

# Keystone Wealth Partners, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Keystone Wealth Partners, LLC. If you have any questions about the contents of this brochure, please contact us at (480) 782-1034 or by email at: [info@keystonewealthpartners.com](mailto:info@keystonewealthpartners.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 Keystone Wealth Partners, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Keystone Wealth Partners, LLC's CRD number is: 171811.*

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

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## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of Keystone Wealth Partners, LLC on 03/23/2018 are described below. Material changes relate to Keystone Wealth Partners, LLC's policies, practices or conflicts of interests.

- Keystone Wealth Partners, LLC has updated assets under management (Item 4)
- Keystone Wealth Partners, LLC has transitioned to registration with the United States Securities and Exchange Commission from its prior registration at the state level.

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## **Item 4: Advisory Business**

### ***Business Description***

We provide financial planning services to individuals, high net worth individuals and corporations, and as a portfolio manager, refer clients to one or more outside managers. As a registered investment adviser, we are held to the highest standard of client care - a fiduciary standard. As a fiduciary we always put our client's interests first and must fully disclose any potential conflict of interest. We do not hold customer funds or securities.

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

Keystone Wealth Partners, LLC (hereinafter "KWP") is a Limited Liability Company organized in the State of Arizona.

The firm was formed in June 2014, and the principal owner is John Thomas Hagensen.

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

#### ***Portfolio Management & Selection of Other Advisers***

KWP offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. The firm also offers investment advice regarding clients' 401(k), 403(b), or other retirement plans. As a part of its portfolio management, KWP will offer discretionary and non-discretionary management over investments in Mutual Funds, ETFs and inherited REITS. Keystone Wealth Partners does not recommend, solicit, or purchase non-listed/non-traded REITS, Options, Futures, or other speculative alternative investments. Keystone Wealth Partners may however hold them in-kind for new clients that have purchased them from their former advisor or broker until KWP can employ a suitable divesting strategy from these products per the client's wishes. All securities will be held at the client's custodian (instead of KWP having custody over those assets). In some cases, however, KWP will direct clients to third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, KWP will always ensure those other advisers are properly licensed or registered as an investment adviser. KWP conducts due diligence on any third-party investment adviser, which may involve one or more of the following: phone calls, meetings and review of the third-party adviser's performance and investment strategy. KWP then makes investments with a third-party investment adviser by referring the client to the third-party adviser. KWP will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

KWP 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 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

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

### ***Financial Planning***

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance and annuities; tax concerns; retirement planning; college planning; and debt/credit planning.

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

KWP generally limits its investment advice to passively managed mutual funds, Exchange Traded Funds (ETFs), insurance products including annuities, and REITs (which are generally held and not traded by KWP) but primarily recommends a Third Party Adviser. KWP will provide advice on insurance products but will not buy any on behalf of the client; clients may buy insurance from an insurance provider of their choice. KWP may use other securities as well to help diversify a portfolio when applicable, but is under no obligation to do so.

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

KWP will tailor a program for each individual client and provides significant emphasis on behavioral finance issues, and focuses as much on maintaining discipline within stated objectives and concerns over a standard risk-tolerance appraisal. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by KWP on behalf of the client. KWP may use "model portfolios" together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may not 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 other administrative fees. KWP does not participate in any wrap fee programs.

## **E. Assets Under Management**

KWP has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$85,900,000.00	\$18,000,000.00	December 2017

# **Item 5: Fees and Compensation**

## **A. Fee Schedule**

### ***Portfolio & Wealth Management Fees***

#### **Portfolio & Wealth Management Services**

Fees for accounts are calculated and billed quarterly in advance using the annualized rates not to exceed the following tier schedule below:

Total Assets	Annual Fee
Up to \$500,000	1.75%
\$500,001 to \$999,999	1.50%
\$1,000,000 – \$3,999,999	1.00%
\$4,000,000 and up	0.75%

These fees are negotiable depending upon the needs of the client and complexity of the situation. A flat percentage fee schedule may also be utilized, not to exceed 1.5% Annual for certain clients who utilize multiple custodians. The final fee schedule is memorialized in the client contract.

KWP uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based. Clients may terminate the contract without penalty, for full refund of the advisor's fees, within five business days of signing the contract. Thereafter, clients may terminate the contract with thirty (30) days' written notice.

### ***Selection and Monitoring of Third Party Advisers***

KWP may direct clients to one or more third-party investment advisers. This relationship will be memorialized in each contract between KWP and each Third Party Adviser. Third Party Advisor fees will be disclosed in the respective contracts between KWP and the Third Party Adviser. KWP may act as a co-advisor with Third Party Advisor.

KWP Advisory fees for the Selection and Monitoring of Third Party Advisers are the same as our Portfolio & Wealth Management fees disclosed on the prior page and are not in addition to, but included in our Portfolio & Wealth Management fees. Fees for this service will be a percentage of the assets under management not to exceed the following per annualized schedule:

<b>Total Assets</b>	<b>KWP's Fee</b>
Up to \$500,000	1.75%
\$500,001 to \$999,999	1.50%
\$1,000,000 and \$3,999,999	1.00%
\$4,000,000 and up	0.75%

The Fee will be calculated, accrued and due quarterly in advance. Under some circumstances our fees may be lower than the standard rate and can be negotiated. Accordingly, rates may vary based on a variety of factors. For example, in determining fees, rates, and minimums, we may aggregate related accounts and, for billing purposes, treat them like one account.

KWP does not deduct Third Party Investment Management fees from the client's custodian account. Clients will have two options: 1) receive a quarterly invoice to be paid within 10-days of receipt or 2) elect to have all fees, the Third Party Adviser fees and our fees, deducted directly from their account by the qualified custodian that holds the client's funds and securities. When elected, the Third Party Adviser will withdraw the fees and forward us our investment management fees. We do not withdraw fees.

A client may terminate this service for any reason at any time and, within the first five (5) business days after signing the contract, without any cost or penalty. Thereafter, the contract may be terminated at any time by giving thirty (30) days written notice to the firm. Upon written notice of termination, fees will be prorated based upon the number of days that services were rendered. Any excess fees will be returned to the client. The client must contact the Third Party Adviser directly to terminate his/her contract with the Third Party Adviser.



## ***Financial Planning Fees***

### **Fixed Fees**

Clients may terminate the agreement without penalty for a full refund of KWP's fees within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice, but without a refund of the planning fee.

The negotiated fixed rate for creating client financial plans is between \$499 and \$6,000. Fees are charged 100% in advance, but never more than six months in advance.

### **B. Payment of Fees**

#### ***Payment of Portfolio & Wealth Management Fees***

Advisory fees are withdrawn directly from the client's accounts with client's written authorization. Fees are paid quarterly in advance.

#### ***Payment of Selection of Other Advisers Fees***

Fees for selection of a Third Party Adviser are withdrawn directly from the client's accounts with client's written authorization and are not in addition to Portfolio & Wealth Management Fees. Fees are paid quarterly in advance.

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

Financial planning fees are paid via check or credit card which is processed with Square. Fixed financial planning fees are paid 100% in advance, but never more than six months in advance.

### **C. Client Responsibility 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 KWP. Please see Item 12 of this brochure regarding broker-dealer/custodian.

### **D. Prepayment of Fees**

KWP collects fees in advance. Refunds for fees paid in advance will be returned within fourteen days to the client via check.

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

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

Neither KWP nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

John Thomas Hagensen and Chad Fletcher are insurance agents and, in this role, accept compensation for the sale of insurance products to KWP clients.

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

KWP 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**

KWP generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Corporations or Business Entities

KWP does have a household minimum of \$250,000 of investable assets to use KWP's ongoing services. This minimum may be negotiated and is at the discretion of KWP.

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

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

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

KWP's methods of analysis include fundamental analysis, quantitative analysis and modern portfolio theory.

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

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

### ***Investment Strategies***

KWP recommends long term trading. Third Party Asset Managers may engage in other investments and other strategies. In those cases, the Third Party Asset Manager's investment policy statement will provide the parameters for which they are allowed to function.

**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.

**Quantitative Model Risk:** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### ***Investment Strategies***

**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 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.

**Selection of Other Advisers:** Although KWP will seek to select only money managers who will invest clients' assets with the highest level of integrity, KWP's selection process cannot ensure that money managers will perform as desired and KWP will have no control over the day-to-day operations of any of its selected money managers. KWP would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulator breach or fraud.

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

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

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Passively Managed Mutual Funds Exchange Traded Funds (ETFs):** Investing in passively managed mutual funds and ETFs carries the risk of capital loss and thus you may lose money investing in mutual funds or ETFs. All mutual funds and ETFs have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do. KWP will provide advice on insurance products but will not buy any on behalf of the client; clients may buy insurance from John Hagensen or Chad Fletcher, or from another licensed insurance provider.

**REITs** (real estate investment trusts) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Among other factors, revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Past performance is not indicative of future results. 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 Broker/Dealer or Broker/Dealer Representative**

Neither KWP nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

Neither KWP nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

John Thomas Hagensen is a licensed insurance agent.  
Francisco Paul Sirvent is a lawyer and the owner and operator of Keystone Law Firm & Wealth Partners, an estate planning and probate law firm.

Chad Michael Fletcher is a licensed insurance agent and owner of Fletcher Financial & Insurance and agent of MAD Steger, LLC DBA Steger Insurance Services.

From time to time, they may offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. KWP always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of KWP in such individual's capacity as an insurance agent.

John Thomas Hagensen is a founding partner of Allegiant Payment Solutions, LLC. APS is a credit card processing independent sales organization, directly registered with Visa and MasterCard. This business is completely unrelated to investment advice from KWP. In some rare instances, a client of KWP may also process their credit card services through APS, a separate entity entirely. In the rare event that engaging APS may be beneficial, the client is clear of the business separation between the two.

John Hagensen is a co-owner of My Amelia James, a wholesale clothing company. This business is completely unrelated to investment advice from Keystone Wealth Partners. His involvement has no overlap to Keystone Wealth Partners.

KWP always acts in the best interest of the client and clients are in no way required to use the services of any representative of KWP in connection with such individual's activities outside of KWP.

Francisco Paul Sirvent is also the owner of Barstow 46, LLC, an entity used to manage cash flows for rental properties.

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

KWP may direct clients to third-party investment advisers to manage all or a portion of the client's assets. KWP will be compensated via a fee share from the advisers to which it directs those clients. This relationship will be memorialized in each contract between KWP and each third-party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that KWP has an incentive to direct clients to the third-party investment advisers that provide KWP with a larger fee split. KWP will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. KWP will ensure that all recommended advisers are licensed or notice filed in the states in which KWP is recommending them to clients.

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

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

KWP has 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. KWP's Code of Ethics is available free upon request to any client or prospective client.

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

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

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

From time to time, representatives of KWP may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of KWP 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. KWP will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage 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 KWP may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of KWP 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; however, KWP will never engage in trading that operates to the client's disadvantage if representatives of KWP buy or sell securities at or around the same time as clients.



## **Item 12: Brokerage Practices**

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

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

Keystone Wealth Partners LLC recommends client account(s) be established at Trade-PMR, Inc. Trade-PMR, Inc. has a clearing arrangement with First Clearing, LLC. to introduce clients on a fully disclosed basis. First Clearing, LLC. is an affiliate of Wells Fargo & Company.

Clients of the manager selection program are required to use Schwab Institutional, a division of Charles Schwab & Co., Inc., First Clearing, LLC a division of Wells Fargo, and Equity Trust Company for custodial services.

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

While KWP has no formal soft dollars program in which soft dollars are used to pay for third party services, KWP may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). KWP may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and KWP does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. KWP benefits by not having to produce or pay for the research, products or services, and KWP will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that KWP's acceptance of soft dollar benefits may result in higher commissions charged to the client.

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

KWP 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***

KWP will require clients to use a specific broker-dealer to execute transactions.

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

KWP does aggregate or bunch the securities to be purchased or sold for multiple clients but only for clients who are invested in KWP's 'Model Portfolio' design for equity income. For clients whose securities are not aggregated for trades, this may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

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

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

Portfolio reviews occur annually for KWP's ongoing services. All financial planning accounts are reviewed upon financial plan creation and plan delivery by John T Hagensen and Chad Fletcher. There is only one level of review for financial planning, 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).

With respect to financial plans, KWP's services will generally conclude upon delivery of the financial plan. Should a financial planning client engage KWP to implement their recommended plan, the client will receive continued and ongoing guidance as a part of KWP's Portfolio and Wealth Management services according to the fee structure previously disclosed.

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

Custodian account statements will be supplied quarterly. Each client will receive the financial plan upon completion.

## **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)**

KWP does not receive any economic benefit, directly or indirectly from any third party for advice rendered to KWP's clients.

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

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

## **Item 15: Custody**

Client assets will be maintained by an unaffiliated, qualified custodian, such as a bank, broker/dealer, mutual fund company or transfer agent. Client assets are not held by KWP or any associate of KWP. Trade-PMR, Inc. acts as an introducing broker dealer on a fully-disclosed basis through First Clearing, LLC for KWP.

## **Item 16: Investment Discretion**

For those client accounts where KWP will have investment discretion, the client has given KWP 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 KWP discretionary authority via a discretionary investment management clause in the Investment Advisory Contract and/or a limited power of attorney clause in the contract between the client and the custodian.

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

KWP 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**

KWP neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

Neither KWP nor its management has any financial condition that is likely to reasonably impair KWP's ability to meet contractual commitments to clients.

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

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