

# **FORM ADV PART 2A**

**JULY 13, 2015**

## **WEALTH QUARTERBACK, LLC**

**SEC FILE No.:**

**CRD No: 277040**

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This Brochure is published in accordance with the U. S. Securities and Exchange Commission's ("SEC") Form ADV Part 2 requirements as required by SEC rules. The SEC issued a final rule in July 2010 requiring all Registered Investment Advisors ("RIA") to provide a firm brochure in a narrative, plain English format. This Brochure provides information regarding the qualifications and business practices of Wealth Quarterback, LLC in the standard format as detailed in the SEC rule. If you have any questions about the content of this Brochure, please contact your Wealth Quarterback Investment Advisor Representative ("IAR") or Wealth Quarterback's corporate office at (201) 358-2856. The information in this Brochure has not been approved or verified by the SEC or by any State's securities authority. The use of the term "registered" throughout this Brochure indicates a licensing qualification but is not intended to imply a certain level of skill. As used in this Brochure, the words "we," "our," and "us" refer to Wealth Quarterback and/or your IAR. The words "you," "your," and "client" refer to you as either an existing client or prospective client of Wealth Quarterback.

Additional information about Wealth Quarterback is available on the SEC's website at:

[www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## **TABLE OF CONTENTS**

Cover Page.....	1
Table of Contents.....	2
Advisory Business.....	3
Fees and Compensation.....	6
Types of Clients.....	10
Methods of Analysis, Investment Strategies, and Risk of Loss.....	11
Disciplinary Information.....	16
Other Financial Industry Activities and Affiliations.....	16
Code of Ethics.....	17
Brokerage Practices.....	18
Review of Accounts.....	22
Client Referrals and Other Compensation.....	23
Custody.....	24
Investment Discretion.....	24
Voting Client Securities.....	24
Financial Information.....	25

## **ADVISORY BUSINESS**

### **Wealth Quarterback Owner and Principal**

Wealth Quarterback, LLC is organized as a Delaware limited liability company. Its formation documents were filed with the Delaware Secretary of State on March 16, 2015. Douglas C. Evans is the sole member, CEO, and chief compliance officer of the firm.

As described in greater detail below, under “OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS,” Wealth Quarterback, LLC is a separately owned entity, but under common control of Stalwart Capital, LLC, a FINRA member broker/dealer with corporate offices at the same address as Wealth Quarterback, LLC.

Douglas C. Evans is the only IAR at the time of this Brochure’s creation, but the firm will promptly seek to add other IARs, some of whom will likely receive membership interest in the LLC, in addition to advisory fees, when they register with us.

### **Wealth Quarterback Advisory Services**

We offer a variety of advisory services to you and each advisory service is described in its own section below. The advisory services are tailored for you through a process directed by your IAR, who gathers initial relevant information about your financial objectives, risk tolerance, existing assets, and financial goals. Your IAR analyzes your financial profile and recommends an advisory service or services to you designed to assist you in meeting your financial goals. If you elect to implement your IAR’s recommendation(s), our advisory services may include in an investment portfolio consisting of various types of public and private securities, including but not limited to equities, corporate debt, government obligations, municipal securities, exchange traded funds, unit investment trusts, mutual funds or other pooled investments, options/derivatives, alternative investments, interest in real estate or oil and gas partnerships or LLCs, annuities/insurance products and other investment instruments. In certain arrangements, you have the ability to impose restrictions on a particular security or category that could be added to your account. On an ongoing basis, your IAR will review changes to your financial profile and monitor the advisory services you select for purposes of making change recommendations to your advisory services.

The advisory services offered by us include, but are not limited to: asset management, investment advice, investment consulting, and financial planning. Your IAR may act as investment manager or may recommend other, non-affiliated asset managers.

### **IAR Managed Programs**

**Traditional Advisory Account Program.** The traditional advisory account is a fee-based investment advisory account that your IAR will manage according to your financial profile. Your IAR will manage the assets on a non-discretionary basis, or, if certain qualifications are met--and only on your written authorization--your account(s) may be managed by your IAR on a discretionary basis. Your IAR will deliver ongoing investment advice and monitoring of your securities holdings. This advisory program allows you the ability to pay an advisory fee and a nominal transaction fee in lieu of a commission for each transaction.

### **Third Party Investment Advisors**

We offer clients advisory services through third-party investment advisors. Also known as “third party asset managers,” “outside money managers,” or “unaffiliated investment advisors” who manage your assets. We maintain a list of approved third party investment advisors, and make these investment advisors available to your IAR, so that he or she may recommend one or more of them to you. On an ongoing basis, your IAR will monitor your financial profile, changes to your financial profile, and/or the third party investment advisor’s qualities and/or performance, to make adjustments as may be necessary.

### **Participation in Other Advisory Service Programs**

We may offer clients other investment advisory services in connection with a fee program sponsored by another financial services firm, e.g., another RIA or broker/dealer. Such relationships are often referred to as “wrap fee” programs, and this relationship will arrange for you to pay the sponsoring financial services firm an advisory fee that covers all costs, including the advisory fee in connection with the management of the assets, transaction costs, custodial fee and any other related fees for services received. In such cases where we are selected to provide any of these listed services, we may receive compensation directly from the other firm sponsoring the advisory program.

As with our other advisory programs, your IAR collects information for your initial financial profile and recommends an advisory program or programs that may best fit your financial profile. After you select the advisory program, your IAR will review changes to your financial profile, arrange periodic meetings, and recommend any necessary adjustments to your financial strategy.

### **Financial Planning and Consulting**

We also offer financial planning and consulting services to you on matters involving securities and non-securities topics, including, but not limited to tax planning, asset allocation, estate planning, investment planning, risk management, college planning, and retirement planning. Your IAR will consult with you to discuss your goals, objectives, risk tolerances, and any special or particular circumstances. After analyzing these factors, your IAR will present recommendations to you either verbally or as part of a written proposal. Your IAR may prepare other special reports on these matters for you.

To implement the advice you receive from your IAR, your IAR may recommend that you work with other professionals, such as other broker/dealers, financial advisors, attorneys, or accountants. Your IAR may recommend that you utilize various financial products to implement the recommendations. However, you are under no obligation to act on any of the financial planning recommendations provided to you by your IAR, and you may choose to implement the recommendations through other unaffiliated service providers.

Your IAR will base the financial planning recommendations on your initial financial profile provided at the time of engagement. Wealth Quarterback does not guarantee or promise that your financial goals and objectives will be met. It is your obligation to review your analysis and provide updates when your financial situation, goals, objectives, or needs change, so your IAR can adjust your plan accordingly.

### **Variable Annuity Sub-Account Management**

We may also assist you with managing your variable annuity insurance products that you currently own, including any variable annuity contract you may have purchased through your IAR in his or her capacity as a registered representative of Wealth Quarterback's affiliate, Stalwart Capital, LLC. Variable annuity insurance products may contain sub-accounts, which are portfolios of investment assets. Based upon your financial profile, your IAR may recommend an advisory service designed to assist you with selecting which sub-accounts may best help you to

meet your financial goals. Your IAR may also recommend that you select a third-party provider who will manage the sub-accounts according to your financial profile. This advisory service is separate from the other services pursuant to a written Annuity Advisory Agreement.

### **Assets Under Management**

Your IAR may manage your assets on a discretionary or non-discretionary basis. As of the date of this initial filing, there are no assets under management.

## **FEES AND COMPENSATION**

### **IAR Managed Programs Fee**

Although you may negotiate fees under certain circumstances, fees are typically charged at a flat rate or on a tiered schedule. The default advisory fee tiered schedule for IAR managed programs is as follows:

#### **Tiered Fee Schedule**

<b>Assets</b>	<b>Default Annual Fee</b>
Initial \$250,000	2.65%
\$250,001 - \$500,000	2.45%
\$500,001- \$1,000,000	1.75%
\$1,000,001 - \$2,000,000	1.50%
Above \$2,000,000	Negotiable

The advisory fee is based on a percentage of the current market value of the assets in your account(s) under our management. The advisory fee is charged quarterly, in advance or arrears. The advisory fee schedule is set forth in your written Agreement. We calculate the

advisory fee at the end of each calendar quarter using the ending market value of the assets in your account(s) on the last business day of the quarter. We receive asset valuations from the custodian(s) of your account(s) and do not independently verify or value your assets. We prorate the initial and closing advisory fee based on the number of days advisory services are rendered to you in the calendar quarter. Prorated amounts are due upon execution or termination of your Agreement. Advisory fees are limited to a 0.25% minimum and a 3.0% maximum. Upon notification to us by you or your IAR, advisory fees will be adjusted for significant additions and withdrawals to your account during the quarter.

The advisory fees are exclusive of and in addition to brokerage commissions, transaction fees, and other clearing and execution costs incurred.

Additionally, if you are not provided a copy of this Form ADV Part 2A at least forty-eight hours prior to signing the Agreement, you may terminate this Agreement within five business days of signing, and receive a full refund of all fees paid.

### **Third-Party Investment Advisor Fees**

All third-party investment advisory fees are charged in accordance with your Agreement signed with the third-party investment advisor. Advisory fees or minimum investment requirements imposed by the third-party investment advisor may or may not be negotiable. The third-party investment advisor will custody your assets with their corresponding custodian(s).

Third-party investment advisors programs may not be wrap programs. Any fees or charges for brokerage and custodial services incurred in connection with the third-party provider's management of your account(s) are in addition to the third-party providers' investment advisory fee. Depending on the arrangement with the third-party investment advisor(s), your advisory fee for the advisory services provided by us may be paid by the third-party investment advisor or directly from the custodian(s) of your assets.

### **Variable Annuity Sub-Account Management**

Although you may negotiate fees under certain circumstances, most fees are at a flat rate or on a tiered schedule. The default advisory fee tiered schedule for variable annuity sub-account management is as follows:

### **Tiered fee Structure**

<b>Assets</b>	<b>Default Annual Fee</b>
Initial \$500,000	1.25%
\$500,001 - \$1,000,000	1.00%
\$1,000,001 - \$2,000,000	0.75%
Above \$2,000.001	Negotiable

The advisory fee is based on the percentage of the current market value of the assets in your account(s) under management. The advisory fee is charged quarterly, in advance or arrears. The advisory fee schedule is set forth in your written Agreement. We calculate the advisory fee at the end of each quarter using the ending market value of your assets in your account(s) on the last business day of the quarter. The market value is determined by your annuity company. We do not independently verify or value your assets.

Your IAR, in his or her capacity as a registered representative of the affiliated broker/dealer, Stalwart Capital, LLC, may receive commissions on the sale of variable annuities to you. In addition to commissions, variable annuities may also carry internal fees. These commissions and fees may create a conflict of interest if your IAR recommends a variable annuity purchase to you, and as a result, we receive a commission on your purchase, and advisory fees for sub-account management. If we receive such commissions in addition to our advisory fees, your IAR must disclose this conflict of interest to you when the Agreement is executed. Advisory fees on annuity sub-account management are limited to a 2% maximum.

There are also third-party investment advisors who can be selected by you to manage the sub-accounts in your variable annuity. Under this relationship, you will pay the third-party provider(s) management fee (and any other fees identified in the third-party providers' Form ADV part 2) per their agreement with you. You will also pay us a solicitor's fee for the referral made by your IAR to the third-party investment advisor. The solicitor's fee is negotiable, but the default is 1%.



## **Financial Planning and Consulting**

Clients electing to engage us for financial planning and consulting services may choose to be charged an hourly rate or a flat fee. This advisory fee may be negotiated by you prior to executing the Agreement. We may charge up to \$350 per hour for these advisory services. Clients electing a flat fee for financial planning services may pay the advisor fee in advance to the IAR responsible for providing proof the advisory services were delivered. Clients electing the hourly rate may be requested by their IAR to pay upon execution of your Agreement, upon delivery of the advisory services, or a combination of both.

Either party may terminate the Agreement at any time by providing the other party with written notice. Upon termination, we will refund any unearned advisory fees paid by you based upon the amount documented time your IAR worked on the financial plan prior to the termination of the Agreement. You may terminate your Agreement within five business days of signing the Agreement to receive a full refund of all advisory fees paid.

## **Direct Billing to Your Custodian**

Generally, your signed Agreement authorizes us to bill advisory fees to the custodian(s) of your account(s), and directs your custodian(s) to debit advisory fees from your account(s). Your account statements produced by the custodian(s) will reflect each advisory fee deduction from your account(s). You may withdraw the authorization for direct billing of these fees at any time by notifying us or your custodian(s) in writing.

## **General Information Regarding Mutual Funds and Variable Annuity Sub-Accounts**

All fees paid to us for advisory services are separate and distinct from the fees and expenses charged by mutual funds or sub-accounts, which are described in each mutual fund's or variable annuity's prospectus. Generally, these internal fees include a management fee and other expenses. Your IAR, in his or her capacity as registered representatives of Stalwart Capital, LLC, may receive 12b-1 distribution fees and other commissions from investment companies and variable annuity companies in connection with the placement of client funds into such investments. You should review all Stalwart Capital, LLC's fees and those charged by mutual funds, variable annuities, and others to understand the total amount of fees you are paying. At his or her discretion, your IAR may choose to pay for your associated transaction costs.

If your IAR, in his or her capacity as a registered representative at Stalwart Capital, LLC, elects to receive a commission on certain investments made with assets held in your account(s), your IAR

is required to waive the advisory fee on those assets for a period of time. Other fee-excluded assets may be marked as such by your IAR when there is no true active management or investment advice being given. For example, some fee-excluded assets might be fixed income securities being held to maturity, securities with disadvantaged tax consequences, restricted, control, affiliate, employee securities, or other investments you may have a personal attachment to, and existing investments not recommended to you by your current IAR. The time period of these advisory fee exclusions will be determined on a case-by-case basis. The payments requiring advisory fee waiver do not include any 12b-1 payments, which are not considered commissions for purposes of fee waiver consideration. It is important to note that the resulting commission paid to your IAR may be higher than the amount of your advisory fee as agreed upon in your signed Agreement.

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Wealth Quarterback, LLC does not charge any performance-based fees (fees based on a share of capital gains or on a share of capital appreciation of your assets). There may be some third-party providers that charge performance-based fees and you should review their Form ADV Part II to identify such fees.

### **TYPES OF CLIENTS**

Wealth Quarterback, LLC provides the advisory services described above to individuals, partnerships, pension and profit-sharing plans, trusts, estates, charities, corporations, and other entities.

Wealth Quarterback, LLC may impose certain conditions for starting or maintaining an advisory account with us. Generally, our traditional advisory accounts require a \$25,000 minimum of cash and/or securities, and our wrap accounts require a minimum of \$100,000. We may terminate the Agreement if the account does not maintain the minimum amounts detailed above. At our discretion, we may waive this requirement, if, for example, you have additional or related accounts that collectively exceed these minimums.

Third-party investment advisors may require larger minimums or may impose minimum fees. Please review all Agreements and request your IAR explain any fees or account requirements prior to executing your written Agreement.

Wealth Quarterback, LLC does not require a minimum account size for financial planning services.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

### **Methods of Analysis**

Your IAR may employ one or more of the following methods of investment analysis to evaluate securities for potential investment recommendations.

Fundamental Analysis is a system of analysis that attempts to identify investment opportunities by comparing an estimated true value of companies securities versus those securities current market value. The estimated values are determined by assessing companies' current financial condition and the consideration of other important factors, including, but not limited to, revenue projections, profitability projections, competitive advantages, liability exposure, management expertise, industry outlook, etc. Because it can take a long time for the market to reflect the companies values, one risk associated with this method of analysis is that gains may not be realized until the companies securities market prices rises to the companies true estimated values. Furthermore, the information collected may be incorrect resulting in an inaccurate estimate of earnings, which may be the basis for the companies' values. If the companies' securities prices adjust rapidly to new information, relying upon fundamental analysis for investment opportunities may not result in favorable performance.

Technical analysis is a system involving the analysis of securities' past price movements to identify trends and attempt to forecast future price movements for potential investment opportunities. Unlike fundamental analysis, technical analysis does not analyze companies' values, but instead, analyzes the companies' securities price movements. Charting is a form of technical analysis in which the price and volume information for a security is analyzed using mathematical equations. The results are then graphically represented to illustrate patterns and identify potential investment opportunities. Cyclical analysis is another form of technical analysis which focuses on the regularity of movements in the market and times trading to coincide with anticipated market cycles. Technical analysis studies the supply and demand in the market in an attempt to determine what direction, or trend, will continue in the future. However, there are risks involved with the technical analysis method, including the risk that trends will change unpredictably and that market timing results may not be favorable if the charts do not accurately predict the future price movements. Daily changes in securities prices may follow random patterns and may not be predictable with any reliable degree of accuracy.

Your IAR obtains information from a number of sources, both public and by purchase, including financial newspapers and magazines, inspections of corporate activities, research materials prepared by third-parties, corporate rating services, annual reports, prospectuses and filings with the SEC and company press releases. Wealth Quarterback, LLC believes these resources for information are reliable, and we regularly depend on these resources for allowing your IAR to make investment recommendations; however, Wealth Quarterback, LLC is not responsible for the accuracy or completeness of this information.

### **Investment Strategies**

The investment strategy recommended for you is based upon the initial financial profile information you provided to your IAR. It is important to at least annually review with your IAR your investment objectives, risk tolerance, tax objectives, liquidity needs, and other relevant financial information, to ensure that your financial plan is up-to-date. All investments carry a certain degree of risk, and no one particular investment style or portfolio manager is suitable for all types of investors.

Your IAR may use a variety of investment strategies, depending on your circumstances, financial objectives, and needs. Your IAR may recommend implementing one or more of the following investment strategies: long-term purchases (generally a holding period over one year), short-term purchases (less than one year holding period), trading (typically held less than thirty days), margin transactions (purchase of security on credit extended by a securities company), and option transactions (call and put positions).

Your IAR may recommend implementing these strategies using various types of investments, including, but not limited to, public and private securities, including equities, corporate debt, government obligations, municipal securities, exchange traded funds (“ETFs”), unit investment trusts (“UITs”), mutual funds and index funds or other pooled investments,, options/derivatives, alternative investments, interests in real estate and gas and oil partnerships/LLCs, annuities/insurance products, and other investment instruments. Experience has shown that well diversified portfolios generally offer the best opportunity for investment success. Therefore, IARs often recommend varied mutual fund portfolios to promote diversification within various asset classes, such as industry sectors, domestic/international, or equities/bonds. Your IAR may recommend periodic purchases, sales, and exchanges of those mutual fund shares within mutual fund families and across different mutual fund families when there are opportunities based upon changes in your financial profile, market conditions, and other financial developments.

Your IAR may advise you on other types of investments that may be appropriate based upon your financial profile. Your IAR may also provide advice on any type of investment existing in your portfolio at the inception of the advisory relationship or on any investment on which you request advice.

## **Risk of Loss**

Investing in securities involves risk of loss and electing to follow the advice your IAR provides, indicates that you have understood, prepared for, and accepted this potential outcome. Investors may face various risks, but not limited to any or all of the following types of investment risks.

**Market Risk**—The values and prices of securities may fluctuate in reaction to tangible events such as the company's operating results or to intangible events, such as political, social, economic, or forces of investor supply and demand. Security values may decline upon negative influences from any of these circumstances.

**Interest Rate Risk**—Fixed income securities typically have an inverse relationship with the movements of interest rates, meaning the yields obtained from existing bonds, note, or bills will generally decrease during periods of rising interest rates.

**Credit Risk**--Risk than an issuer may fail to satisfy the terms of the obligation with respect to the timely payment of interest, and the repayment of the amount borrowed. This is also often referred to as default risk. There are two additional forms of credit risk. Credit risk spread is the risk investors experience when the value of debt instruments fluctuate because of the premiums required by market participants to obtain additiOnal yield over risk-free alternatives. Downgrade risk is the risk that debt instruments will decline because of a downgrade to the issuing company's credit rating as assigned by agencies such as Moody's or Standard and Poor's.

**Liquidity risk**—Risk that a given security or asset cannot be traded quickly enough in the market to prevent or minimize a loss.

**Business Risk**—The probability of loss inherent in an organization's operations or environment that may impair its ability to realize a profit.

**Inflation Risk**—The uncertainty over the future value of assets due to the prevailing economic conditions.

**Political Risk**—Risk that investment returns could suffer as the result of political changes or instability.

Your IAR offers advice about a wide variety of investment types and various types of public and private securities, including equities, corporate debt, government obligations, municipal securities, ETFs, UITs, mutual funds and index funds or other pooled investments, options/derivatives, alternative investments, interests in real estate and oil and gas partnerships/LLCs, annuities/insurance products, and other investment instruments each having unique types and levels of risk of loss. Your IAR will discuss these risks with you in determining the investment objectives that will guide your investment advice for your account. Your IAR will explain and answer any questions you have about the risks of investments. Investing in securities involves risk of loss that you should be prepared to bear. Attempting to obtain higher rates of return on investments typically involves accepting higher levels of risk. Wealth Quarterback, LLC and your IAR do not represent, warrant, or imply that the services or methods of analysis used can or will predict future results, successfully identify market ceilings or floors, or insulate you from losses from market corrections or declines. Your IAR will work with you to attempt to identify the balance of risks and rewards that is appropriate and comfortable for you. However, it is still your responsibility to ask questions if you do not understand fully the risks associated with any investment or investment strategy.

Also, while your IAR strives to render his or her best judgment on your behalf, many economic and market variables are beyond our control and these variables may affect the performance of your investments. Wealth Quarterback, LLC and your IAR cannot assure you that your investments will be profitable or that no losses will occur in your investment portfolio. Past performance is one consideration with respect to any investment or investment advisor, but it is not a predictor of future performance.

### **Mutual Funds, Index Funds, and ETFs**

Mutual funds, index funds, variable annuity sub-accounts, and ETFs typically charge their shareholders various advisory fees and expenses associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge. These separate fees and expenses are

disclosed in each fund's current prospectus, which is available to you from your IAR, the fund, or we can provide it to you at your request.

Consequently, for any type of fund investment, it is important for you to understand that you may be paying two levels of advisory fees and expenses: one layer of fees and expenses is paid at the fund level, and another layer of fees and expenses is paid to Wealth Quarterback, LLC. In addition, many mutual funds pay shareholder servicing fees (12b-1 fees) to broker/dealers and their registered representatives in consideration of their services to the fund's shareholders. As described below, our IARs may be registered representatives of Stalwart Capital, LLC, an affiliated broker/dealer, and, as such, may receive this type of compensation with respect to client assets invested in these funds. However, if the mutual fund pays 12b-1 fees, to any of our IARs who are also registered representatives for accounts that are categorized as Employee retirement Income Security Act ("ERISA") qualified plans, we apply such fees to offset plan administration fees for the plan participants.

Furthermore, your IAR will primarily recommend "no-load" funds, which do not have a commission or sales charge, because the shares are distributed directly by the investment company, instead of going through a secondary distributing party.

### **Variable Annuities**

Variable annuities are complex investments offered by insurance companies. Investment in a variable annuity contract is subject to general market risk and insurance companies' credit risk. These and other risks are described in the variable annuities prospectuses. Variable annuities are regulated under both securities laws and insurance laws and the related rules and regulations. Variable annuities may offer benefits and features which may or may not have value to you depending on your circumstances, which your IAR may discuss with you. Similar to other investments, commissions are paid for the purchase of variable annuities and there may be surrender charges for early liquidation. These fees are disclosed on the variable annuities prospectuses. You may find additional information about these commissions, surrender charges, and other expenses in the prospectuses.

Similar to mutual funds, insurance companies may charge a variety of fees and charges against the assets invested in the sub-accounts of the insurance contract. As noted above, this typically means there are two layers of advisory fees incurred: one layer at the insurance company, and another layer at Wealth Quarterback, LLC for its advisory services.

As described in more detail in the section below titled “OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS,” and elsewhere in this Form ADV Part II, many of our IARS are registered representatives at the affiliated broker/dealer Stalwart Capital, LLC. They are licensed to sell general securities products such as variable annuities. If you choose to establish a brokerage account with Stalwart Capital, LLC with your IAR as the registered representative on the account, you should be aware they will likely receive compensation in connection with the sale of those products. In an effort to mitigate this conflict of interest, Wealth Quarterback, LLC does not require you to purchase any brokerage products recommended by your IAR through Stalwart Capital, LLC. You may choose an unaffiliated broker/dealer.

### **DISCIPLINARY INFORMATION**

Neither Wealth Quarterback, LLC or Douglas C. Evans have any disciplinary or legal issues to disclose.

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Wealth Quarterback, LLC is owned by Douglas C. Evans, who is its sole member. Mr. Evans also owns the majority of the membership interests in Stalwart Capital, LLC, an affiliated SEC registered, FINRA member firm. Both these entities are based at 132 Central Avenue, Hillsdale, New Jersey, 07642. The IARs associated with Wealth Quarterback, LLC may also be registered representatives at Stalwart Capital, LLC. In their capacity as registered representatives at Stalwart Capital, LLC, these IARs may earn commissions on the sale of securities and insurance products. This creates a conflict of interest when your IAR recommends the purchase of products for which your IAR receives a commission. Wealth Quarterback, LLC mitigates such conflict by not requiring you to purchase any recommended brokerage products from our IARs or through Stalwart Capital, LLC. You may purchase such products from an unaffiliated broker/dealer. Additionally, our IARs may further mitigate this conflict by waiving their advisory fee on these products, as described above in the “FEES AND COMPENSATION” section.

Furthermore, some of our IARs are licensed to practice as accountants, attorneys, insurance agents, or in other professional capacities, and they may provide accounting, legal, tax, or other professional services to you which may be separate and distinct from our services. However, when your IAR recommends for you to utilize this separate service, it creates a potential conflict of interest. Wealth Quarterback, LLC does not require you to utilize these separate services offered by your IAR, nor are you required to implement any accounting, tax, legal, or



other recommendations. You are free to use an unaffiliated accountant, attorney, insurance agent, or any other professional of your choice.

Additionally, in some instances, we may allow your IAR to independently own his or her own Registered Investment Advisor (“RIA”) firm. In such cases, your IAR may be dually registered as an IAR of Wealth Quarterback, LLC and his or her own RIA. As a result, your IAR may provide advisory services to you under their own RIA or under Wealth Quarterback, LLC as described in your written Agreement.

When you use an affiliated business to purchase or sell securities or insurance, or to obtain accounting, legal, tax, or other professional services, you will incur commissions, fees, and charges which are not part of Wealth Quarterback, LLC’s advisory fees. These additional sources of compensation to our IARs create a conflict of interest, which you should carefully consider in determining to implement the advice of your IAR.

### **CODE OF ETHICS**

Wealth Quarterback, LLC has adopted a code of ethics describing the standards of business conduct we expect all officers, directors, employees, and IARs to follow. Our code also describes certain reporting requirements which individuals associated with us or employed by us must comply.

Wealth Quarterback, LLC and our IARs may buy or sell securities for our own accounts, otherwise known as proprietary accounts and your IAR may also recommend to you or other clients securities which they are investing in personally or recommending to other clients. While this creates a conflict of interest, generally we aggregate or “block” orders for your account and our proprietary accounts into one large order in accordance with our trade aggregation and allocation policy in order to ensure all impacted accounts receive fair pricing. These aggregated orders may achieve better execution for all participating accounts and we fairly allocate those benefits among all participating accounts, mitigating any potential conflict.

We do not act as principal in any securities transaction. In Stalwart Capital, LLC’s capacity as a broker/dealer, it may act as principal when buying or selling fixed income securities. In these situations, your trade confirmation will notify you that Stalwart Capital, LLC acted as principal for such transaction. Our chief compliance officer, Douglas Evans, or qualified designee, monitors these transactions, and if a conflict of interest arises, we promptly notify you of such a

conflict. We maintain internal policies which prohibit IARs from knowingly buying or selling securities from a client as principal and effecting agency cross transactions involving the client. However, it is possible that the executing broker/dealer, without our or your IAR's knowledge, could inadvertently cross your transaction. In order to mitigate and prevent such conflicts, Douglas Evans, or his qualified designee, reviews cross transactions as well as transactions by employees and related persons in an effort to minimize any conflicts of interest.

You may request a copy of our code of ethics by contacting our corporate offices at (201) 358-2856 or e\*mail at [doug@stalwartcap.com](mailto:doug@stalwartcap.com).

### **BROKERAGE PRACTICES**

#### **Brokerage and Soft Dollars**

##### **Stalwart Capital, LLC Brokerage Services**

Although Wealth Quarterback, LLC does not require you to use a specific broker/dealer to execute securities transactions for your account, we have established a relationship with our affiliated broker/dealer, Stalwart Capital, LLC, and its clearing firm Raymond James and Associates, Inc. If you do not direct us otherwise, and without written pre-approval from us allowing the use of another broker/dealer, your IAR will utilize Stalwart Capital, LLC and Raymond James and Associates, Inc. to execute securities transactions for your account. When selecting Stalwart Capital, LLC as the broker/dealer, and to fulfill our duty of best execution, we considered Stalwart Capital, LLC's variety of services, financial stability, and competitive commission rates in our effort to provide brokerage services that meets your needs. Wealth Quarterback, LLC also considered that your IAR is likely an independent registered representative of Stalwart Capital, LLC, which may result in the total commissions and fees to be in excess of those which Stalwart Capital, LLC or another broker/dealer may charge for transactional services alone. Wealth Quarterback, LLC allows for this in consideration of the additional advisory services provided. However, Wealth Quarterback, LLC must determine, in good faith, that the amount of any commission or transaction fee paid is reasonable in relation to the value of the brokerage services provided. This is viewed in terms of either a particular transaction or our overall responsibilities with respect to accounts as to which we exercise investment discretion. We evaluate other broker/dealers from time to time, to determine if a better combination of services and commission rates are available for our clients.

Additionally, Wealth Quarterback, LLC has an expense sharing agreement with Stalwart Capital, LLC in connection with providing us office space, office equipment, and administrative services in return for Wealth Quarterback, LLC directing securities transactions for execution and clearing to Stalwart Capital, LLC and Raymond James and Associates, Inc. This agreement provides a financial benefit to Wealth Quarterback, LLC which does not directly benefit you. However, to mitigate this conflict of interest, you may direct us to utilize a different unaffiliated broker/dealer, as described below under the “DIRECTED BROKERAGE” section.

Any commissions or transaction fees you pay as a result of a securities transaction for your account will be determined according to standard commission rates in effect at Stalwart Capital, LLC or as negotiated by you and your IAR in his or her capacity as a registered representative at Stalwart Capital, LLC. Commissions paid by you may or may not be higher than commissions paid at other broker/dealers. Stalwart Capital, LLC may provide customary market reports and other value-added services to their registered representatives, which your IAR may use to benefit your accounts and all accounts and not only those accounts with Stalwart Capital, LLC and Raymond James and Associates, Inc.

### **Other Brokerage Services**

Although Wealth Quarterback, LLC does not require you to use a specified broker/dealer, without prior written approval from us, some of our IARs may elect to establish a brokerage relationship with broker/dealers other than Stalwart Capital, LLC. Wealth Quarterback, LLC has the ability to accommodate such requests after conducting a due diligence review of the other broker/dealers’ trading platforms, service capabilities, and fees. Upon our approval, your IAR will have the option to recommend which broker/dealer may be most appropriate for your needs. This relationship will include the broker/dealer serving as custodian and offering brokerage services for your accounts. Although our IARs refer most clients to Stalwart Capital, LLC, you should understand that other brokerage service providers may execute trades at a lower overall cost and they retain any and all commissions or transaction fees associated with trades done through them. Wealth Quarterback, LLC is an independently owned and operated and Stalwart Capital, LLC is the only broker/dealer we are affiliated with. Other broker/dealers offer various services, such as institutional trading and custodial services. However, their program or services may only be available to us if we maintain certain minimum levels of client assets with them (typically \$10,000,000). As a result, these services may be contingent upon us committing a specific amount of business or assets in custody to the other broker/dealer, and Wealth Quarterback, LLC cannot make any guarantee we will be able to continue to meet this requirement. Consequently, any available service may be terminated.

Typically, these brokerage services include the execution of securities transactions, custody, access to mutual funds, and other investments that are generally available only to institutional investors or to accounts with a significantly higher minimum initial investment. Generally, if you choose to utilize these brokerage service platforms to serve as your custodian, the broker/dealer typically will not charge your accounts a separate custodial fee, but, instead, will charge commissions and other transaction-related or asset-based fees for securities trades that are executed through their trading platform and clearing firm.

### **Benefits Received**

Stalwart Capital, LLC and Raymond James and Associates, Inc. and other brokerage service providers may offer us other products and services that assist us in managing and administering clients' accounts, but may not directly benefit your account. Wealth Quarterback, LLC may use many of these products and services to service all or a substantial number of our client accounts including utilizing these services for accounts that are not utilizing the alternate brokerage service. These products and services include software and other technology that (i) provides us access to client account data, such as trade confirmations and account statements, (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts, (iii) provide market reports, pricing, and other economic data, (iv) facilitate payment of our fees from our clients' account, and (v) assist with back-office functions, record-keeping, and client reporting.

Stalwart Capital, LLC, Raymond James and Associates, LLC, and other brokerage service providers may also offer other services intended to help us manage and further develop our business enterprise, such as compliance, legal, business consulting, publications, conferences on practice management and business succession, access to employee benefits providers, human capital consultants, and insurance providers. These other brokerage service providers may also provide other benefits to us, such as educational events, or occasional business entertainment of our personnel. In evaluating whether to recommend that you to custody your assets at Raymond James and Associates, Inc. or an alternate brokerage service provider, your IAR may take into account the availability of some of these products and services and other arrangements as part of the total mix of factors considered, in addition to the nature, cost or quality of the custody and brokerage services, which may create a potential conflict of interest. However, to mitigate this conflict, Wealth Quarterback, LLC does not limit the benefit of these products and services to only clients utilizing the alternate brokerage services as their custodian. We allow the use of the market data and other services provided by the brokerage service providers or other institutions with which our clients have accounts for the benefit of all

clients. Unless directed otherwise by you, we seek to negotiate commissions, mark-ups, and other brokerage fees to ensure a reasonable rate based on multiple factors, including execution prices, which we review annually to determine their reasonableness.

### **Directed Brokerage**

Although our receipt of market reports and other services and products from Stalwart Capital, LLC, Raymond James and Associates, Inc. and other brokerage service providers may create an incentive for your IAR to recommend such institutions to you as custodian, we mitigate this conflict by allowing you to direct us, in writing, to use different custodians. With written pre-approval from us, you may participate in directed brokerage, and you should understand that, in the case of such directed brokerage arrangements:

- You are solely responsible for negotiating the terms and arrangements with these broker/dealers, and we have no responsibility for reviewing the fairness of those terms and arrangements.
- We will not seek better execution services or prices from other broker/dealers in connection with transactions for your account.
- We will not be able to “block” or aggregate transactions for your account with transactions for our other clients not subject to a similar arrangement.
- We will not monitor the performance of, or the services provided by, the broker/dealer you choose.
- As a result of these factors, you may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices on transactions for your account than would otherwise be the case.

However, we may seek better execution services or better process from other broker/dealers or to “block” your transaction for execution, if such action is required by law or fiduciary duties, including, but not limited to, the fiduciary duty provisions under ERISA, as amended, if you are a plan subject to ERISA, or if a designated broker/dealer is unable or unwilling to effect a particular transaction or transactions, which may occur with certain transactions involving fixed-income securities. If you choose directed brokerage, from time to time we may ask you to confirm your direction to use an alternative brokerage firm.

### **Trade Allocation Policy**

Wealth Quarterback, LLC has adopted a trade allocation policy to govern how we handle the aggregation of orders for more than one client’s account. From time to time, and only where

appropriate, we may aggregate orders for securities transactions for more than one client and, in appropriate circumstances, may include proprietary accounts. In doing so, we strive to treat each client fairly and try not to favor one client or a proprietary account over another client. When executed, we will allocate the aggregated order in accordance with the policies and procedures intended to achieve fair treatment. The purpose of aggregating the orders is for our administrative convenience and, in some circumstances, to obtain better execution for the aggregated order than might otherwise be achieved by processing each order of the transaction separately.

Wealth Quarterback, LLC will not knowingly aggregate orders for a client having a directed brokerage arrangement with a client who does not have a directed brokerage arrangement with the same broker/dealer. A consequence of not aggregating a client's order with other orders for the same securities is that the client may not obtain as favorable a price or as low a cost in a separate transaction as clients whose orders have been aggregated.

Each account that participates in an aggregated order will participate at the average share price for all transactions ordered by our firm in that security on a given business day. If permitted by the broker/dealer effecting the transaction, transaction costs will be shared on a pro rata basis. Some broker/dealers charge brokerage commissions on each participating client in accordance with the size of the client's share of the aggregated order, regardless of the total size of the aggregated order. If an aggregated order is not filled in its entirety, it will be allocated among participating accounts on a fair and equitable basis, which is typically a pro rata basis.

### **REVIEW OF ACCOUNTS**

Wealth Quarterback, LLC monitors all client accounts on a continuous basis. Typically, our IARs also review their clients' accounts. Other factors may trigger additional reviews, such as changes in market conditions, changes in your financial situation, changes in your financial objectives, large deposits or withdrawals from your account, or your request for additional review. Douglas C. Evans, sole member and chief compliance officer, or a qualified designee, will conduct the review. Douglas Evans is responsible for the supervision of all reviews.

If we provide you with portfolio management services, we may, in some cases, prepare portfolio reports depending on the size of your account(s), and whether or not the money manager, broker/dealer, or custodian involved in the relationship regularly produce reports. In most cases, custodians and third-party investment advisors prepare and send written reports directly to you clients or to your IAR, who in turn distributes them to you. In addition, you will

receive a report at least quarterly from the custodian of your account(s) regarding transactions and holdings in your account(s).

## **CLIENT REFERRALS AND OTHER COMPENSATION**

### **Client Referrals**

Wealth Quarterback, LLC must disclose any economic benefits we or our IARs receive for providing investment advice and other services to you. As described in the “OTHER FINANCIAL INSUSTRY ACTIVITIES AND AFFILIATIONS” section above, our IARs may receive additional compensation from Stalwart Capital, LLC for transacting brokerage products to you. Also, our IARs, as licensed insurance agents, accountants, attorneys, or other professionals may receive commissions or fees when they sell these other professional products or services that are separate and distinct from Wealth Quarterback, LLC’s advisory fees. As we described above, this may create a conflict of interest, but we mitigate this conflict by not requiring you to purchase such other products or professional services through our affiliates or representatives, and you may purchase these products and services from other broker/dealers, insurance agencies, law firms, accounting firms, or other unaffiliated professionals.

Also, as disclosed above in the “BROKERAGE PRACTICES” section, we may receive certain benefits, services, and products from various broker/dealers and custodians for utilizing their services.

We may also receive additional compensation from some third-party investment advisors based on the amount of business our IARs or we refer to such parties. These types of agreements benefit us and do not directly benefit clients’ accounts placed with such third-parties. In addition, our receipt of this compensation creates a conflict of interest because our IARs may have an incentive to recommend you use third-party money managers or programs that provide such additional compensation. However, to mitigate this conflict, we do not require you to use such money managers, and you may choose a different third-party for your products or services.

### **Solicitation Arrangements**

We must also inform you if we or related persons, directly or indirectly, compensate a third-party for referring clients to us. From time to time, we may engage solicitors to market our services. If we do so, you will receive a separate solicitor’s disclosure brochure describing our

solicitation arrangements, the compensation we pay to the solicitor, and the terms of the relationship. You will also receive a copy of this brochure.

### **CUSTODY**

You will receive account statements from the broker/dealer, bank, or other qualified custodian that holds and maintains your investment assets at least quarterly. We urge you to carefully review such statements and compare such official custodial records to the account statements we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **INVESTMENT DISCRETION**

Your IAR will manage your assets on either a discretionary or non-discretionary basis. If your IAR manages your assets on a discretionary basis, we generally receive discretionary authority in writing from you at the beginning of our advisory relationship in your Agreement. If you choose to do so, discretionary authority grants your IAR the ability to determine, without obtaining your specific consent, the securities to buy or sell for your portfolio and the amount of securities to buy or sell. In all cases, your IAR is required to exercise such discretion consistent with your account objectives, risk tolerance, and any written investment guidelines and restrictions you established with us in writing to limit our discretionary authority in relation to your account(s).

Also, you may sign an agreement with your custodian that generally includes a limited power of attorney granting your IAR the authority to direct and implement the investment and reinvestment of your assets within the account, but this limited power of attorney does not grant your IAR the authority to transfer or withdraw assets from your account(s).

### **VOTING CLIENT SECURITIES**

As a matter of firm policy and practice, Wealth Quarterback, LLC will not be responsible for responding to proxies solicited with respect to annual meetings or special meetings of shareholders of securities held in your account. Proxy solicitation materials will be forwarded to you for your direct response and voting.



### **FINANCIAL INFORMATION**

As an SEC registered investment advisor, we must provide you with certain financial information or disclosures about our financial condition if we have commitments that impair our ability to meet contractual and fiduciary commitments to you. We have not been the subject of a bankruptcy proceeding and do not have any financial commitments that would impair our ability to meet any contractual or fiduciary commitments to you.