

# Financial Gravity Wealth, Inc.

## Firm Brochure

*This brochure provides information about the qualifications and business practices of Financial Gravity Wealth, Inc.. If you have any questions about the contents of this brochure, please contact us at (469) 342-9100 or by email at: [info@financialgravity.com](mailto:info@financialgravity.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Financial Gravity Wealth, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Financial Gravity Wealth, Inc.'s CRD number is: 144008*

800 North Watters Rd, Suite 120  
Allen, TX 75013  
(469) 342-9100  
[www.financialgravity.com](http://www.financialgravity.com)  
[info@financialgravity.com](mailto:info@financialgravity.com)

*Registration as an investment adviser does not imply a certain level of skill or training.*

Version Date: 11/30/2017

## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of Financial Gravity Wealth, Inc. ("FGW") on 11/30/2017 are described below. This list summarizes changes to policies, practices or conflicts of interests only.

## Item 3: Table of Contents

Item 1: Cover Page .....	
Item 2: Material Changes.....	i
Item 3: Table of Contents.....	ii
Item 4: Advisory Business.....	1
Item 6: Performance-Based Fees and Side-By-Side Management .....	6
Item 7: Types of Clients .....	6
Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss .....	6
Item 9: Disciplinary Information .....	7
Item 10: Other Financial Industry Activities and Affiliations.....	8
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	9
Item 12: Brokerage Practices .....	10
Item 13: Reviews of Accounts.....	11
Item 14: Client Referrals and Other Compensation .....	11
Item 15: Custody .....	14
Item 16: Investment Discretion.....	15
Item 17: Voting Client Securities (Proxy Voting).....	15
Item 18: Financial Information.....	15
Item 19: Requirements For State Registered Advisers .....	<b>Error! Bookmark not defined.</b>

## **Item 4: Advisory Business**

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

This firm has been in business since May of 2007, and the principal owner is Financial Gravity Operations, Inc. which is principally owned by John David Pollock.

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

Financial Gravity Wealth, Inc. (hereinafter "FGW") offers the following services to advisory clients:

#### **Investment Supervisory Services**

FGW offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. FGW creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Personal investment policy
- Asset allocation
- Asset selection
- Regular portfolio monitoring

As part of the client onboarding, FGW will assess the client's financial situation and evaluate the current investments of each client with respect to their risk tolerance levels and time horizon. FGW will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

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

FGW may direct clients to appropriate third-party money manager(s). FGW will be compensated via a fee share from these advisors to which it directs clients. This relationship will be disclosed in each contract between FGW and the third-party money manager and each client will receive full disclosure of the relationship. The fees shared will not exceed any limit imposed by any regulatory agency. Before selecting other advisors for clients, FGW will always ensure those other advisors are properly licensed or registered as investment advisor(s). Currently, FGW has an arrangement to direct clients to FTJ FundChoice, LLC and Equis Capital Management, Inc.

**Financial Planning**

FGW does not offer financial planning services for a fee.

**Private Placements**

Our affiliated agents may refer private placement products offered by AAI Shares to clients. Private placements carry a substantial risk as they are largely unregulated offerings not subject to securities laws.

**Services Limited to Specific Types of Investments**

FGW limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, hedge funds, third party money managers, REITs, private placements, government securities. FGW may use other securities as well to help diversify a portfolio when applicable.

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

FGW offers the same suite of services to all of its clients. However, specific investment allocations and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent FGW from properly servicing the client account, or if the restrictions would require FGW to deviate from its standard suite of services, FGW reserves the right to end the relationship.

**D. Wrap Fee Programs**

FGW does not participate in any wrap fee programs.

**E. Amounts Under Management**

FGW has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$163,744,547.83	\$0.00	11/30/2017

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Investment Supervisory Services Fees*

Total Assets Under Management	Annual Fee
\$1 - \$3,000,000	1.00%
Above \$3,000,000	0.75%

These fees are negotiable, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. For purposes of determining the market value of the assets upon which the advisory fee is based, FGW uses the value of the client's account on the last business day of the month (after taking into account deposits and withdrawals).

Clients may terminate the contract without penalty, for full refund, within 5 business days of signing the advisory contract. Thereafter, clients may terminate their contracts with thirty days' written notice and clients will not have to pay the prorated fee for the month in which the contract is terminated.

#### *Selection of Other Advisors Fees*

Prior to introducing Pennsylvania clients to another investment adviser, FGW will be responsible for determining the following:

- whether the investment advisor is registered with the Pennsylvania Securities Commission under Section 301 of the Pennsylvania Securities Act of 1972 ("1972 Act") whether the investment advisor is relying on an exclusion from the definition of investment advisor under Section 102(j) of the 1972 Act;
- whether the investment advisor is relying on an exemption from registration under Section 302(d) of the 1972 Act; or
- if the investment advisor is registered with the Securities and Exchange Commission, and whether it has filed a Notification Filing with the Pennsylvania Securities Commission under Commission Regulation 303.015(a).

#### **Egis Capital Management, Inc.**

On occasion FGW may direct clients to third party money manager Egis Capital Management, Inc., if needed to adhere to client restrictions regarding social, religious, or moral reasons. The fee schedule is as follows:

AUM	FGW Split	Eqis Split
Eqis – ETF Platform	1.00%	0.75%
Eqis – SMA Platform	1.00%	0.95%

Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Thereafter, clients may terminate their contracts with ten days' written notice.

#### **FTJ Fund Choice, Inc.**

On occasion FGW may direct clients to a third-party money manager FTJ, if needed to adhere to client restrictions regarding social, religious, or moral reasons. The fee schedule is as follows:

AUM	FGW Split	FTJ Split
FTJ – ETF – \$0 to \$250,000	1.00%	0.20%
FTJ – ETF – \$250,000.01 to \$500,000	1.00%	0.15%
FTJ – ETF – Over \$500,000	1.00%	0.10%
FTJ – SMA Program	1.00%	0.076%

Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Thereafter, clients may terminate their contracts with ten days' written notice.

## **B. Payment of Fees**

### ***Payment of Investment Supervisory Fees***

Advisory fees are paid monthly in arrears. Fees are withdrawn directly from the client's accounts with client written authorization and FGW will therefore:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- (B) Use a custodian that sends at least quarterly statements.
- (C) Send the qualified custodian written notice of the amount of the fee to be deducted and send the client a written invoice upon or prior to fee deduction itemizing the fee, including the formula used to calculate the fee, the time period covered by the fee, and the amount of assets under management on which the fee was based.

## *Payment of Selection of Other Advisors Fees*

### **Eqis Capital Management, Inc.**

Fees are billed monthly in arrears by Eqis Capital Management, Inc., which then pays to FGW its share of the fee split. Eqis Capital Management, Inc., rather than FGW, sends the client statements for these accounts. If the client terminates their agreement before the end of a billing cycle, all fees that were charged in advance will be refunded on a prorated basis, based on the number of days remaining in the quarter at the point of termination.

### **FTJ Fund Choice, Inc.**

Fees are billed monthly in advance by FTJ, which then pays to FGW its share of the fee split. FTJ, rather than FGW, sends the client statements for these accounts. If the client terminates their agreement before the end of a billing cycle, all fees that were charged in arrears will be refunded on a prorated basis, based on the number of days remaining in the month at the point of termination.

## **C. Clients Are Responsible For Third Party Fees**

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

## **D. Prepayment of Fees**

FGW collects its portfolio management fees in arrears.

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

John David Pollock, Arthur David Crowley, Devin Patel, Lehman Duane Allen, Michael McCormick, Steven Anthony Bassetto, Diane Young, Mark Lumia, Richard Diamond, Edward Storer, Christopher Scott Wright, Timothy Hermes, Mark Lumia, and Roy Innella are licensed insurance agents and, in this role, accept compensation for the sale of insurance products to FGW clients. This presents a conflict of interest and gives the



supervised persons an incentive to recommend insurance based on the compensation received rather than on the client's needs. To help mitigate the conflict of interest, FGW always acts in the best interest of the client consistent with its fiduciary duty. Additionally, clients will always have the right to purchase FGW-recommended products through other brokers or agents that are not affiliated with FGW. Commissions are not FGW's primary source of compensation and, when recommending the sale of insurance products for which the supervised persons receives compensation, FGW will document the conflict of interest in the client file and inform the client of the conflict of interest.

In addition, supervised persons will only offer insurance products to clients in the respective states in which the supervised person is properly licensed as an insurance agent.

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

FGW does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

FGW generally provides investment advice and/or management supervisory services to the following Types of Clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖

There is no account minimum.

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

### **A. Methods of Analysis and Investment Strategies**

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

FGW's methods of analysis include fundamental analysis and cyclical analysis.

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

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

### *Investment Strategies*

FGW uses long term trading and short term trading strategies.

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

## **B. Material Risks Involved**

### *Methods of Analysis*

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

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

### *Investment Strategies*

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

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

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

FGW generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

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

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

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

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

Neither FGW nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

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

Neither FGW nor its representatives are registered as a FCM, CPO, or CTA.

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

John David Pollock, Arthur David Crowley, Devin Patel, Lehman Duane Allen, Steven Anthony Bassetto, Diane Young, Mark Lumia, Richard Diamond, Edward Storer, Christopher Scott Wright, Timothy Hermes, Mark Lumia, and Roy Innella are licensed insurance agents. Lehman Duane Allen, Joseph Fragnoli, Michael Joseph McCormick, and Larry David Stone are also Certified Public Accountants.

From time to time, they will offer clients advice or products from these activities and clients should be aware that these services involve a conflict of interest. This presents a conflict of interest and gives the supervised persons an incentive to recommend services or products based on the compensation received rather than on the client's needs. To help mitigate the conflict of interest, FGW always acts in the best interest of the client consistent with its fiduciary duty. Additionally, clients will always have the right to purchase FGW-recommended products or services through other providers that are not affiliated with FGW.

Moreover, supervised persons will only offer insurance products to clients in the respective states in which the supervised person is properly licensed as an insurance agent.

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

FGW will direct clients to various third-party money manager(s). FGW will be compensated via a fee share from the advisors to which it directs those clients. This relationship will be disclosed in each contract between FGW and the third-party money manager. The fees shared will not exceed any limit imposed by any regulatory agency.

This creates a conflict of interest in that FGW has an incentive to direct clients to the third party money managers that provide FGW with a larger fee split. FGW will always act in the best interests of the client, including when determining which third party manager to recommend to clients.

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

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

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

### **B. Recommendations Involving Material Financial Interests**

FGW does not recommend that clients buy or sell any security in which a related person to FGW has a material financial interest.

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

From time to time, representatives of FGW may buy or sell securities for themselves that they also recommend to clients and may do so at or around the same time as clients. This may provide an opportunity for representatives of FGW to buy or sell the same securities before or after recommending securities to clients, resulting in representatives profiting off the recommendations they provide to clients. Such transactions create conflicts of interest. To address these conflicts of interest, FGW will always document any such transactions and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold. Moreover, FGW will always act in the best interest of the client consistent with its fiduciary duty.

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

From time to time, representatives of FGW may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of FGW to buy or sell the same securities before or after trading securities for clients, resulting in representatives profiting off the recommendations they provide to clients.

Such transactions create conflicts of interest. To address these conflicts of interest, FGW will always document any such transactions and will never engage in trading that operates to the client's disadvantage when trading at or around the same time as client accounts. Moreover, FGW will always act in the best interest of the client consistent with its fiduciary duty.

## **Item 12: Brokerage Practices**

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

Custodians/broker-dealers will be recommended based on FGW's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and FGW may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in FGW's research efforts. FGW will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian. FGW recommends Advisor Solutions, Charles Schwab & Co., Inc. Advisor Services, Trust Company of America, and TD Ameritrade, while certain clients may elect to use Equity Institutional or FOLIO Investments, Inc.

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

While FGW has no formal soft dollars program in which soft dollars are used to pay for third party services, FGW may receive research, products, or other services from its broker/dealer in connection with client securities transactions ("soft dollar benefits") and may consider these benefits in recommending brokers. There can be no assurance that any particular client will benefit from any particular soft dollar research or other benefits. FGW benefits by not having to produce or pay for the research, products or services, and FGW will have an incentive to recommend a broker dealer based on receiving research or services. Clients should be aware that FGW's acceptance of soft dollar benefits may result in higher commissions charged to the client.

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

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

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

FGW will not allow clients to direct FGW to use a specific broker-dealer to execute transactions. Clients must use FGW recommended custodian (broker-dealer). Not all

investment advisers require their clients to direct brokerage. By requiring clients to use our specific custodian, FGW may be unable to achieve most favorable execution of client transactions and this may cost clients' money over using a lower-cost custodian.

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

FGW maintains the ability to block trade purchases across accounts but will rarely do so. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

## **Item 13: Reviews of Accounts**

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

Client accounts are reviewed periodically by John David Pollock, President or other firm assigned personnel. Accounts are rebalanced quarterly reviewers are instructed to review clients' accounts with regard to their investment policies and risk tolerance levels.

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

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

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

FGW does not provide regular reports to clients, written or otherwise.

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

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

FGW is compensated via its selection of other advisor's arrangement. FGW also has access to soft dollar benefits (as described in Item 12 above) and economic benefits (including as described below) provided by custodians.

### **FolioFN**

FGW participates in the institutional advisor program (the "Program") offered by FOLIOfn Investments, Inc. FOLIOfn Investments, Inc. offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. FGW receives some benefits from FOLIOfn Investments, Inc. through its participation in the Program.

As part of the Program, FGW may recommend FOLIOfn Investments, Inc. to clients for custody and brokerage services. There is no direct link between FGW's participation in the Program and the investment advice it gives to its clients, although FGW receives economic benefits through its participation in the Program that are typically not available to FOLIOfn Investments, Inc. 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 FGW 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 FGW's 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 FGW by third party vendors. FOLIOfn Investments, Inc. may also pay for business consulting and professional services received by FGW's related persons. Some of the products and services made available by FOLIOfn Investments, Inc. through the Program may benefit FGW but may not benefit its client accounts. These products or services may assist FGW in managing and administering client accounts, including accounts not maintained at FOLIOfn Investments, Inc. Other services made available by FOLIOfn Investments, Inc. are intended to help FGW manage and further develop its business enterprise. The benefits received by FGW or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to FOLIOfn Investments, Inc. As part of its fiduciary duties to clients, FGW endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by FGW or its related persons in and of itself creates a conflict of interest and may indirectly influence the FGW's choice of FOLIOfn Investments, Inc. for custody and brokerage services.

### **TD Ameritrade**

FGW participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. FGW receives some benefits from TD Ameritrade through its participation in the Program.

As part of the Program, FGW may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between FGW's participation in the Program and the investment advice it gives to its clients, although FGW receives economic benefits

through its 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 FGW 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 FGW's 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 FGW by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by FGW's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit FGW but may not benefit its client accounts. These products or services may assist FGW in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help FGW manage and further develop its business enterprise. The benefits received by FGW or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, FGW endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by FGW or its related persons in and of itself creates a conflict of interest and may indirectly influence the FGW's choice of TD Ameritrade for custody and brokerage services.

#### **Trust Company of America**

FGW participates in the institutional advisor program (the "Program") offered by Trust Company of America. Trust Company of America offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. FGW receives some benefits from Trust Company of America through its participation in the Program.

As part of the Program, FGW may recommend Trust Company of America to clients for custody and brokerage services. There is no direct link between FGW's participation in the Program and the investment advice it gives to its clients, although FGW receives economic benefits through its participation in the Program that are typically not available to Trust Company of America 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 FGW 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 FGW's 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 FGW by third party vendors. Trust Company of America may also pay for business consulting and



professional services received by FGW's related persons. Some of the products and services made available by Trust Company of America through the Program may benefit FGW but may not benefit its client accounts. These products or services may assist FGW in managing and administering client accounts, including accounts not maintained at Trust Company of America. Other services made available by Trust Company of America are intended to help FGW manage and further develop its business enterprise. The benefits received by FGW or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to Trust Company of America. As part of its fiduciary duties to clients, FGW endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by FGW or its related persons in and of itself creates a conflict of interest and may indirectly influence the FGW's choice of Trust Company of America for custody and brokerage services.

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

FGW does not compensate any person for client referrals.

### **Item 15: Custody**

#### ***Investment Supervisory Services Accounts***

FGW does not have custody other than via direct fee deduction. When advisory fees are deducted directly from client accounts at client's custodian, FGW will follow the procedures below.

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- (B) Utilize a custodian that sends at least quarterly invoices.
- (C) Send the qualified custodian written notice of the amount of the fee to be deducted and send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Clients will receive account statements from the custodian and should carefully review those statements. FGW urges clients to compare the account statements they receive from the custodian with those they received from FGW.

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

The third-party adviser, rather than FGW, sends the client statements for these accounts. FGW does not have custody over these accounts.

## **Item 16: Investment Discretion**

For those client accounts where FGW provides ongoing supervision, FGW maintains limited power of authority over client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. All buying and selling of securities is explained to clients in detail before an advisory relationship has commenced.

## **Item 17: Voting Client Securities (Proxy Voting)**

FGW will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

FGW does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

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

Neither FGW nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

FGW has not been the subject of a bankruptcy petition.