other employee benefit plans (including but not limited to 401(k)) plans) based on the demographics, goals, objectives, time horizon, and/or risk tolerance of the plans' participants.

Pension consulting services may involve the direct investment management of one or more 401(k) participant accounts, provide the selection and monitoring process for the various mutual funds offered to plan participants, develop and maintain an Investment Policy Statement for the plan, and/or provide group and individual employee education on investment options, asset allocation, and retirement planning. Denver PWM acts as a 3(21) fiduciary.

#### ***Selection of Other Advisors***

Denver PWM may direct clients to third party advisers who conduct financial planning such as Sullivan Financial Planning. Denver PWM will not be compensated for the financial planning services provided under this relationship. The client may not be required to pay for this service as it will be provided at the discretion of Denver PWM as part of the asset management services. Before selecting other advisers for clients, Denver PWM will always ensure those other advisers are properly licensed or registered as an investment adviser firms.

#### ***Services Limited to Specific Types of Investments***

Denver PWM generally limits its investment advice to mutual funds, fixed income securities, equities, hedge funds, private equity funds, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds and non- U.S. securities. Denver PWM may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

Denver PWM offers the same suite of services to all of its clients. However, specific client investment strategies and size of investable assets and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent Denver PWM from properly servicing the client account, or if the restrictions would require Denver PWM to deviate from its standard suite of services, Denver PWM and FFECAG reserve the right to end the relationship.

#### **D. Wrap Fee Programs**

A Wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. Denver PWM does not participate in any wrap fee programs.

#### **E. Assets Under Management**

Denver PWM has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$122,000,000	\$0.00	3/31/2015

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

#### **A. Fee Schedule**

##### ***Asset-Based Fees for Portfolio Management***

<b>Total Assets Under Management</b>	<b>Maximum Annual Fee</b>
\$0-\$100,000	2.35%
\$100,000-\$1,000,000	1.75%
\$1,000,000-\$10,000,000	1.50%
\$10,000,000-\$25,000,000	1.20%

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of Denver PWM's fees within five business days of signing the Investment Advisory Contract.

Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days written notice.

Denver PWM bills accounts based on the balance on the last day of the previous quarter.

***Selection of Other Advisers Fees***

Denver PWM may engage in the selection of the third-party advisers for the purpose of financial planning. Clients will not be billed for these services as financial planning will be incorporated into the asset management services fees previously described. Normally clients with assets of \$1,000,000 and above will have financial planning included in the asset management service. Clients with assets under \$1,000,000 will be billed for financial planning services, if they are requested and or provided.

***Pension Consulting Services Fees***

***Asset –Based Fees for Pension Consulting***

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$0- AND UP	1.50%

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract.

Clients may terminate the agreement without penalty for a full refund of Denver PWM’s fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days’ written notice. Denver PWM bills accounts based on the balance on the last day of the previous quarter.

**A. Payment of Fees**

***Payment of Asset-Based Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client’s accounts with client’s written authorization on a quarterly basis, or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. Fees are paid in advance.

**B. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.) Those fees are separate and distinct from the fees and expenses charged by Denver PWM. Please see Item 12 of this brochure regarding broker-dealer/custodian.



### **C. Prepayment of Fees**

Denver PWM collects fees in advance. Refunds for fees paid in advance (and not earned) will be returned within fourteen business days to the client via check, or return deposit back into the client's account, upon written request

For all asset-based fees paid in advance, the fee refunded will be the balance of the fees collected in advance minus the daily rate\* times the number of days in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

### **D. Outside Compensation For the Sale of Securities to Clients**

Denver PWM or its supervised persons may accept compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

Tammy Lynn Steffen, Robert A. Spicer, Daniel Katz, and Mark Levine are registered representatives of a broker-dealer, First Financial Equity Corporation. In this role, they accept reasonable and customary compensation (i.e., commissions) for the sale of securities and other products to Denver PWM clients. Fees will not be charged on the products you purchase that pay commissions.

#### **1. *This is a Conflict of Interest***

Supervised persons may accept compensation for the sale of securities or other investment products, including asset based sales charges or service fees from the sale of mutual funds to Denver PWM and clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which the supervised persons receives compensation, Denver PWM will document the conflict of interest in the client file and inform the client of the conflict of interest.

#### **2. *Clients Have the Option to Purchase Recommended Products From Other Brokers***

Clients always have the option to purchase the same or similar products recommended by Denver PWM through other brokers or agents that are not affiliated with Denver PWM.

#### **3. *Commissions are not the Primary Source of Income for Denver PWM***

Commissions are not Denver PWM's primary source of compensation.

**4. *Advisory Fees in Addition to Commissions or Markups***

Denver PWM does not charge commissions. Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities that occur through the activities of the investment adviser representatives of Denver PWM acting as registered representatives of a broker dealer.

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

Denver PWM does not accept performance-based fees or other fees based on a share of capital gain on or capital appreciation of the assets of a client.

**Item 7: Types of Clients**

Denver PWM generally provides advisory services to individuals and high net worth individuals. 401-k Plans

***Minimum Account Size for Portfolio Management***

There is an account minimum of \$500,000, which may be waived by Denver PWM in its discretion.

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

**A. Methods of analysis and Investment Strategies**

***Methods of Analysis***

Denver PWM's methods of analysis include fundamental analysis, technical analysis, cyclical analysis, quantitative analysis and modern portfolio theory.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various assets.

### ***Investment Strategies***

Denver PWM may use long term trading, margin transactions and options trading (including covered options, uncovered options, or spreading strategies). These strategies will only be used for clients with the appropriate risk tolerance and investment experience.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **B. Material Risks Involved**

#### ***Methods of Analysis***

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumes that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

**Cyclical analysis** assumes that the markets react in cyclical pattern which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

**Quantitative Model Risk:** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an

investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### ***Investment Strategies***

Denver PWM's use of margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options transactions** involve a contract to transact a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

Denver PWM's use of margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned below)

**Equity** investments generally refer to buying shares of stock in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely) however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk or non-U.S. investing described below.

**Exchanged Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss. Areas of concern included the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which owns a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Options** are contracts to transact a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risks, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Tammy Lynn Steffen, Daniel Richard Katz, Robert A. Spicer and Mark Levine in their role as a registered representative of First Financial Equity Corporation accept compensation for the sale of securities.

### **B. Registration as a Futures Commission Merchant, commodity Pool Operator, or a Commodity Trading Advisor**

Neither Denver PWM, nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Tammy Lynn Steffen, Daniel Richard Katz, Robert A. Spicer and Mark Levine are registered representatives of First Financial Equity Corporation and from time to time, will offer clients advice or products from those activities. Daniel Richard Katz, Mark Levine, and Darin Snow are insurance agents and, from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Denver PWM always strives to act in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of Denver PWM in such individual's capacity as a registered representative or insurance agent. Some products (such as insurance) are limited in their commission-free (or no-load) offerings. As such, the commissionable products may be the only (or the best) product available to meet the client's needs.

Robert A. Spicer, Mark Levine, and Daniel Katz are investment adviser representative with another investment advisory firm, First Financial Equity Corporation, “FFEC” and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. FFECAG always strives to act in the best interest of the client and clients are in no way required to use the services of any representative of FFEC in connection with such individual’s activities outside of FFEC.

There is a potential for dually registered FFECAG advisors to earn additional compensation from a separate broker dealer or insurance company from commissions outside of the scope of FFECAG.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

FFEC may select third-party investment advisers for the purposes of financial planning. Denver PWM will not be compensated for the financial planning services provided under this relationship. The client may be required to pay for this service if it is not included by Denver PWM as part of its asset management services. (In some cases, Denver PWM will pay the third-party investment adviser for the financial services provided to its advisory clients.) Before selecting other advisors for clients, Denver PWM will always ensure those other advisors are properly licensed or registered as an investment adviser. All assets are managed by Denver PWM.

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

### **A. Code of Ethics**

Denver PWM adheres to FFECAG’s written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. FFECAG’s Code of Ethics is available free upon request to any client or prospective client.

**B. Recommendations Involving Material Financial Interests**

Denver PWM does not recommend that clients buy or sell any security in which a related person to Denver PWM or that Denver PWM has a material financial interest (other than as outlined throughout this brochure).

Denver PWM does not recommend that clients buy or sell any security in which a related person to First Financial Equity Corporation or that First Financial Equity Corporation has a material financial interest (other than as outlined throughout this brochure).

**C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of Denver PWM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Denver PWM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions do create a conflict of interest. Denver PWM will document transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

**D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of Denver PWM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Denver PWM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Denver PWM will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## **Item 12: Brokerage Practices**

**A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodian/broker-dealers will be recommended based on Denver PWM's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, Denver PWM may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in Denver PWM's



research efforts. Denver PWM does not charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

Denver PWM recommends Schwab Institutional, a division of Charles Schwab & Co., Inc. As registered representatives of the broker dealer FFEC, IARs of Denver PWM will be required to direct commissionable securities transactions, not advisory transactions, through FFEC.

**1. *Research and Other Soft-Dollar Benefits***

While Denver PWM has no formal soft dollars programs in which soft dollars are used to pay for third party services, Denver PWM may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions (“soft dollar benefits”). Denver PWM may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28e of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client’s transactions paid for it, and Denver PWM does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. Denver PWM benefits by not having to produce or pay for the research, products or services, and Denver PWM will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that Denver PWM acceptance of soft dollar benefits may result in higher commissions charged to the Client.

**2. *Brokerage for Client Referrals***

Denver PWM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

**3. *Clients Directing Which Broker/Dealer/Custodian to Use***

Denver PWM will allow clients to direct brokerage; however, Denver PWM may recommend custodians. Denver PWM may be unable to achieve best execution of client transactions if clients choose to direct brokerage. This may increase clients’ costs since Denver PWM will not be able to aggregate directed brokerage orders to reduce transactions costs. As a result clients who wish to direct their brokerage transactions may pay higher brokerage commissions and receive less favorable prices. Not all investment advisers allow their clients to direct brokerage.

**B. *Aggregating (Block) Trading for Multiple Client Accounts***

If Denver PWM buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or block such securities in a single transaction for multiple clients. The purpose of an aggregate order is to seek more favorable prices, lower brokerage commissions, and more efficient execution. This may or may not provide better execution than individual orders, depending on the size of the order

in dollars, the volume of the security being traded, the amount of accounts being traded, and other factors, such as the bid/ask spread. In such cases where it is beneficial to clients to participate in a block transaction, Denver PWM would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients' provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. Clients who direct brokerage will not be able to participate in a block transaction and be a part of Denver PWM's best execution efforts.

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

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client portfolio management accounts are reviewed at least quarterly by Tammy Steffen to insure trading activity is in line with clients' respective investment policies and risk tolerance levels. All accounts at Denver PWM are assigned to this reviewer.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in a client's financial situation (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will be sent by f the custodian, Charles Schwab.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

Denver PWM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Denver PWM clients.

### **B .Compensation to Non-Advisory Personnel for Client Referrals**

Denver PWM does not directly or indirectly compensate any non-affiliated advisory personnel for client referrals.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, Denver PWM will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required, and they should carefully review those statements for accuracy.

## **Item 16:**

Denver PWM provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, Denver PWM generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought or sold, what securities to buy or sell, or the price per share. If the client does not choose discretionary investment advisory services, Denver PWM will consult with the client before any transaction takes place in the account to receive verbal authorization.

## **Item 17:**

Denver PWM will not ask for, nor accept voting authority for proxies on client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security. Denver PWM understands the importance of voting these proxies but believes the research and recordkeeping requirements needed would increase costs to our clients.

## **Item 18:**

### **A. Balance Sheet**

FFECAG neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

**B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Denver PWM, nor its management has any financial condition that is likely to reasonably impair Denver PWM and ability to meet contractual commitments to clients.