

# Oakwell Private Wealth Management Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Oakwell Private Wealth Management. If you have any questions about the contents of this brochure, please contact us at 1-800-55OAKWELL or by email at: [compliance@oakwellpwm.com](mailto:compliance@oakwellpwm.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 Oakwell Private Wealth Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Oakwell Private Wealth Management's CRD number is: 162096*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

Since our last annual filing on 03/28/2018, we have the following material changes to disclose.

- Oakwell Private Wealth Management (“OPWM”) no longer acts as a sub-adviser
- OPWM has entered into a relationship with a third party service adviser. See item 10.
- Brett Olan Wheeler is no longer a member of OPWM
- We have updated Item 8 to disclose that OPWM’s investment strategies do not include uncovered options or spreading strategies.

Material changes relate to Oakwell Private Wealth Management’s policies, practices or conflicts of interests.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Oakwell Private Wealth Management is a Limited Liability Company organized in the state of Texas. This firm has been in business since February 2012, and the principal owners are Oakwell Insurance Group LLC, Ceruse Financial LLC, Robbins Financial Coordinating Services Inc., Touchstone Wealth Planners Inc. and RM Wealth Management LLC.

### B. Types of Advisory Services

Oakwell Private Wealth Management (hereinafter “OPWM”) offers the following services to advisory clients:

#### *Investment Supervisory Services*

OPWM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. OPWM 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
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

OPWM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. OPWM 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.

OPWM will also offer investment supervisory services to pension and profit sharing plans for small businesses. OPWM may install and/or take over existing plans. OPWM may recommend mutual funds/ETFs for the plans in addition to building models for clients to select.

#### *Financial Planning*

Financial plans and financial planning may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services are based on fixed fees, hourly fees, and/or retainer fees and the final fee structure is documented in Exhibit II of the Financial

Planning Agreement. The client decides whether they choose to be charged by fixed fees, hourly fees, and/or retainer fees.

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

OPWM generally limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, hedge funds, REITs, insurance products including annuities, private placements, and government securities. OPWM may use other securities as well to help diversify a portfolio when applicable.

### ***Robo-Advisory Service***

OPWM offers a robo advisory service: Destination by Oakwell. Please see the ADV Part 2A for Destination by Oakwell for additional information.

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

OPWM offers the same suite of services to all of its clients. However, specific client financial plans 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.

## **D. Wrap Fee Programs**

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

## **E. Amounts Under Management**

OPWM has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$138,498,706	\$15,554,190	12/31/2017

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

## **A. Fee Schedule**

### ***Investment Supervisory Services Fees***

The fees for Investment Supervisory Services are negotiable and depend upon the needs of the client and complexity of the situation. The maximum fee is 2.50% of the value of assets under management per annum. The final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid monthly or quarterly in arrears and clients may terminate their contracts with thirty days' written notice. The billing period is determined in the contract between OPWM and the client.

Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization. In cases where Advisor fees are directly deducted, Advisor is required to a.) Obtain client authorization, b.) Send a copy of the invoice to the client at the same time that the IA directs invoice to the custodian for payment, c.) Disclose that the custodian will send quarterly invoices to the client wherein Advisor fees are itemized.

### ***Financial Planning Fees***

#### ***Fixed Fees***

The fixed fees for Financial Planning Services are negotiable and depend upon the needs of the client and complexity of the situation. The final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the advisory contract. Thereafter, clients may terminate at any time.

#### ***Hourly Fees***

The hourly fees for Financial Planning Services are negotiable and depend upon the needs of the client and complexity of the situation. The final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the advisory contract. Thereafter, clients may terminate at any time.

#### ***Retainer Fees***

The rate for retaining financial planning services are negotiable and depend upon the needs of the client and complexity of the situation. The final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Clients may terminate their



contracts without penalty within five business days of signing the advisory contract. Thereafter, clients may terminate at any time.

## **B. Payment of Fees**

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

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid monthly or quarterly in arrears. The billing period is determined in the contract between OPWM and the client.

### ***Payment of Financial Planning Fees***

Hourly Financial Planning fees are paid via check or credit card in advance, but never more than six months in advance.

Fixed Financial Planning fees are paid via check or credit card in advance, but never more than six months in advance.

Retainer Financial Planning fees are paid via check or credit card semi-annually, but never more than six months in advance.

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

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

## **D. Prepayment of Fees**

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

Retainer fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

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

OPWM 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

OPWM generally provides investment advice and/or management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High Net Worth Individuals
- ❖ Pension and Profit Sharing Plans

### *Minimum Account Size*

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*

OPWM's methods of analysis include fundamental analysis, technical 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.

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

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

#### *Investment Strategies*

OPWM uses long term trading, short term trading, and covered call option 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.

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

**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 and options writing generally hold greater risk and clients should be aware that there is a 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**

OPWM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize options writing. Options writing generally holds greater risk of capital loss and clients should be aware that there is a material risk of loss using any of those strategies.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned above).

**Equity** investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Treasury Inflation Protected/Inflation Linked Bonds:** The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

**Fixed Income** is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

**Debt securities** carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

**Stocks & Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**Real Estate** funds face several kinds of risk that are inherent in this sector of the market. Liquidity risk, market risk and interest rate risk are just some of the factors that can influence the gain or loss that is passed on to the investor. Liquidity and market risk tend to have a greater effect on funds that are more growth-oriented, as the sale of appreciated properties depends upon market demand. Conversely, interest rate risk impacts the amount of dividend income that is paid by income-oriented funds.

**Hedge Funds** are not suitable for all investors and involve a high degree of risk due to several factors that may contribute to above average gains or significant losses. Such factors include leveraging or other speculative investment practices, commodity trading, complex tax structures, a lack of transparency in the underlying investments, and generally the absence of a secondary market.

**REITs** have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

**Private placements** carry a substantial risk as they are largely unregulated offerings not subject to securities laws.

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

**Short term trading** risks include liquidity, economic stability and inflation.

**Options writing** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market.

**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

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

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

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

There are no self-regulatory organization proceedings to report.

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

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

Neither OPWM nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

### **B. Insurance Agents**

While OPWM is not an insurance agency, OPWM's Investment Adviser Representatives may be licensed as independent insurance agents and have affiliations with the various insurance companies whose products they sell. When such recommendations or sales are made, a conflict of interest exists as the insurance licensed Investment Adviser Reps earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. OPWM requires that all Investment Adviser Representatives disclose this conflict of interest when such recommendations are made. Also, OPWM requires Investment Adviser Reps to disclose that Clients may purchase recommended insurance products from other insurance agents not affiliated with OPWM.

Brian Boswell, Member and Chief Compliance Officer for OPWM, is a licensed insurance agent/broker with various companies. In his role as an insurance agent/broker, he may offer commissionable (non-variable) insurance products to you for which he may receive compensation from insurance companies. He may recommend and sell life, health, and long- term care insurance and will receive the usual and customary commissions. The sale of these products accounts for approximately 10% of his time.

Laurent Boumaza, Member for OPWM, is a licensed insurance agent/broker with various companies. In his role as an insurance agent/broker, he may offer commissionable (non-variable) insurance products to you for which he may receive compensation from insurance companies. He may recommend and sell life, health, and long- term care insurance and will receive the usual and customary commissions. The sale of these products accounts for approximately 10% of his time.

Touchstone McDonald, Member for OPWM, is a licensed insurance agent/broker with various companies. In his role as an insurance agent/broker, he may offer commissionable (non-variable) insurance products to you for which he may receive compensation from insurance companies. He may recommend and sell life, health, and long- term care insurance and will receive the usual and customary commissions. The sale of these products accounts for approximately 15% of his time.

Richard Robbins, Member for OPWM, is a licensed insurance agent/broker with various companies. In his role as an insurance agent/broker, he may offer commissionable (non-variable) insurance products to you for which he may receive compensation from insurance companies. He may recommend and sell life, health, and long-term care insurance and will receive the usual and customary commissions. The sale of these products accounts for approximately 15% of his time.

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

One of our IARs, Richard Robbins, is a registered representative of Purshe Kaplan Sterling Investments ("PKS"). The IAR may recommend securities products that will pay him a commission through his broker-dealer relationship. When such recommendations or sales are made, a conflict of interest exists as the registered representative may receive more commissions from the sale of these products than from providing you with advisory services. We require that all IARs disclose this conflict of interest when such recommendations are made. We also require IARs to disclose to clients that they may purchase recommended products from other representatives not affiliated with us. Our Code of Ethics requires our IARs do what is in the clients' best interests at all times. Our CCO monitors all transactions to ensure that representatives put their clients first, not the commission they may receive. The broker-dealer also monitors all transaction to make certain they are suitable for the client.

Richard Robbins spends approximately 10 hours per month in his role as a registered representative with PKS.

### **D. Selection of Other Advisers or Managers**

OPWM does not utilize the services of third-party investment advisers or money managers. OPWM has an agreement with Advisor Logistics, LLC ("Advisor Logistics") to provide trade execution support for the clients of OPWM. Advisor Logistics is a non-affiliated third party and will not provide any type of advisory services, have any type of discretion over, act as third-party money manager or sub-adviser to, nor have any type of custody of securities or assets of any client managed by OPWM. No conflict of interest is created by this relationship as Advisor Logistic only provides support in executing trades in client accounts on OPWM's behalf.

## **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. Our Code of Ethics is available free upon request to any client or prospective client.

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

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

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

From time to time, representatives of OPWM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of OPWM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. OPWM will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

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

From time to time, representatives of OPWM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of OPWM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. OPWM will always transact client's transactions before its own when similar securities are being bought or sold.

## **Item 12: Brokerage Practices**



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

Custodians/broker-dealers will be recommended based on OPWM's duty to seek "best execution," which is the obligation to seek to execute securities transactions for a client on terms that are the most favorable to the client under the circumstances. The client will not necessarily pay the lowest commission or commission equivalent, and OPWM may also consider the market expertise and research access provided by the payment of commissions, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers to aid in the research efforts of OPWM. OPWM will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

OPWM recommends Charles Schwab, Fidelity, InterActive Brokers, or Aspire Financial Services as the custodian for your account(s).

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

OPWM receives research, products, or other services from its broker/dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that OPWM must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for OPWM to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. However, because this firm does not have to produce or pay for services or products it has an incentive to choose a custodian that provides those services based on its interests rather than the clients' interests. The first consideration when recommending broker/dealers to clients is best execution. OPWM always acts in the best interest of the client.

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

OPWM 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***

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

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

OPWM maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing OPWM the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

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

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

Client accounts are reviewed at least annually only by the CCO. The CCO is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at OPWM are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Dan Michel, Managing Member. There is only one level of review and that is the total review conducted to create the financial plan.

### **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**

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

Clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

## **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)**

OPWM receives research, products, or other services from its broker/dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that OPWM must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for OPWM to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. However, because this firm does not have to produce or pay for services or products it has an incentive to choose a custodian that provides those services based on its interests rather than the clients' interests. The first consideration

when recommending broker/dealers to clients is best execution. OPWM always acts in the best interest of the client.

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

OPWM does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

OPWM, with client written authority, has limited custody of client's assets through direct fee deduction of OPWM's Fees only. If the client chooses to be billed directly by the Custodian, OPWM would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

For those client accounts where OPWM provides ongoing supervision, the client has given OPWM written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides OPWM discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

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

OPWM 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**

OPWM 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 OPWM 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**

OPWM has not been the subject of a bankruptcy petition in the last ten years.