



Wealth Management

Item 1 – Cover Page

Lopez Wealth Management, LLC
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The purpose of this brochure is to disclose to you what we do and who we are at Lopez Wealth Management, LLC ("LWM"). Knowing these elements will allow you to use the services we offer far more effectively. If you have any questions about the contents of this brochure, please do not hesitate to contact us at the telephone number listed above.

LWM is a United States Securities and Exchange Commission (SEC) registered investment advisor. Oral and written communications of an advisor provide you with information about whether you decide to engage an advisor. The advisory services described in this brochure are not insured or otherwise protected by the U.S. Government, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency and involves risk, including possible loss of principal.

The information in this brochure has not been approved or verified by the SEC, or by any state securities authority. Additional information about LWM is also available on the internet at www.adviserinfo.sec.gov. You can view LWM's information on this website by searching Lopez Wealth Management, LLC. You may also search for information by using LWM's CRD number, 118643.

Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes. Currently, our Brochure may be requested by contacting Jonathan R. Weatherly, Chief Compliance Officer of LWM by phone at 276-628-5910 or 800-838-4370, or by email at jon@lopezwealth.com. The Brochure will be provided to you free of charge.

Since our last annual updating amendment dated February 24, 2015, this Brochure has not been materially amended.

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Item 4 Advisory Business

Lopez Wealth Management, LLC is a registered investment advisor based in Abingdon, VA. LWM has established a network of partner offices that will provide advisory services under local “doing business as” names. A complete list of approved doing business as names can be found by searching for Lopez Wealth Management, LLC, CRD #118643 on the internet at www.adviserinfo.sec.gov.

As used in the brochure, the words, “we,” “our,” and “us” refer to LWM and the words “you,” “your,” and “client” refer to you as either a client or prospective client of our firm.

Lopez Wealth Management, LLC is an affiliate of Lopez Wealth Management Group, LLC. Lopez Wealth Management Group, LLC is the 100% owner of Lopez Wealth Management, LLC. The sole shareholder of Lopez Wealth Management Group, LLC is Jonathan Wade Lopez.

We provide advisory services for financial planning and investment advisory services.

Financial Planning and Non-Investment Consulting/Implementation Services.

We believe that financial planning is beneficial for clients that have goals they want to achieve in their life. Planning is specific to each individual client's situation and includes events that are within the client's control and some that are beyond their control. We work with clients to set their goal priorities and develop a plan to help meet those goals. We provide alternatives in the event that goals cannot be met with the parameters used. Financial planning services include areas such as retirement, education, insurance, estate planning and taxes. Clients are under no obligation to follow any recommendations made to them. You may receive advice for one or more areas of financial planning if you choose not to do comprehensive planning.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify us if your financial situation, goals, objectives, or needs change.

To the extent requested by a client, LWM shall provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. LWM does not serve as an attorney or accountant, and no portion of LWM's services should be construed as legal or accounting services. To the extent requested by a client, LWM may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.), including representatives of LWM in their separate individual capacities as representatives of Bank Fund Equities, Inc. ("BFE"), an SEC registered and FINRA member broker-dealer and as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from LWM and/or its representatives. If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

We also provide investment advisory services either alone or in conjunction with financial planning. You have the option of authorizing us to act with discretion. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for investment advisory services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. We will review each client's investment portfolio at least annually. We will also monitor investments on a regular basis and make or recommend changes if there is a reasonable basis to do so.

If you participate in our discretionary investment advisory services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each

transaction. Discretionary authority is typically granted by the advisory agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

Clients that determine to engage LWM on a non-discretionary investment advisory basis **must be willing to accept** that LWM cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that LWM would like to make a transaction for a client's account, and the client is unavailable, LWM will be unable to effect the account transaction (as it would for its discretionary clients) without first obtaining the client's consent.

eMoney Advisor. In conjunction with the services provided by *eMoney Advisor*, LWM may also provide client access to *eMoney Advisor*, an internet based service which can incorporate all of the client's investment assets," including those investment assets that are not part of the assets that LWM manages (the "Excluded Assets"). You and/or your other advisors maintain trading authority, and not LWM. You and/or your other advisors shall be exclusively responsible for the investment performance of the Excluded Assets.

As part of our investment advisory services, we may recommend that you use the services of Dunham & Associates ("Dunham"). We will make this recommendation after gathering information about your financial situation and objectives. In such cases we will recommend that Dunham manage all, or a portion of, your investment portfolio. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: Dunham's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor Dunham's performance to ensure its management and investment style remains aligned with your investment goals and objectives.

Retirement Rollovers-No Obligation/Conflict of Interest: A client leaving an employer typically has four options (and may engage in a combination of these options): i) leave the money in his former employer's plan, if permitted, ii) roll over the assets to his new employer's plan, if one is available and rollovers are permitted, iii) rollover to an IRA, or iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). LWM may recommend an investor roll over plan assets to an Individual Retirement Account (IRA) managed by LWM. As a result LWM and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave his or her plan assets with his or her old employer or roll the assets to a plan sponsored by a new employer will generally result in no compensation to LWM (unless you engage LWM to monitor and/or manage the account while maintained at your employer). LWM has an economic incentive to encourage an investor to roll plan assets into an IRA that LWM will manage **or** to engage LWM to monitor and/or manage the account while maintained at your employer. There are various factors that LWM may consider before recommending a rollover, including but not limited to: i) the investment options available in the plan versus the investment options available in an IRA, ii) fees and expenses in the plan versus the fees and expenses in an IRA, iii) the services and responsiveness of the plan's investment professionals versus LWM's, iv) protection of assets from creditors and legal judgments, v) required minimum distributions and age considerations, and vi) employer stock tax consequences, if any. No client is under any obligation to rollover plan assets to an IRA managed by LWM or to engage LWM to monitor and/or manage the account while maintained at your employer.

We do not participate in any *Wrap Fee Programs*.

As of March 9, 2016, we provide continuous management services for \$155,000,000 in client assets on a discretionary basis.

Item 5 Fees and Compensation

Fees are subject to negotiation.

Depending on the arrangements made at the inception of the advisory relationship, we may charge either a fixed or an hourly fee for financial planning services. Financial planning fees generally range from \$500 to \$5,000. Hourly fees range from \$150 to \$300 per hour. The fee charged is dependent upon the complexity of the services required and the persons providing the services. Fees may be paid by check or by credit card either before or after services have been delivered to the client depending on the mutual agreement between us and the client. If fees are paid prior to the delivery of services, services must be delivered within a reasonable time frame. The time frame will be agreed to by both parties at the time of engagement. We will not require prepayment of a fee in excess of \$1,200 for services that would not be provided within six months.

Refunds will be paid promptly if the services are unsatisfactory or if the agreement is terminated. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Our fee for investment advisory services is based on a percentage of your assets we manage and is set forth in the following fee schedule:

Annual Fee Schedule

Assets Under Management	Annual Fee
Under \$250,000	1.25%
\$250,000 - \$3,500,000	1.00%
Over \$3,500,000	0.80%

We define the specific fees charged in the *Financial Planning and Consulting Agreement* or the *Investment Advisory Agreement*, depending on the type of service provided to the client. You will enter into a written agreement with us prior to receiving services. In our sole discretion, we may charge a lower advisory fee than shown above to some clients. This would be based on various criteria such as for a pre-existing financial planning client, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.

We will deduct our investment advisory fees from client assets, or the client can choose to be billed directly. Our annual investment advisory fee is prorated and paid quarterly. Fees are paid in advance, based on the market value of client assets on the last trading day of the previous quarter.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

For investments that do not have a readily available market value, we will make every effort to get an accurate, up to date value from the product sponsor or other reliable source. We may calculate our investment advisory fee based on the initial cost of the investment. Clients that terminate the *Investment Advisory Agreement* during

a calendar quarter will be charged a prorated fee. They will receive a prompt refund for any prepaid, unearned fees.

You may terminate the investment advisory agreement or the financial planning agreement upon written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client.

In addition to our investment advisory fee, clients also incur charges imposed at the mutual fund level such as management fees and other fund expenses. Custodians of client assets may impose additional fees including custodian fees, inactivity fees, transaction fees and fees for providing paper statements. There could be additional fees not listed above.

Persons providing investment advice on behalf of our firm are registered representatives with Bank Fund Equities, Inc. ("BFE"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12(b)-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. When appropriate, we may recommend the purchase of "no-load" funds. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Questions that you may have regarding investment recommendations made to you are encouraged. You always have the right to reject our recommendations. You also have the option to purchase recommended investment products through other brokers or agents not affiliated with Lopez Wealth Management, LLC.

Advisory fees paid by the client are not reduced in the event that we receive commissions from a client transaction involving the purchase of an investment.

Lopez Wealth Management, LLC also receives fees from client's accounts that are held at Dunham & Associates (Dunham). Advisory fees are specified in Dunham's *Asset Allocation Program Application*. Our portion of the advisor fee ranges from 1% to 1.25% with an additional 0.25% paid to Dunham. Dunham's fee is payable in accordance with the brochure provided by Dunham and may or may not be negotiable. You should review Dunham's brochure and take into consideration its fees, along with ours, to determine the total amount of fees associated with this program.

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

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) at this time.

Item 7 Types of Clients

We provide investment advisory services to individuals, high net worth individuals, corporations, trusts, estates and charitable organizations.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively. We may, in our sole discretion, reduce our investment management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

The Registrant may utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)

The Registrant may generally utilize and implement investment advice based upon long-term purchasing. However, investment strategies may include short-term purchases when the Registrant feels that such an investment strategy is in the best interest of the client. The Registrant believes that risk reduction is a key element to long-term investment success. As such, the Registrant relies heavily on asset allocation strategies to achieve the most efficient diversification of assets and lessen clients' risk.

Please Note: Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no

assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases, Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, the Registrant may also implement and/or recommend short selling. The use of short sales as part of an investment strategy has an inherent risk. (*See* discussion below).

Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

- C. Currently, the Registrant primarily allocates client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or exchange traded funds ("ETFs"), real estate investment trusts, and master limited partnerships on a discretionary basis in accordance with the client's designated investment objective(s).

We use mutual funds as the primary investment choice for clients' investment portfolios. You may lose money by investing in a mutual fund. The likelihood of loss may be greater if the investment is held for a shorter period of time. Risks include the loss of principal which may be due to a number of reasons, depending on the type of fund. Other risks include market risk, non-diversification risk, foreign currency risk and credit risk. Most mutual funds are available directly to the public. Thus, a prospective client can obtain many of the mutual funds that may be recommended and/or utilized by LWM independent of engaging LWM as an investment advisor. However, if you determine to do so, you will not receive the benefit of our initial and ongoing investment advisory services in connection therewith. This is not an inclusive list of risks. We will provide additional information to you before any investments are made.

Alternative investment choices include Real Estate Investment Trusts (REITs), equipment leasing, notes and limited partnerships. The risks that these investments have in common include lack of liquidity, changes in interest rates, changes in tax laws and regulations, potential conflicts of interest, unfavorable market conditions and many others. Due diligence is performed on each investment and recommendations are made to clients based on their individual situation.

Affiliated Private Fund. As disclosed below at Item 10, LWM is affiliated with Vista at Hodges Bend, LLC a private real estate investment fund (the "Fund"). LWM, on a non-discretionary basis, may recommend that qualified clients consider allocating a portion of their investment assets to the Fund. The terms and conditions for participation in the Fund, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the Fund's offering documents. LWM's

clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

- **Risk:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Unaffiliated Private Investment Funds. LWM may also provide investment advice regarding unaffiliated private investment funds. LWM, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in unaffiliated private investment funds. LWM's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of LWM calculating its investment advisory fee. LWM's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

- **Risk:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.
- **Valuation:** In the event that LWM references private investment funds owned by the client on any supplemental account reports prepared by LWM, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If no subsequent valuation post-purchase is provided by the Fund Sponsor, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date), or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be **significantly more or less** than original purchase price. The client's advisory fee shall be based upon reflected fund value(s).

Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

Item 10 Other Financial Industry Activities and Affiliations

Our parent company, Lopez Wealth Management Group, LLC is the 100% owner of Bank Fund Equities, Inc., Lopez Wealth Direct Brokerage, LLC and Lopez Wealth Insurance Services, LLC.

Bank Fund Equities, Inc. is a registered Broker-Dealer and a member of FINRA/SIPC. Lopez

Wealth Insurance Services, LLC is a licensed insurance agency.

Lopez Wealth Direct Brokerage, LLC is a 70% owner of Hodges Bend Advisor, LLC which is an advisor to a pooled investment vehicle, Vista at Hodges Bend, LLC, a company formed to acquire 91 existing single-family residential lots in Sevier County, Tennessee. Clients of Lopez Wealth Management, LLC that represent in writing that they meet the investment requirements as spelled out in the Private Placement Memorandum may be referred or recommended to invest in Vista at Hodges Bend, LLC. This could create a conflict of interest since Hodges Bend Advisor, LLC will receive a share of the profits after the clients receive their initial capital investment and an 8% preferred return.

In light of the above, Lopez Wealth Management, LLC is under common control with Bank Fund Equities, Inc., Lopez Wealth Direct Brokerage, LLC and Lopez Wealth Insurance Services, LLC.

J. Wade Lopez and Jonathan R. Weatherly are registered representative with Bank Fund Equities, Inc. In this capacity, they may recommend products offered by BFE as part of your investment portfolio. If clients purchase these products through Mr. Lopez or Weatherly, they will receive the customary commissions in his separate capacity as a registered representative of BFE. Additionally, Mr. Lopez or Mr. Weatherly could be eligible to receive incentive awards such as BFE may offer. The receipt of additional compensation may give Mr. Lopez and Mr. Weatherly an incentive to recommend investment products based on the compensation received rather than your investment needs. You are under no obligation, contractually or otherwise, to purchase products through any person affiliated with our firm.

J. Wade Lopez has an ownership interest in Lopez Wealth Insurance Services, LLC, a licensed insurance agency. Mr. Lopez is also separately as an independent insurance agent. In this capacity, he can effect transactions in insurance products for his clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Lopez Wealth Insurance Services, LLC and Mr. Lopez for insurance related activities. This presents a conflict of interest because Mr. Lopez may have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Jonathan R. Weatherly currently serves on Dunham's Advisory Board. No compensation is received for his service although expenses incurred related to lodging, meals and travel to attend Advisory Board meetings are paid by Dunham & Associates.

We receive compensation for referring you to Dunham pursuant to a written agreement between us and Dunham. The written agreement describes the activities that we perform and the compensation we will receive and contains an undertaking on our part to perform in accordance with Dunham's instructions. The written agreement requires our investment adviser representatives to provide you with our written disclosure documents as well as Dunham's. The disclosure documents contain the following information:

- The nature of our relationship, including any affiliation between us and Dunham
- A statement that our representatives will be compensated for their services
- The terms of the compensation agreement, including a description of the compensation paid to our investment advisor representative
 - Compensation differentials charged to the client above the normal fee charged by Dunham as a result of the cost of obtaining clients by compensating us

This compensation arrangement presents a conflict of interest because we have a financial incentive to recommend the services of Dunham. You are not obligated, contractually or otherwise, to use the services of any third party money manager we recommend.

Please see Items 4 & 5 above for additional information.

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

We have adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All of our supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

Our clients or prospective clients may receive without charge a copy of the firm's Code of Ethics at any time by contacting Jonathan R. Weatherly, Chief Compliance Officer.

We anticipate that, in appropriate circumstances, consistent with clients' investment objectives, we will cause accounts over which we have management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which we, our affiliates and/or clients, directly or indirectly, have a position of interest. Our employees and persons associated with us are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, our officers, directors and employees and our affiliates may trade for their own

accounts in securities which are recommended to and/or purchased for our clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might

benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored to reasonably prevent conflicts of interest between us and our clients.

It is our policy that the firm will not act as a principal for our own account or the account of an affiliated broker-dealer to buy from or sell any security to any client.

Lopez Wealth Direct Brokerage, LLC is a 70% owner of Hodges Bend Advisor, LLC. Hodges Bend Advisor, LLC is the advisor to Vista at Hodges Bend, LLC. Clients of Lopez Wealth Management, LLC that represent in writing that they meet the investment requirements as spelled out in the Private Placement Memorandum may be referred or recommended to invest in Vista at Hodges Bend, LLC.

In addition to ensuring that this investment is suitable for clients, each client will be required to sign an acknowledgment that they understand the conflict of interest involved.

Item 12 Brokerage Practices

Persons providing investment advice on behalf of our firm who are registered representatives of Bank Fund Equities, Inc. are subject to applicable rules that generally restrict them from conducting securities transactions away from Bank Fund Equities, Inc. unless BFE provides the representative with written authorization to do so. Although these individuals are generally limited to conducting securities transactions through BFE, we normally use the brokerage and custodial services of TD Ameritrade and Pershing Advisor Solutions LLC for our advisory

clients. BFE is aware of this and has approved this practice. Nevertheless, if transactions are executed through BFE, these individuals (in their separate capacities as registered representatives of BFE) may earn commission-based

compensation as result of placing the recommended securities transactions through BFE. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as we recommend. Please see the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

We recommend the brokerage services of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA and Pershing LLC member FINRA/NYSE/SIPC. We believe that these firms provide quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by TD Ameritrade and Pershing LLC including the value of the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services TD Ameritrade and Pershing LLC provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We utilize the services of Pershing Advisor Solutions LLC ("PAS") member FINRA/SIPC which is an affiliate of Pershing LLC. PAS has retained Pershing LLC to provide certain record keeping and operational services for client account(s), which may include execution and settlement of securities transactions, custody of securities and cash balances, and extension of credit on margin transactions, where applicable. PAS has the general responsibility for servicing the transactional activities which occur in clients' securities accounts through its own personnel.

We also participate in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the program. There is no direct link between our participation in the program and the investment advice we give to our Clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services. We do

not receive soft dollar benefits from any broker-dealer.

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

We routinely require that you direct our firm to execute transactions through TD Ameritrade. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Client orders may be aggregated or bunched if there is intent to buy or sell the same equity for multiple clients (this practice is commonly referred to as "block trading"). This would be done to achieve the best execution price and possibly a lower commission rate. No client would be systematically advantaged or disadvantaged by aggregating the orders. In the event of partial execution, shares would be allocated proportionally among client accounts. Our principals will not participate in order aggregation. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

Item 13 Review of Accounts

Lopez Wealth Management, LLC will monitor your accounts on an ongoing basis to ensure the advisory services provided to you, and the investment mix, are consistent with your stated investment needs and objectives. Additionally, reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

We do not generally provide consolidated account statements or performance reports. You will receive trade confirmations and account statements from your account custodian(s) on a monthly, quarterly, semi-annual or annual basis depending on the policy of the custodian. We offer to provide clients with updated values of accounts on a quarterly basis that correspond with their advisory billing.

Your investment adviser representative will review financial plans as needed, depending on the arrangements made with you at the inception of your advisory relationship to ensure that the planning advice is consistent with your current investment needs and objectives. We will contact you periodically to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss, and/or disability, among others. Where warranted, we will provide you with updates to the financial plan in conjunction with the review. We recommend meeting with you at least annually to review and update your plan if needed. Additional reviews will be conducted upon your request.

Item 14 Client Referrals and Other Compensation

We do not compensate any person or firm for providing client referrals.

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how

we address these conflicts, please refer to the *Fees and Compensation* section.

Item 15 Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. Please Also Note: The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

Item 16 Investment Discretion

We receive discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold through the execution of the *Investment Advisory Agreement*. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions you may have imposed. For registered investment companies, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to us in writing.

Item 17 Voting Client Securities

As a matter of firm policy and practice, we do not have any authority to, and do not, vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. We may provide advice to you if requested regarding the voting of proxies.

Item 18 Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and have not been the subject of a bankruptcy proceeding.

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service

providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

Lopez Wealth Management's Chief Compliance Officer, Jonathan R. Weatherly, remains available to address any questions regarding this Part 2A.