



## **Form ADV Part 2A**

# **Investment Adviser Brochure**

17300 North Dallas Parkway, Suite 2065  
Dallas, TX 75248  
972-421-1360  
[www.360wm.net](http://www.360wm.net)

**October 2018**

### **Other Names Under Which Business is Conducted:**

360 Wealth Management Partners, Abacus Wealth Management, Abacus Wealth Management, Ampio Wealth Management, Benge Financial Group, CSB Wealth Management, Dallas Financial Planner, Don Hubbard Financial Services, Faubourg Private Wealth, Foundation Wealth Partners, Generations Financial Management, Hopper Financial Services, Lightforce Financial, Maven Wealth Consulting, LLC, Maverick Wealth Management, McLemore Financial Group, Mergent Group, Napa Valley Financial, Orion Wealth Management, Parsons Wealth Management, RL Brown Financial, Ridgemark Financial, Shelton Financial Group, Silverman Legate Advisory Group, Simmons Wealth Management, Team 360 Wealth Management, Texas State Financial, Team 360 Wealth Management, The Aero Advisor, The Texas Money Manager, True Wealth Management, and Valtrum.

### **Firm Contact: Sean Kernan, Chief Compliance Officer**

This brochure provides information about the qualifications and business practices of 360 Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us by telephone at (972) 421-1360 or email [RIACompliance@360WM.net](mailto:RIACompliance@360WM.net). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State securities authority.

Additional information about 360 Wealth Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), using our unique identifier, CRD # 164109.

Please note that the use of the term "registered investment adviser" and description of 360 Wealth Management, LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of the firm and our employees.

## **Item 2: Summary of Material Changes**

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### **Annual Update**

In this Item of 360 Wealth Management, LLC's (the Firm, we, us, our, etc.) Form ADV Part 2A Brochure, the Firm is required to discuss any material changes that have been made since the Firm's last annual amendment filing, dated March 20, 2018.

### **Material Changes since the Last Update**

Since the last filing, the Firm has the following material changes to report:

- The Firm is deemed to have custody due to the ability to authorize first party money transfers (wires). See more information in Item 15 – Custody.
- Form ADV Part 2A, Item 5 was amended to describe fees and expenses related to investments on the LPL NTF Platform

### **Full Brochure Available**

The Firm's Form ADV may be requested at any time, without charge by contacting Sean Kerman, Chief Compliance Officer at (972) 421-1360 or [RIACompliance@360WM.net](mailto:RIACompliance@360WM.net).

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## **Item 4: Advisory Business**

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### **Firm Description**

360 Wealth Management, LLC (the Firm, we, us, our, etc.) is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended.

The Firm is a limited liability company formed in the State of Texas. Our principals have over 50 years of combined investment industry experience. We have been registered as an investment adviser since 2012, and our ownership is as follows:

Chad Akins- 1/3 owner

Brandon Day- 1/3 owner

Sean Kernan- 1/3 owner (Chief Compliance Officer)

We specialize in providing: asset management, financial planning and consulting, pension consulting and referrals to third party money managers.

We are dedicated to providing individuals, pension and profit sharing plans, corporations, limited liability companies and/or other business types with a wide array of investment advisory services.

### **Investment Advisory Services**

#### **Asset Management**

We emphasize continuous and regular account supervision. As part of our asset management service, we create a portfolio, consisting of individual stocks or bonds, exchange traded funds (ETFs), options, mutual funds and other public and private securities or investments. Each client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least annually and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

#### **Financial Planning and Consulting**

We provide a variety of financial planning and consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of the client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning. Our written financial plans or financial consultations rendered to clients usually include general recommendations for

a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary, for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations.

For financial consulting engagements, we may or may not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Financial consulting engagements may provide financial advice regarding assets or accounts not in custody by us. For such engagements, we have no obligation to instruct any broker or custodian to take any action in furtherance of any advice provided to a consulting client.

### **Referrals to Third Party Money Managers**

We may refer clients to third party money managers for the individual management of client accounts. As part of this process, we assist clients in identifying an appropriate third-party money manager. We perform ongoing reviews of the management of each client account.

In order to assist clients in the selection of a third-party money manager, we typically gather information from the client about their financial situation, investment objectives, and reasonable restrictions they can impose on the management of the account, which are often very limited. It is important to note that we do not offer advice on any specific securities or other investments in connection with this service. Investment advice and trading of securities is only offered by or through the third-party money managers to clients.

We periodically review third party money managers' reports provided to the client, but no less often than on an annual basis. We contact the clients from time to time in order to review their financial situation and objectives; communicate information to third party money managers as warranted; and, assist the client in understanding and evaluating the services provided by the third-party money manager. The client will be expected to notify us of any changes in his/her financial situation, investment objectives, or account restrictions that could affect their account. The client may also directly contact the third-party money manager managing the account or sponsoring the program.

### **Portfolio Management Services through LPL Financial**

When appropriate we have the ability to provide advisory services through certain programs sponsored by LPL Financial. Below is a brief description of each LPL advisory program available to us. Annualized fees for participation in LPL advisory programs vary up to maximum of 2.5%. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the LPL Financial Form ADV Part 2 or the applicable LPL program's Wrap Fee Program Brochure and the applicable LPL Financial client agreement.

### **Access Network (MAN) Personal Wealth**

MAN enables high-net-worth investors to access a variety of institutional Portfolio Managers at significantly lower account minimums. By using separate account managers, clients can enjoy a higher level of specialization and service through the ownership of individual securities.

A broad range of Portfolio Managers and multiple investment styles are available, including equity, fixed income, balanced, international, ETF, REIT and socially responsible portfolios. A minimum account value of \$100,000 is required for MAN.

### **Optimum Market Portfolios (OMP) Manager**

OMP offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds Class I shares. Under OMP, the client will authorize LPL Financial on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. We will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective. The IAR will have discretion to select a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment objective. LPL Financial will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL Financial will also have authority to rebalance the account. A minimum account value of \$15,000 is required for OMP.

### **Personal Wealth Portfolios Program (PWP)**

PWP offers clients an asset management account using asset allocation model portfolios designed by LPL Financial. We will have discretion for selecting the asset allocation model portfolio based on client's investment objective. We will also have discretion for selecting third party money managers (PWP advisors) or mutual funds within each asset class of the model portfolio. LPL Financial will act as the overlay portfolio manager on all PWP accounts and will be authorized to purchase and sell on a discretionary basis mutual funds and equity and fixed income securities. A minimum account value of \$250,000 is required for PWP.

### **Model Wealth Portfolios Program (MWP)**

MWP offers clients a professionally managed mutual fund asset allocation program. We will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. We initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL Financial's Research Department consistent with the client's stated investment objective. LPL Financial's Research Department is responsible for selecting the mutual funds within a model portfolio and for making changes to the mutual funds selected. The client will authorize LPL Financial to act on a discretionary basis to purchase and sell mutual funds, including in certain circumstances exchange traded funds and to liquidate previously purchased securities. The client will also authorize LPL Financial to effect rebalancing for MWP accounts. In the future, the MWP program may make available model portfolios designed by strategists other than LPL's Research Department.

If such models are made available, we will have discretion to choose among the available models designed by LPL and outside strategists. A minimum account value of \$100,000 is required for MWP.

### **Manager Access Select Program (MAS)**

Manager Access Select provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. We will assist client in identifying a third-party portfolio manager (Portfolio Manager) from a list of Portfolio Managers made available by LPL Financial. The Portfolio Manager manages client's assets on a discretionary basis. We will provide initial and ongoing assistance regarding the Portfolio Manager selection process. A minimum account value of \$100,000 is required for Manager Access Select, however, in certain instances, the minimum account size may be lower or higher.

### **Guided Wealth Portfolios (GWP)**

GWP offers clients the ability to participate in a centrally managed, algorithm-based investment program, which is made available to users and clients through a web-based, interactive account management portal ("Investor Portal"). Investment recommendations to buy and sell exchange-traded funds and open-end mutual funds are generated through proprietary, automated, computer algorithms (collectively, the "Algorithm") of FutureAdvisor, Inc. ("FutureAdvisor"), based upon model portfolios constructed by LPL and selected for the account as described below (such model portfolio selected for the account, the "Model Portfolio"). Communications concerning GWP are intended to occur primarily through electronic means (including but not limited to, through email communications or through the Investor Portal), although 360 Wealth Management will be available to discuss investment strategies, objectives or the account in general in person or via telephone.

A preview of the Program (the "Educational Tool") is provided for a period of up to forty-five (45) days to help users determine whether they would like to become advisory clients and receive ongoing financial advice from LPL, FutureAdvisor and us by enrolling in the advisory service (the "Managed Service"). The Educational Tool and Managed Service are described in more detail in the GWP Program Brochure. Users of the Educational Tool are not considered to be advisory clients of LPL, FutureAdvisor or us, do not enter into an advisory agreement with LPL, FutureAdvisor or us, do not receive ongoing investment advice or supervisions of their assets, and do not receive any trading services. A minimum account value of \$5,000 is required to enroll in the Managed Service.

#### **Features of the Educational Tool**

Users of the Educational Tool (each, a "user") agree to a terms of use ("Terms of Use") and complete an investor profile. An investment objective ("Investment Objective") and Model Portfolio is assigned to each user based upon factors in the investor profile, including risk tolerance and the number of years remaining until the age of retirement (such time being referred to herein as the "Retirement Age"). (See description in "Features of the Managed Service" below for information regarding the design of the Model Portfolios.) Based on the Investment Objective and Model Portfolio, the

Educational Tool generates sample analysis, advice and investment recommendations (“Sample Recommendations”).

The Educational Tool provides Sample Recommendations that may assist users in determining whether to utilize the Managed Service. Access to the Educational Tool is generally limited to a period of forty-five (45) days. The Educational Tool is intended to be used for educational and informational purposes only. The Educational Tool does not provide comprehensive financial planning and is not intended to constitute legal, financial or tax advice. There may be other relevant factors and financial considerations (e.g., debt load or financial obligations) that LPL, FutureAdvisor and 360 Wealth Management do not take into consideration in formulating any Sample Recommendations provided. The Sample Recommendations made are meant solely as a sample of the types of recommendations available through the Managed Service. LPL, FutureAdvisor and 360 Wealth Management are not responsible for any actions taken with respect to the Sample Recommendations, and users are solely responsible for making their own investment decisions. The Educational Tool is only one of many tools that users may use as part of a comprehensive investment analysis process. Users should not rely on the Educational Tool as the sole basis for investment decisions.

Although LPL is an investment adviser and broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority, and FutureAdvisor is an investment adviser registered with the SEC, in providing access to the Educational Tool, LPL, FutureAdvisor and 360 Wealth Management do not intend to establish an advisory relationship, or in the case of LPL, a brokerage relationship, with users of the Educational Tool. Users are not charged an advisory fee or any other fee or expense to use the Educational Tool. The scope of any investment advisory relationship with LPL, FutureAdvisor and 360 Wealth Management begins when users enroll in the Managed Service. The output that users receive by using the Educational Tool, including the Sample Recommendations, may differ materially from the advice users would receive as an advisory client of LPL, FutureAdvisor and 360 Wealth Management.

None of LPL, FutureAdvisor or 360 Wealth Management provides ongoing investment management or trading services for assets of users of the Educational Tool, makes any determination as to whether the website through which the Program is accessed or the Educational Tool is appropriate for any user, can access any assets in any accounts users aggregate in the Educational Tool, places any trades on behalf of users of the Educational Tool, or provides ongoing supervision of assets of users of the Educational Tool. The Sample Recommendations provided are intended as an informational preview of the Managed Service, and the Sample Recommendations are being provided to demonstrate the types of analysis, advice and recommendations provided by the Managed Service.

#### Features of the Managed Service

Investors participating in the Managed Service (“clients” and each, a “client”) complete an account application (the “Account Application”) and enter into an account agreement (the “Account Agreement”) with LPL, 360 Wealth Management and FutureAdvisor. As part of the account opening process, clients are responsible for providing complete and accurate information regarding, among other things, their age, risk tolerance, and investment horizon (collectively, “Client Profile”). LPL, 360 Wealth Management and FutureAdvisor



rely on the information in the Client Profile in order to provide services under the Program, including but not limited to, determination of suitability of the Program for clients and an appropriate Investment Objective and Model Portfolio for clients. The Model Portfolios have been designed and are maintained by LPL or, in the future, a third-party investment strategist (as applicable, the “Portfolio Strategist”) and shall include a list of securities holdings, relative weightings and a list of potential replacement securities for tax harvesting purposes. FutureAdvisor, 360 Wealth Management and clients cannot access, change or customize the Model Portfolios. Only one Model Portfolio is permitted per account.

Based upon a client’s risk tolerance as indicated in the Client Profile, the client is assigned an investment allocation track (currently Fixed Income Tilt, Balance Tilt or Equity Tilt), the purpose of which is to slowly rotate the client’s equity allocation to fixed income over time. LPL Research created these tracks using academic research on optimal retirement allocations, the industry averages as calculated by Morningstar for the target date fund universe, and input from FutureAdvisor.

Within the applicable allocation track and based upon a client’s chosen Retirement Age in the Client Profile, the client will be assigned a Model Portfolio and one of five of LPL’s standard investment objectives:

- *Income with capital preservation.* Designed as a longer-term accumulation account, this investment objective is considered generally the most conservative. Emphasis is placed on generation of current income with minimal risk of capital loss. Lowering the risk generally means lowering the potential income and overall return.
- *Income with moderate growth.* This investment objective emphasizes generation of current income with a secondary focus on moderate capital growth.
- *Growth with income.* This investment objective emphasizes modest capital growth with some focus on generation of current income.
- *Growth.* This investment objective emphasizes achieving high long-term growth and capital appreciation. There is little focus on generation of current income.
- *Aggressive growth.* This investment objective emphasizes aggressive growth and maximum capital appreciation, with no focus on generation of current income. This objective has a very high level of risk and is for investors with a longer timer horizon.

Both the client and 360 Wealth Management are required to review and approve the initial Investment Objective. As a client approaches the Retirement Age, the Algorithm will automatically adjust the client’s asset allocation. Any change to the Investment Objective directed by a client due to changes in the Client’s risk tolerance and/or Retirement Age will require written approval from the client and your 360 Wealth Management investment advisor representative before implementation. Failure to approve the change in Investment Objective may result in a client remaining in a Model Portfolio that is no longer aligned with the applicable Client Profile. The Investment Objective selected for the account is an overall objective for the entire account and may be inconsistent with a particular holding and the account’s performance at any time and may be inconsistent with other asset allocations suggested to client by LPL, 360 Wealth Management or FutureAdvisor prior to client entering into the Account Agreement. Achievement of the stated investment objective is a long-term goal for the account, and asset withdrawals

may impair the achievement of client's investment objectives. A Client Profile that includes a conservative risk tolerance over a long-term investment horizon may result in the selection of an Investment Objective that is riskier than would be selected over a shorter-term investment horizon. Clients should contact their 360 Wealth Management investment advisor representative if they believe the Investment Objective does not appropriately reflect the Client Profile, such as their risk tolerance.

By executing the Account Agreement, clients authorize LPL and FutureAdvisor to have discretion to buy and sell only exchange-traded funds ("ETFs") and open-end mutual funds ("Mutual Funds") (collectively, "Program Securities") according to the Model Portfolio selected and, subject to certain limitations described in the Account Agreement, hold or liquidate previously purchased non-model securities that are transferred into the account ("Legacy Securities"). In order to be transferred into an account, Legacy Securities must be Mutual Funds with which LPL has a full or partial selling agreement, ETFs or individual U.S. listed stocks. Securities that are not Program Securities included within the Model Portfolio will not be purchased for an account, and FutureAdvisor, in its sole discretion, will determine whether to hold or sell Legacy Securities, generally, but not solely, with the goal of optimizing tax impacts for accounts that are subject to tax. Additional Legacy Securities will not be purchased for the account. Clients may not impose restrictions on liquidating any Legacy Securities for any reason. Clients should not transfer in Legacy Securities that they are not willing to have liquidated at the discretion of FutureAdvisor.

In addition, uninvested cash may be invested in money market funds, the Multi-Bank Insured Cash Account ("ICA") or the Deposit Cash Account ("DCA"), as applicable, as described in the Account Agreement. Dividends paid by the Program Securities in the account will be contributed to the cash allocation and ultimately reinvested into the account based on the Model Portfolio once the tolerance within cash allocation is surpassed.

Pursuant to the Account Agreement, FutureAdvisor is authorized to perform tax harvesting when deemed acceptable by the Algorithm based on the Legacy Securities' respective tax lot information. If tax lot information is missing for a Legacy Security, the Legacy Security will be retained in the Account while FutureAdvisor and 360 Wealth Management use reasonable efforts to obtain the missing information. If the information cannot be obtained within a reasonable timeframe (generally no longer than 30 days), the Legacy Security will be sold and replaced with a Program Security in the Model Portfolio. LPL, 360 Wealth Management and clients cannot alter trades made for tax harvesting purposes. In order to permit trading in a tax-efficient manner, the Account Agreement also grants FutureAdvisor the authority to select specific tax lots when liquidating securities within the account. Although the Algorithm attempts to achieve tax efficiencies, by doing so a client's portfolio may not directly align with Model Portfolio. As a result, a client may receive advice that differs from the advice received by accounts using the same Model Portfolio, and the client's account may perform differently than other accounts using the same Model Portfolio.

During the term of the Account Agreement, FutureAdvisor will perform a daily review of the account to determine if rebalancing is appropriate based on tolerance thresholds established by LPL and/or FutureAdvisor. At each rebalancing review, the account will be

rebalanced if at least one of the account positions is outside such thresholds, subject to a minimum transaction amount established by LPL and/or FutureAdvisor. In addition, LPL and/or FutureAdvisor may review the account for rebalancing in the event that the Portfolio Strategist changes a Model Portfolio. FutureAdvisor may delay placing rebalancing transactions for non-qualified accounts by a number of days, to be determined by FutureAdvisor, in an attempt to limit short-term tax treatment for any position being sold. In addition, trading in the account at any given time is also subject to certain conditions, including but not limited to, conditions related to trade size, compliance tests, the target cash allocation and allocation tolerances. LPL, 360 Wealth Management and clients can alter the rebalancing frequency.

Under 360 Wealth Management's agreement with LPL, 360 Wealth Management was provided the opportunity to offer GWP, which utilizes FutureAdvisor's Algorithm as described herein, to prospective clients. FutureAdvisor is compensated directly by LPL for its services, including the Algorithm and related software, through an annual sub-advisory fee (tiered based on assets under management by FutureAdvisor, at a rate ranging from 0.10% to 0.17%). As each asset tier is reached, LPL's share of the compensation shall increase and clients will not benefit from such asset tiers. No additional fee is charged for FutureAdvisor's services.

360 Wealth Management believes that certain clients will benefit from GWP's advisor-enhanced advisory services, particularly due to the relatively low minimum account balance and the combination of a digital advice solution with access to an advisor. Unlike direct-to-consumer robo platforms, 360 Wealth Management is responsible on an ongoing basis as investment advisor and fiduciary for the client relationship, including for recommending the program for the client; providing ongoing monitoring of the program, the performance of the account, the services of LPL and FutureAdvisor; determining initial and ongoing suitability of the program for the client; reviewing clients' suggested portfolio allocations; reviewing and approving any change in Investment Objective due to changes clients make to their Client Profile; answering questions regarding the program, assisting with paperwork and administrative and operational details for the account; and being available to clients to discuss investment strategies, changes in financial circumstances, objectives or the account in general in person or via telephone. 360 Wealth Management can also recommend other suitable investment programs if clients have savings goals or investment needs for which GWP is not the optimal solution.

### **Individual Tailoring of Advice**

We offer individualized investment advice to clients utilizing our services.

### **Restrictions on Investing**

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our Asset Management services. We do not manage assets through our other services.

### **Fiduciary Statement**

360 Wealth Management, LLC and our employees are fiduciaries who must take into consideration the best interests of our clients. We will act with competence, dignity, integrity, and in an ethical manner, when dealing with clients. We will use reasonable care and exercise independent professional judgement when conducting investment analysis, making investment recommendations, trading, promoting our services, and engaging in other professional activities.

As a fiduciary, we have the obligation to deal fairly with our clients. We have the following responsibilities when working with a client:

- To render impartial advice;
- To make appropriate recommendations based on the client's needs, financial circumstances and investment objectives;
- To exercise a high degree of care and diligence to ensure that information is presented in an accurate manner and not in a way to mislead;
- To have reasonable basis, information, and understanding of the facts in order to provide appropriate recommendations and representations;
- Disclose any material conflict of interest in writing; and
- Treat clients fairly and equitably.

### **Sponsor and Manager of Wrap Fee Program**

We offer wrap fee programs as further described in Part 2A, Appendix 1 (the "Wrap Fee Program Brochure") of our Brochure. Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts. As further described in our Wrap Fee Program Brochure, we receive a portion of the wrap fee for our services.

### **Assets Under Management**

As of December 31, 2017, we managed approximately \$900,048,308 in assets under management; \$853,360,378 is managed on a discretionary basis and \$ 46,687,930 is managed on a non-discretionary basis.

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

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### **Compensation – Investment Advisory Services**

We are required to describe our brokerage, custody, fees, and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you. Our fees are negotiable in certain circumstances.

### **Asset Management Fees – SWM I and SWM II**

Option A – Percentage Based Fee:

<b>Assets Under Management</b>	<b>Maximum Annual Percentage of Assets</b>
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\$0 to \$500,000	2.75%
\$500,000 to \$999,999	2.50%
\$1,000,000 to \$1,999,999	2.25%
\$2,000,000 to \$4,999,999	2.00%
Over \$5,000,000	1.75%

Fees are billed on a pro-rata annualized basis quarterly in advance based on the value of each client's account on the last day of the previous quarter.

Option B – Flat Annual Fee:

<b>Assets Under Management</b>	<b>Maximum Annual Fee</b>
\$0 to \$500,000	\$13,750
\$500,000 to \$999,999	\$25,000
\$1,000,000 to \$1,999,999	\$45,000
\$2,000,000 to \$4,999,999	\$100,000
Account Values over \$5,000,000 will be charged up to \$100,000 per \$5,000,000 increments.	

Fees are billed on either 1) a calendar quarterly basis in arrears, 2) semi-annually in arrears, or 3) annually in arrears. The Option B, Flat Annual Fee will continue until terminated by client.

For SWM I accounts (an unbundled or Non-Wrap program), any transaction charges resulting from transactions occurring in your Managed Account, will be billed directly to your account.

For SWM II accounts (a bundled or Wrap program), you will not be charged transaction charges. Any account maintenance fees, custodial fees, and other costs and expenses for maintaining the account will remain your responsibility.

### **Financial Planning and Consulting Fees**

We charge on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees are \$100 to \$500 based on the experience of the adviser. Our flat fee is \$50 to \$15,000. Fees are charged in advance.

### **Referrals to Third Party Money Managers**

We are paid by third party money managers when we refer you to them and you decide to open a managed account. Third party money managers pay us between 1.0% - 1.7% of the investment advisory fee that they charge you for managing your account. Fees paid

to us by third party money manager are generally ongoing. You will be provided with the third-party money manager's Form ADV Part 2, all relevant Brochures, a Disclosure Statement detailing the exact fees we are paid and a copy of the third-party money manager's Privacy Notice. The third-party money managers we recommend will not directly charge you a higher fee than they would have charged without us introducing you to them.

### **Portfolio Management Fees for Services offered through LPL Financial**

Fees charged for programs offered through LPL Financial are as follows:

<b>Assets Under Management</b>	<b>Maximum Annual Percentage of Assets</b>
\$0 to \$500,000	2.75%
\$500,000 to \$999,999	2.50%
\$1,000,000 to \$1,999,999	2.25%
\$2,000,000 to \$4,999,999	2.00%
Over \$5,000,000	1.75%

Fees are billed on a pro-rata annualized basis quarterly in advance based on the value of each client's account on the last day of the previous quarter. In certain circumstances fees are negotiable.

### **Overlay Model Portfolio Asset Management Programs**

As disclosed in Item 4, you will be provided with a copy of LPL Financial's Form ADV Part 2 not later than executing an agreement to participate in one or more of the LPL programs described below.

#### **Access Network (MAN) Personal Wealth**

Maximum fee of 2.75%. A portion of the total fee paid by the client will be paid to LPL Financial as a program fee, administrative fee and a portion of the fee will be directed to any portfolio manager selected. We are paid the balance of the fee.

#### **Optimum Market Portfolios (OMP) Manager**

Maximum fee of 2.75%. A portion of the total fee paid by the client will be paid to LPL Financial as a program and administrative fee, and cover transaction charges and a portion of the fee will be directed to any strategist selected. We are paid the balance of the fee.

#### **Personal Wealth Portfolios (PWP)**

Maximum fee of 2.75%. A portion of the total fee paid by the client will be paid to LPL Financial as a program and administrative fee and a portion of the fee will be directed to the separate account manager(s) selected. The balance of the fee is paid to 360 Wealth Management.

### **Model Wealth Portfolios (MWP)**

Maximum fee of 2.75%. A portion of the total fee paid by the client will be paid to LPL Financial as a program and administrative fee, overlay portfolio management fee and to cover transaction charges and a portion of the fee will be directed to any strategist selected. We are paid the balance of the fee.

### **Manager Access Select Program (MAS)**

Maximum fee of 2.75%. A portion of the total fee paid by the client will be paid to LPL Financial as a program and administrative fee, and cover transaction charges and a portion of the fee will be directed to any strategist selected. We are paid the balance of the fee.

### **Guided Wealth Portfolios (GWP)**

Maximum fee of 1.35%. A portion of the total fee paid by the client will be paid to LPL Financial as a program and administrative fee, and cover transaction charges and a portion of the fee will be directed to any strategist selected. We are paid the balance of the fee.

GWP Managed Service clients are charged an account fee consisting of an LPL program fee of 0.35% and an advisor fee of up to 1.00%. In the future, a strategist fee may apply. However, LPL Research currently serves as the sole portfolio strategist and does not charge a fee for its services. FutureAdvisor is compensated directly by LPL for its services, including the Algorithm and related software, through an annual sub-advisory fee (tiered based on assets under management by FutureAdvisor, at a rate ranging from 0.10% to 0.17%). As each asset tier is reached, LPL's share of the compensation shall increase and clients will not benefit from such asset tiers.

GWP Educational Tool provides access to sample recommendations at no charge to users. However, if users decide to implement sample recommendations by executing trades, they will be charged fees, commissions, or expenses by the applicable broker or adviser, as well as underlying investment fees and expenses.

Account fees are payable quarterly in advance, except that the SMS fee is paid in arrears on the frequency agreed to between client and us.

Excluding SMS and GWP, LPL serves as program sponsor, investment advisor and broker-dealer for the LPL advisory programs. In the Managed Service of GWP, LPL is appointed by each client as custodian of account assets and broker-dealer with respect to processing securities transactions for the accounts. In general, FutureAdvisor, in its capacity as investment advisor, will submit transactions through LPL; however, FutureAdvisor may choose to execute transactions through a broker-dealer other than LPL, subject to its duty to seek to achieve best execution. When securities transactions are effected through LPL, there are no brokerage commissions charged to the account. If FutureAdvisor chooses to execute a transaction through a broker-dealer other than LPL, the execution price may include a commission or fee imposed by the executing broker-dealer. In evaluating whether to execute a trade through a broker-dealer other than LPL, Future Advisor will consider the fact that the account will not be charged a commission if the transaction is effected through LPL.

The Firm and LPL may share in the account fee and other fees associated with program accounts. Associated persons of us may also be registered representatives of LPL.

### **Calculation and Payment**

#### **Asset Management**

Our Asset Management fees are billed either 1) on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter; 2) in equal installments on a calendar quarterly basis in arrears, 3) in equal installments on a semi-annual basis in arrears, or 4) in full on an annual basis in arrears. Partial billing periods will be prorated.

Fees will generally be automatically deducted from your managed account. As part of this process, you understand and acknowledge the following:

- a) Your independent custodian sends statements at least quarterly showing all disbursements on your account, including the amount of the advisory fees paid to us and you provide authorization permitting us to be directly paid by these terms.

#### **Financial Planning and Consulting**

We generally require a retainer of fifty-percent (50%) of the estimated total financial planning or consulting fee with the remainder of the fee directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

#### **Referrals to Third Party Money Managers**

Third party money managers establish and maintain their own separate billing processes which we have no control over. In general, they will directly bill you and describe how this works in their separate written disclosure documents.

### **Other Fees and Expenses**

Non-Wrap fee clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

Wrap fee clients will receive our Form ADV, Part 2A, Appendix 1 (the "Wrap Fee Program Brochure"). Wrap fee clients will not incur transaction costs for trades. More information about this is disclosed in our Wrap Fee Program Brochure.

#### **Understanding Share Classes in SWM Accounts**

Clients should understand that the Platform Share class offered for a particular mutual fund through a Program in many cases will not be the least expensive share class that the mutual fund makes available. Platform Share classes are selected by our custodian



in certain cases because the share class pays the custodian compensation for the administrative and recordkeeping services the custodian provides to the mutual fund. Other financial services firms may offer the same mutual fund at a lower overall cost to the investor than is available through the Programs.

Clients, when investing using SWM I accounts, should also understand that LPL charges clients a transaction charge of \$0 or \$26.50 for mutual fund transactions and \$9.00 for ETF transactions. The applicable transaction charge varies depending on the amount of recordkeeping fees that LPL receives from the mutual fund and/or whether the sponsor of the mutual fund participates in LPL's No Transaction Fee ("NTF") Network. When an NTF mutual fund is purchased in a client's account, the NTF mutual fund's sponsor directs a payment to LPL on behalf and for the benefit of the client that is used exclusively as a credit to defray the bona fide transaction charge obligations of the client's account. When an NTF mutual fund is sold, LPL waives the transaction charge.

Clients, when investing using SWM II accounts, will not be charged a transaction charge for transactions in mutual funds, equities, ETFs, fixed income, UITs and options; however, the client should understand that LPL charges IARs for transactions in those securities. The transaction charges borne by the IAR vary based on the type of transaction (e.g., mutual fund, equity or fixed income security). For mutual funds, transaction charges vary based on the amount of recordkeeping fees that LPL receives from the fund and/or, in the case of non-retirement accounts, whether the sponsor of the fund participates in LPL's NTF Network ("NTF Funds"). Under LPL's NTF Network, the fund sponsor has chosen to defray the transaction charge for purchases in non-retirement accounts otherwise borne by the IAR, and the payments are directed to LPL and used exclusively as a credit to defray bona fide transaction obligations. When an NTF Fund is sold, LPL waives the transaction charge to the IAR. A non-retirement account is one not held by an ERISA plan or otherwise subject to Section 4975 of the Internal Revenue Code.

Clients, when participating in the SWM II program, should also understand that the cost to the IAR of transaction charges may be a factor the IAR considers when deciding which securities or mutual funds to select and whether or not to place transactions in the account. In particular, the IAR has a financial incentive to select NTF Funds for non-retirement accounts to avoid paying or to lower the transaction charges. Clients should consider such conflict when monitoring the purchase of NTF Funds in a non-retirement account in recognition of the overall fee and other arrangements with LPL and IAR for management of the account. All such conflicts may have an impact on the investment performance of the client's account.

### **Refund of Advance Fees**

If advisory fees are charged in advance and you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your accounts and process a pro-rata refund of unearned advisory fees.

## Item 6: Performance-Based Fees and Side-by-Side Management

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We do not charge performance fees to our clients.

## Item 7: Types of Clients

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We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Pension and Profit Sharing Plans;
- Charitable organizations
- Corporations, limited liability companies and/or other business types.

Apart from account minimums in LPL Financial advisory programs, we do not have minimum requirements for opening and maintaining accounts or otherwise engaging us.

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

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### Methods of Analysis

We may use any or all of the following methods of analysis in formulating our investment advice and/or managing client assets:

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Cyclical Analysis.** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

## Investment Strategies

We may use any or all of the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations.

**Long-term purchases.** When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

**Margin transactions.** We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

**Option writing.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

## Risk of Loss

**All investing involves a risk of loss that clients should be prepared to bear, including the risk that the entire amount invested may be lost.** The investment strategies offered by us could lose money over short or long periods of time. There are no assurances that our investment strategies will succeed and we cannot give any guarantee that it will achieve the investment objectives established by a client or that any client will receive a return on its investment.

Risks to fundamental analysis include:

*Credit Risk* – If debt obligations held by an account are downgraded by ratings agencies, go into default, or if management, legislation or other government action reduces the issuer's ability to pay principal and interest when due, the obligation's value may decline, and an account's value may be reduced. Because the ability of an issuer of a lower-rated or unrated obligation (including particularly "junk" or "high yield" bonds) to pay principal and interest when due is typically less certain than for an issuer of a higher rated obligation, lower rated and unrated obligations are generally more vulnerable than higher-rated obligations to default, ratings downgrades, and liquidity risk. Political, economic and other factors also may adversely affect governmental issues.

*Derivatives Risk* – An account's investments in derivatives involve risks associated with the securities or other assets underlying the derivatives, as well as risks different or greater than the risks affecting the underlying assets. Risk unassociated with the underlying assets include the inability or unwillingness of the other party to a derivative to perform its obligations to an account, an account's inability or delay in selling or closing positions in derivatives, and difficulties in valuing derivatives.

*Foreign Investment Risk* – Investments in securities of foreign issuers may involve risks including adverse fluctuations in currency exchange rates, political instability, confiscations, taxes or restrictions on currency exchange, difficulty in selling foreign investments, and reduced legal protection. These risks may be more pronounced for investments in developing countries.

*Interest Rate Risk* – When interest rates increase, the value of the account's investments may decline, and the account's share value may decrease. This effect is typically more pronounced for intermediate and longer-term obligations. This effect is also typically more pronounced for mortgage and other asset-backed securities, since value may fluctuate more significantly in response to interest rate changes. When interest rates decrease, the account's current income may decline.

*Liquidity Risk* – Due to a lack of demand in the marketplace or other factors, an account may not be able to sell some or all of the investments promptly or may only be able to sell investments at less than desired prices.

*Management Risk* – Our client accounts are actively managed portfolios. The accounts' value may decrease if we pursue unsuccessful investments or fail to correctly identify risks affecting the broad economy or specific issuers comprising the accounts.

*Market and Economic Risk* – An account's investment value may decline due to changes in general economic and market conditions. A security's value held in an account may change in response to developments affecting entire economies, markets or industries, including changes in interest rates, political and legal developments, and general market volatility.

*Prepayment Risk* – Decreases in market interest rates may result in prepayments of obligations in the account, requiring the account to reinvest at lower interest rates.

*Risks Affecting Specific Issuers* – The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including but not limited to management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.

*Smaller Company Risk* – Investments in smaller companies may involve additional risks because of limited product lines, limited access to markets and financial resources, greater vulnerability to competition and changes in markets, lack of management depth, increased volatility in share price, and possible difficulties in valuing or selling the investments.

*ETF Risk* - An investment in an ETF involves risk, including the loss of principal. ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

*Master Limited Partnerships (MLPs) Risks* – MLPs are collective investment vehicles, the partnership interests of which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation and interest rate fluctuations, among other such factors. In addition, MLPs operate as pass-through tax entities, meaning that investors are liable for their pro rata

share of the partnership taxes, regardless of the types of accounts where the interests are held.

*Real Estate and Real Estate Investment Trusts (REITs) Risks* - We may recommend an investment in, or allocate assets among, various real estate investment trusts ("REITs"), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

Additionally, our investment decisions always consider both the prospects for return on investment and the risk of loss on investment. In considering the risk of loss, we contemplate both the probability of loss and the potential magnitude of such loss.

## **Item 9: Disciplinary Information**

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The Firm is required to disclose all material facts regarding legal or disciplinary events that would be material to a client's evaluation whether to engage us to provide investment advisory services. Neither the Firm nor its Investment Advisor Representatives (IARs) have been involved in any legal or disciplinary events related to past or present matters.

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

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### **Broker/Dealer and Registered Representatives**

We are not registered as a broker-dealer. However, our IARs are registered as registered representatives of LPL, an unaffiliated SEC registered broker-dealer and FINRA member. In such capacity, our IARs sell securities for client accounts through LPL and receive normal and customary commissions and other types of compensation, for example, mutual fund 12b-1 fees or variable annuity trails. The potential for receipt of commissions and other compensation when our IARs act as a registered representative gives them an incentive to recommend investment products based on the compensation received, rather than on the client's needs and may create a conflict of interest. We address this conflict by ensuring that the client's interest is always considered ahead of our own personal gain. Clients have the right to ask us if commissions are also being paid to us.

Our IARs can provide services to a client either in a brokerage or advisory capacity. In certain cases, this presents a conflict of interest. In a brokerage account, a client is charged a commission for each transaction, and there is no duty to provide ongoing advice with respect to the account. In an investment advisory account, a client is provided

with ongoing investment advice and we receive an ongoing advisory fee for that service. If a client intends to follow a buy and hold strategy for an account or does not wish to purchase ongoing investment advice or management services, clients should consider opening a brokerage account rather than an investment advisory account.

Many IARs are also insurance agents. In such capacity, they may offer fixed and variable life insurance products and receive normal and customary commissions as a result of any purchases made by clients. The client is under no obligation to purchase fixed or variable life insurance through us on a commissionable basis. In addition, our IARs may receive other compensation such as fixed or variable life trails. The potential for receipt of commissions and other compensation when acting as an insurance agent gives an incentive to recommend insurance products based on the compensation received, rather than on the client's needs.

### **Insurance Agency**

IARs of 360 Wealth Management, LLC may be licensed insurance agents or brokers and may be appointed with several insurance companies. They may earn separate compensation for transactions implemented through various insurance companies. Clients are not obligated to use any company for insurance product purchases and may work with any insurance agent they choose. Insurance compensation will be separate and distinct from investment advisory fees charged by 360 Wealth Management, LLC. Other insurance agencies may offer a similar insurance product which costs more or less. Clients are recommended to seek quotes from more than one insurance professional.

### **Other Business Activities**

Many of our IARs are independent contractors and conduct or engage in other businesses such as other advisory programs or other professional businesses. Some of our IARs are advisory representatives of LPL's registered investment adviser and may offer those advisory programs sponsored and/or offered by LPL. Fees for the programs offered through us as compared to LPL may be higher or lower.

### **Accountants**

Some of our IARs are accountants and offer various accounting services to clients.

### **No Obligation**

Clients are under no obligation to participate in any other service or business offered by IARs. It is conflict of interest for our IARs to recommend other services offered by them since compensation will be earned. Such compensation can be higher or lower than what is offered by other similar professionals. We attempt by providing you this disclosure and advising you of other outside business and encouraging you to consult with another financial professional is how we attempt to mitigate this conflict of interest.

### **Other Investment Advisors**

As described in Item 4, we refer clients to Third Party Money Managers.

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

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### **Code of Ethics**

We have a duty to exercise our authority and responsibility for the benefit of our clients, to place the interests of our clients first, and to refrain from having outside interests that conflict with the interests of our clients. We and our employees will avoid any circumstances that might adversely affect, or appear to affect, our duty of complete loyalty to our clients. We have adopted a Code of Ethics (the Code); the Code's key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

Our employees must acknowledge the terms of the Code at least annually. Any individual not in compliance with the Code may be subject to termination.

We will provide a copy of our Code upon request.

### **Participation or Interest in Client Transactions and Principal/Agency Cross Trades**

We do not recommend any securities to our clients in which we have a material financial interest.

We will not affect any principal or agency cross securities transactions for client accounts. We will also not cross trades between client accounts.

### **Personal Trading Practices**

Both the Firm and our employees may invest in the same securities and at the same time as those we recommend to our clients. Since we are not market makers in any type of security, we do not consider this practice to be a conflict of interest for our clients.

## **Item 12: Brokerage Practices**

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### **Research and Other Soft Dollar Benefits**

We have a non-soft-dollar arrangement with LPL Financial and other qualified custodians under which we receive non-soft-dollar services such as research and administrative functions including portfolio pricing, account statement generation and fee calculations, which are intended to support our firm in conducting business and in serving the best interests of our clients. These services do not incentivize us to recommend LPL Financial or other



qualified custodians. Our recommendation of a custodian to our clients is based on our clients' interests in receiving best execution and the level of competitive, professional services the custodian provides. We do not receive client brokerage commissions (or markups or markdowns) to obtain research or other products or services. We do not receive soft dollars, products or services acquired with client brokerage commissions.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker/dealers.

### **Directed Brokerage/Recommendation of LPL Financial**

We recommend that clients establish a brokerage account with LPL Financial to maintain custody of clients' assets and to effect trades for their accounts. LPL Financial provides brokerage and custodial services to independent investment advisory firms, including 360 Wealth Management, LLC. For our accounts custodied at LPL Financial, LPL Financial generally is compensated by clients through commissions, trails, or other transaction-based fees for trades that are executed through LPL Financial or that settle into LPL Financial accounts. For IRA accounts, LPL Financial generally charges account maintenance fees. In addition, LPL Financial also charges clients miscellaneous fees and charges, such as account transfer fees. LPL Financial charges us an asset-based administration fee for administrative services provided by LPL Financial. Such administration fees are not directly borne by clients but may be taken into account when we negotiate advisory fees with clients.

While LPL Financial does not participate in, or influence the formulation of, the investment advice we provide, certain of our supervised persons are Dually Registered Persons. Dually Registered Persons are restricted by certain FINRA rules and policies from maintaining client accounts at another custodian or executing client transactions in such client accounts through any broker-dealer or custodian that is not approved by LPL Financial. As a result, the use of other trading platforms must be approved not only by us, but also by LPL Financial.

Clients should also be aware that for accounts where LPL Financial serves as the custodian, we are limited to offering services and investment vehicles that are approved by LPL Financial, and may be prohibited from offering services and investment vehicles that may be available through other broker-dealers and custodians, some of which may be more suitable for a client's portfolio than the services and investment vehicles offered through LPL Financial.

Clients should understand that not all investment advisers recommend that clients custody their accounts and trade through specific broker-dealers.

Clients should also understand that LPL Financial is responsible under FINRA rules for supervising certain business activities of 360 Wealth Management, LLC and our Dually Registered Persons, that are conducted through broker-dealers and custodians other than LPL Financial. LPL Financial charges a fee for its oversight of activities conducted through these other broker-dealers and custodians. This arrangement presents a conflict of interest because we have a financial incentive to recommend that you maintain your account with LPL Financial rather than with another broker-dealer or custodian to avoid incurring the oversight fee.

### ***Benefits Received by 360 Wealth Management, LLC Personnel***

LPL Financial makes available to us various products and services designed to assist us in managing and administering client accounts. Many of these products and services may be used to service all or a substantial number of our accounts, including accounts not held with LPL Financial. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and aggregation and allocation of trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of our fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting.

LPL Financial also makes available to us other services intended to help us manage and further develop our business. Some of these services assist us to better monitor and service program accounts maintained at LPL Financial, however, many of these services benefit only us, for example, services that assist us in growing our business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate, and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used by us in furtherance of the operation and development of our investment advisory business.

The products and services described above are provided to us as part of our overall relationship with LPL Financial. While as a fiduciary we endeavor to act in our clients' best interests, the receipt of these benefits creates a conflict of interest because our recommendation that clients custody their assets at LPL Financial is based in part on the benefit to us of the availability of the foregoing products and services and not solely on the nature, cost or quality of custody or brokerage services provided by LPL Financial.

### ***Transition Assistance Benefits***

LPL Financial provides various benefits and payments to Dually Registered Persons that are new to the LPL Financial platform to assist the representative with the costs (including foregone revenues during account transition) associated with transitioning his or her business to the LPL Financial platform (collectively referred to as "Transition Assistance"). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the Dually Registered Person's business, satisfying any outstanding debt owed to the Dually Registered Person's prior firm, offsetting account transfer fees (ACATs) payable to LPL Financial as a result of the Dually Registered Person's clients transitioning to LPL Financial's custodial platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts.

The amount of the Transition Assistance payments is often significant in relation to the overall revenue earned or compensation received by the Dually Registered Person at his or her prior firm. Such payments are generally based on the size of the Dually

Registered Person's business established at his or her<sup>1</sup> prior firm and/or assets under custody on the LPL Financial. Please refer to the relevant Part 2B brochure supplement for more information about the specific Transition Payments your representative receives.

Transition Assistance payments and other benefits are provided to our associated persons in their capacity as registered representatives of LPL Financial. However, the receipt of Transition Assistance by such Dually Registered Persons creates conflicts of interest relating to our advisory business because it creates a financial incentive for our representatives to recommend that our clients maintain their accounts with LPL Financial. In certain instances, the receipt of such benefits is dependent on a Dually Registered Person maintaining its clients' assets with LPL Financial and therefore we have an incentive to recommend that clients maintain their account with LPL Financial in order to generate such benefits.

We attempt to mitigate these conflicts of interest by evaluating and recommending that clients use LPL Financial's services based on the benefits that such services provide to our clients, rather than the Transition Assistance earned by any particular Dually Registered Person. We consider LPL Financial's ability to seek best execution when recommending that clients maintain accounts with LPL Financial. Factors which we consider in recommending LPL Financial to clients include their respective financial strength, reputation, execution, pricing, research, and service. LPL Financial enables us to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by LPL Financial may be higher or lower than those charged by other broker-dealers. Clients should be aware of this conflict and take it into consideration in making a decision whether to custody their assets in a brokerage account at LPL Financial.

### **Trade Aggregation**

We may aggregate trades for multiple accounts. Orders for the same security entered on behalf of more than one client may be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. If the order is filled at different prices during the day, the prices are averaged for the day so that all participating accounts receive the same price. If an order has not been filled completely so that there are not enough shares to allocate among all the clients equally, shares will be allocated in good faith, based on the following considerations: amount of cash in the account, existing asset allocation and industry exposure, risk profile, and type of security. If a partial execution is attained at the end of the trading day, we will generally allocate shares on a pro rata basis, but may fill small orders entirely before applying the pro rata allocation. All clients participating in each aggregated order shall receive the average price and subject to minimum ticket charges, pay a pro-rata portion of commissions.

Our allocation procedure seeks to be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other clients.

Accounts for our Firm or our employees will be included in a block trade with client accounts.

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

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### **Reviews and Review Triggers**

We review accounts at least annually for our clients. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our IARs or Portfolio Managers will conduct reviews.

Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

Pension consulting clients receive reviews of their pension plans for the duration of the pension consulting service. We also provide ongoing services to pension consulting clients where we meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

### **Reports**

We do not provide written reports to clients, unless asked to do so.

Pension clients do not receive written reports regarding their pension plans unless they choose to contract with us for ongoing Pension Consulting services.

Financial planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

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

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### **Additional Compensation**

We generally recommend LPL Financial. LPL is the broker-dealer with which our IARs are also associated. As a result of the individual association of our representatives with LPL, we are generally required to utilize the brokerage/custodial services of LPL for investment advisory accounts.

We may receive from LPL or a mutual fund company, without cost and/or at a discount non soft-dollar support services and/or products, to assist us to better monitor and service client accounts maintained at such institutions. Included within the support services we may receive investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management- related publications, discounted or gratis

consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by us to assist us in our investment advisory business operations.

Our clients do not pay more for investment transactions effected and/or assets maintained at LPL as result of this arrangement. There is no commitment made by us to LPL or any other institution as a result of the above arrangement.

### **Solicitation Arrangements**

We may pay referral fees to independent solicitors for the referral of clients to our Firm. Such referral fees will represent a share of the investment advisory fee charged to our clients. These arrangements will not result in higher costs to you. All clients referred by Solicitors to us will be given full written disclosure describing the terms and fee arrangements between us and solicitor(s).

### **Referrals to Third-Party Money Managers**

We are paid by third-party money managers when we refer you to them and you decide to open a managed account. Third-party money managers pay us between 1.0% - 1.7% of the investment advisory fee that they charge you for managing your account. Fees paid to us by third-party money manager are generally ongoing. You will be provided with the third-party money manager's Form ADV Part 2, all relevant Brochures, a Disclosure Statement detailing the exact fees we are paid and a copy of the third-party money manager's Privacy Notice. The third-party money managers we recommend will not directly charge you a higher fee than they would have charged without us introducing you to them.

## **Item 15: Custody**

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Client securities and other funds are held with a qualified custodian. Clients authorize LPL Financial to deduct fees from client accounts. Clients will receive written account statements directly from the custodian at least quarterly. We recommend that the client review the custodian statement carefully and notify us if such a statement is not received promptly. The custodian also offers the option of viewing portfolio information and account statements through the client's online account access. Clients should set up their on-line account.

Clients may provide us with written ongoing authorization to wire money between the client's accounts held with the qualified custodian directly to an outside financial institution (i.e. a client's bank account). A copy of this authorization is provided to the qualified custodian. The authorization includes the client's name and account number(s) at the outside financial institution(s) as required.

## **Item 16: Investment Discretion**

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For Asset Management and ongoing pension consulting engagements, we are granted a limited power of attorney to the Firm with respect to trading activity in those accounts. Therefore, we will exercise full discretion as to the nature and type of securities to be purchased and sold and the amount of securities for such transactions, without preapproval by the client. Investment guidelines and restrictions may be designated by the client.

If we have not been given discretionary authority, we will consult with the client prior to each trade.

## **Item 17: Voting Client Securities**

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We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

However, third-party money managers selected or recommended by our firm may vote proxies for clients. Therefore, except in the event a third-party money manager votes proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Therefore (except for proxies that may be voted by a third-party money manager), our firm and/or you shall instruct your qualified custodian to forward to you copies of all proxies and shareholder communications relating to your investment assets.

## **Item 18: Financial Information**

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Registered investment advisers are required to provide certain financial information or disclosures about their firms.

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.

We do not require prepayment of fees of both more than \$1,200 per client, and more than six months in advance; and therefore, is not required to provide a balance sheet to clients.