

**Item 1 – Cover Page**

**Part 2A Appendix 1  
Wrap Fee Program Brochure**

**LF Wealth Advisors, LLC**

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Springfield, Missouri 65804  
816-392-4085

Date of Disclosure Brochure: June 2018

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of LF Wealth Advisors, LLC (also referred to as we, us and LF Wealth Advisors throughout this disclosure brochure). If you have any questions about the contents of this brochure, please contact Andrew Stafford at 913-530-0116. 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 LF Wealth Advisors is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for LF Wealth Advisors, LLC or our firm's CRD number 288641.

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

## Item 2 – Material Changes

This Form ADV Part 2A Appendix 1 Wrap Fee Program Disclosure Brochure dated August 2017 is an amendment to the original Wrap Fee Program Disclosure Brochure document prepared by LF Wealth Advisors, LLC in June 2017. The material changes made to this document are:

- As of August 2017, Andrew Stafford has become the Chief Compliance Officer of the firm; and
- As of August 2017, the firm moved from 3529 E. Ridgeview Street, Springfield, MO to 3800 S. Fremont Avenue, Springfield, MO. Please see **Item 1 – Cover Page** for more information.
- As of August 2017, Andrew Stafford and Brad Lawing are no longer affiliated with Cambridge Research Investment, Inc. **Item 9 – Additional Information** has been updated.
- As of August 2017, Andrew Stafford is no longer affiliated with Lawing Financial. **Item 9 – Additional Information** has been updated.
- As of August 2017, the firm updated its fee schedule. Please see **Item 4- Services, Fees and Compensation** for more information.
- As of September 2017, Brad Lawing is no longer affiliated with Lawing Financial. **Item 9 – Additional Information** has been updated.
- As of November 2017, we have removed Third-Party Money Manager language.
- As of November 2017, LF Wealth Advisors has amended **Item 9 – Additional Information** to disclose the Acceptance, Waiver and Consent Form signed by Brad Lawing whereby FINRA found that Brad Lawing violated FINRA Rule 2010 by communicating securities business by a means his firm prohibited and could not monitor and violated FINRA Rule 2111 and 2010 by recommending shares of a business development company to three customers, but two of them did not satisfy the issuers' suitability standards and the third customer's investment resulted in overconcentration. Please see *Item 9* of this disclosure brochure for additional details.
- As of December 2017 – LF Wealth Advisors has updated **Item 9 – Additional Information** to disclose payment of the FINRA fine and restitution to affected clients.
- We updated *Item 9 – Additional Information* - to disclose the affiliation with and ownership of Prevail Innovative Wealth Strategies.
- We updated *Item 9 -Client Referrals* - to disclose that LF Wealth Advisors entered into an agreement with TD Ameritrade for custodial and broker dealer services.

We will ensure that you receive a summary of any material changes to this and subsequent Wrap Fee Program Disclosure Brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, we will also offer or provide a copy of the most current Wrap Fee Program Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

### Item 3 – Table of Contents

Item 1 – Cover Page .....	1
Item 2 – Material Changes .....	2
Item 3 – Table of Contents .....	3
Item 4 – Services, Fees and Compensation .....	4
Block Trading .....	6
Suitability and Investment Strategy .....	7
Item 5 – Account Requirements and Types of Clients .....	7
Minimum Account Size .....	7
Types of Accounts .....	7
Item 6 – Portfolio Manager Selection and Evaluation .....	7
Participation in Wrap Fee Programs .....	8
General Description of Other Advisory Services .....	8
Limits Advice to Certain Types of Investments .....	8
Tailor Advisory Services to Individual Needs of Clients .....	8
Performance-Based Fees and Side-By-Side Management .....	9
Methods of Analysis .....	9
Investment Strategies .....	11
Risk of Loss .....	11
Voting Client Securities .....	13
Item 7 – Client Information Provided to Portfolio Managers .....	13
Item 8 - Client Contact with Portfolio Managers .....	13
Item 9 - Additional Information .....	14
Disciplinary Information .....	14
Other Financial Industry Activities and Affiliations .....	14
Insurance Agent .....	14
Interest in Client Transactions and Code of Ethics .....	15
Affiliate and Employee Personal Securities Transactions Disclosure .....	15
Account Reviews .....	16
Account Statements and Reports .....	16
Client Referrals .....	16
Financial Information .....	16
Item 10 - Customer Privacy Policy Notice .....	17

#### Item 4 – Services, Fees and Compensation

LF Wealth Advisors is an investment adviser registered with the State of Missouri and is a limited liability company (LLC) formed under the laws of the State of Missouri.

LF Wealth Advisors offers asset management services through a wrap fee management program. In our wrap fee management program, the fee for advisory services (including asset management) and transaction cost (including ticket charges) are “wrapped” into one fee. Our Asset Management Services are considered a wrap fee program. Whenever a fee is charged for services described in this Wrap Fee Program Brochure, we will receive all or a portion of the fee charged.

When making the determination of whether one of the advisory programs available through LF Wealth Advisors is appropriate for your needs, you should bear in mind that fee-based accounts, when compared with commission-based accounts, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, the fee-based account arrangements may result in a higher annual cost for transactions. Thus, depending on a number of factors, the total cost for transactions under a fee account versus a commission account can vary significantly. Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and your tax situation. It should also be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and LF Wealth Advisors.

You should discuss the advantages and disadvantages of fee-based and commission-based accounts with your adviser representative and you should read this Wrap Fee Disclosure Brochure carefully as it explains, in detail, our Asset Management Services.

#### **Asset Management & Allocation Program Services**

LF Wealth Advisors offers asset management services, which involves LF Wealth Advisors providing you with continuous and ongoing supervision over your accounts. The LF Wealth Advisors Asset Management & Allocation Program Services is a wrap fee program. In providing asset management services, LF Wealth Advisors will continuously monitor your account and make trades in your accounts when necessary. Your account will be managed by LF Wealth Advisors based on your financial situation, investment objectives and risk tolerance. LF Wealth Advisors will actively monitor your account and will make management recommendations and decisions regarding buying, selling, reinvesting or holding securities, cash or other investments.

We require that your assets to be allocated to our Asset Management & Allocation Program Services be maintained in a brokerage account with TD Ameritrade, an SEC registered broker/dealer and member NYSE/SIPC. TD Ameritrade is the qualified custodian for all accounts established through our Asset Management & Allocation Program Services. You will appoint LF Wealth Advisors as your investment adviser of record on specified accounts. Your account will consist only of separate account(s) held by the qualified custodian under your name. **LF Wealth Advisors does not act as custodian and does not have direct access to your funds and securities except to have advisory fees deducted from your account with your prior written authorization.** The qualified custodian will maintain physical custody of all funds and securities of your Account, and you will retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) for your account.

You will authorize LF Wealth Advisors to have trading authorization on your account and we will provide asset management services. You may also grant investment discretion to LF Wealth Advisors whereby we will be authorized to make decisions to buy, sell or hold securities, cash or other investments in your managed account in our sole discretion without consulting with you before making any transactions. You can place reasonable restrictions and limitations on our discretionary authority.

Under our asset management and allocation service you will grant us the authority to exercise discretion to utilize specific sub-adviser(s) (individually "Sub-Adviser" and collectively Sub-Advisers) to manage Account or a portion of the assets of Account. If a Sub-Adviser is retained for your Account, the Sub-Adviser will have investment discretion and make decisions to buy, sell or hold securities, cash or other investments in your managed account in our sole discretion without consulting with you or LF Wealth Advisors before making any transactions. With the consent of the Sub-Adviser, you can place reasonable restrictions and limitation on the Sub-Adviser.

Fees charged for our asset management services, except Hard-to-Value Assets, are charged based on a percentage of assets under management, billed in advance (at the start of the billing period) on a monthly basis and calculated based on the fair market value of your account as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of the billing period, then the prorated fee for that billing period is based on the value of the Account when services commence and is due immediately and will be deducted from Account when services commence. Fees are assessed on all assets under management including securities, cash and money market balances. Margin debit balances do not reduce the value of the assets under management.

Fees charged for our asset management services are negotiable based on the investment adviser representative providing the services, the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the potential for additional account deposits, the relationship of the client with the investment adviser representative, the total amount of assets under management for the client, and the complexity and unique characteristics of any non-traded assets within the account, the services to be provided by the investment advisor representative.

For our asset management services, client will be charged by us an annual fee based upon the amount of assets under management (except for the Hard-to-Value and non-traded assets subject to a flat fee). The following is a sample or illustrative annual fee schedule of LF Wealth Advisors using a tiered approach. (When using a tiered annual fee schedule, the annual fee is calculated by applying different rates to different portions of the assets under management.)

<u>Amount of Assets under Management</u>	<u>Annual Asset Based Fees</u>
First \$500,000	1.25%
Next \$1,000,000	1.0%
Next \$3,000,000	0.9%
Next \$5,000,000	0.75%
Any Assets Thereafter	0.50%

The above is a sample or illustrative fee schedule, and LF Wealth Advisors will generally not charge above 1.50%. There is a minimum account size of \$500,000. *See Item 5 for more details.*

The only compensation received by LF Wealth Advisors for asset management services is the annual fee as specified in the client's advisory services agreement. LF Wealth Advisors receives no other forms of compensation in connection with providing asset management services.

LF Wealth Advisors believes that its annual fee is reasonable in relation to: 1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to our firm.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Since Sub-Adviser(s) will charge Client fees in addition to and separate from LF Wealth Advisors' annual fee, the overall fees incurred by Client increase when Client or LF Wealth Advisors elects to use Sub-Adviser(s). Client may be required to enter into an agreement directly with the Sub-Adviser.

The ticket charges for buy/sell transactions typically charged by the qualified custodian are wrapped into our wrap program. However, you may incur certain charges imposed by third parties other than LF Wealth Advisors in connection with investments made through your account including, but not limited to, fees for trades executed away from custodian, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. Management fees charged by LF Wealth Advisors are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

The asset management services continue until terminated by either party (i.e., LF Wealth Advisors or you) by giving thirty (30) days written notice to the other party. Any prepaid, unearned fees will be promptly refunded by LF Wealth Advisors to you. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final period.

### **Block Trading**

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when LF Wealth Advisors believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

LF Wealth Advisors uses the average price allocation method for transaction allocation.

Under this procedure LF Wealth Advisors will calculate the average price and transaction charges for each transaction included in a block order and assign the average price and transaction charge to each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which LF Wealth Advisors or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

### **Suitability and Investment Strategy**

LF Wealth Advisors will assist clients in determining their objective(s), investment strategy, and investment suitability, prior and subsequent to opening an Asset Management account. Clients must contact us to notify of any changes in their investment objective(s) and/or financial situation. Investment strategies used to implement investment advice include, but are not necessarily limited to, long term purchases (investments held at least a year); frequent trading; margin transactions; and option writing, including cover options, uncovered options or spreading strategies.

## **Item 5 – Account Requirements and Types of Clients**

### **Minimum Account Size**

LF Wealth Advisors requires a minimum of \$500,000 to open an account. Exceptions may be granted to this minimum for family members, employees or employee affiliated companies and their family members.

### **Types of Accounts**

LF Wealth Advisors generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

You are required to execute a written agreement with LF Wealth Advisors specifying the particular advisory services in order to establish a client arrangement with LF Wealth Advisors.

## **Item 6 – Portfolio Manager Selection and Evaluation**

LF Wealth Advisors and its Investment Adviser Representatives act as the portfolio manager(s) for accounts receiving our Asset Management Services. Additionally, we may also exercise discretion to utilize specific sub-adviser(s) (individually “Sub-Adviser” and collectively Sub-Advisers) to act as portfolio managers and manage Account or a portion of the assets of Account. We will conduct due diligence of any recommended Sub-Adviser and monitor the performance of Sub-Adviser with respect to the Sub-Adviser’s management of the designated assets of Account relative to appropriate peers and/or benchmarks.

Our Asset Management Service is considered a wrap fee program. For this service, we do not allow the use of portfolio managers that are not associated with LF Wealth Advisors. In other words, the only portfolio managers selected for managing client assets for our Asset Management Services are Investment Adviser Representatives of LF Wealth Advisors. Therefore, we have a conflict of interest because we make available both affiliated and unaffiliated portfolio managers are present in our wrap fee program. We will only recommend and/or select the portfolio manager which is in the best interest of the client.

### **Participation in Wrap Fee Programs**

LF Wealth Advisors offers asset management services, through our Asset Management & Allocation Program Services, which is a wrap fee management program. In our wrap fee management program, the fee for our advisory services (including portfolio management or advice regarding selecting other investment advisers) and transaction services are provided for one fee. However, our fee does not include or cover the separate investment advisory fees charged by the Sub-Adviser.

### **General Description of Other Advisory Services**

The following are descriptions of the primary advisory services of LF Wealth Advisors. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and LF Wealth Advisors before we can provide you the services described below.

### **Limits Advice to Certain Types of Investments**

LF Wealth Advisors provides investment advice on the following types of investments:

- Exchange-listed Securities
- Securities Traded Over-the-Counter
- Foreign Issues
- Corporate Debt Securities
- Certificates of Deposit
- Municipal Securities
- Variable Annuities
- Variable Life Insurance
- US Government Securities
- Options Contracts on Securities
- Separate account shares
- Mutual Fund Shares (including money market mutual funds)
- Closed-End Fund Shares
- Unit Investment Trusts (UITs)
- Collective Investment Trusts (CITs)
- Stable Value Products (including Guaranteed Income Funds)
- Real Estate Investment Trusts (REITs)
- Direct Participation Programs (DPPs)
- Interests in Partnerships

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

### **Tailor Advisory Services to Individual Needs of Clients**

LF Wealth Advisors' advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.



We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Performance-Based Fees and Side-By-Side Management**

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. LF Wealth Advisors **does not charge or accept performance-based fees.**

### **Methods of Analysis**

LF Wealth Advisors uses the following methods of analysis in formulating investment advice:

Charting - This is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

Cyclical – This method analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a

security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

Technical – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

Top-Down Investing - This method involves evaluating the overall state of the economy (macroeconomic) and then further evaluating the various components and sub-components in greater detail. For example, after evaluating the high-level economic environment, either on a global or domestic scale, analysts further examine the various market and industrial sectors in order to select those areas that are forecasted to outperform the overall market. Analysts then further evaluate specific asset classes and the securities of specific companies to determine an allocation or portfolio.

Thematic - This method takes a “top-down” approach to investing and involves making investment decisions based on predictions about trends or other forward-looking criterion, rather than on past market performance and indicators or the fundamentals of a specific security. There are risks involved in using any analysis method.

There are risks involved in using any analysis method.

To conduct analysis, LF Wealth Advisors gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

### **Investment Strategies**

LF Wealth Advisors uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Frequent trading. This strategy refers to the practice of selling investments within 30 days of purchase.

Margin transactions. When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest of the purchase price from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from LF Wealth Advisors.

Option writing including cover options, uncovered options or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on

strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Margin Risk - When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intended to borrow funds in connection with your Account, you will be required to open a margin account, which will be carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to you.

If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established as part of the Asset Management Agreement established between you and LF Wealth Advisors and held by the account custodian or clearing firm.

These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The account custodian or clearing firm can force the sale of securities or other assets in your account.
- The account custodian or clearing firm can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call.

- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities.
- The account custodian or clearing firm can increase its “house” maintenance margin requirements at any time and they are not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

### **Voting Client Securities**

LF Wealth Advisors does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us. However, you will have the ultimate responsibility for making all proxy-voting decisions.

### **Item 7 – Client Information Provided to Portfolio Managers**

Either the Investment Adviser Representatives of LF Wealth Advisors or Sub-Advisers selected by the Investment Adviser Representative of LF Wealth Advisors serve as portfolio managers for our Asset Management Services Program. Our associated Investment Adviser Representatives are responsible for gathering all information provided by you. We will interview and work with you to gather all information needed relative to your investment objectives and needs in order for our Investment Adviser Representative or our Sub-Adviser to provide management services through our Asset Management Services Program. To the extent that a Sub-Adviser is utilized for your account, we will share your information with the applicable Sub-Advisers. You are responsible for promptly contacting your Investment Adviser Representative to notify us of any changes to your financial situation that will impact or materially influence the way we manage your accounts.

### **Item 8 - Client Contact with Portfolio Managers**

When a Sub-Adviser is serving as the portfolio manager of your account, you should contact your Investment Adviser Representative for any communication regarding your account. When our Investment Adviser Representative is also serving as your portfolio manager, there are no restrictions placed on your ability to contact and consult with our Investment Adviser Representative. It is the policy of LF Wealth Advisors to provide for open communications between the Investment Adviser Representatives and clients. You are encouraged to contact your Investment Adviser Representative whenever you have questions about the management of your account(s).

## **Item 9 - Additional Information**

### **Disciplinary Information**

Brad Lawing signed an Acceptance, Waiver and Consent (AWC) which was accepted by the Financial Industry Regulatory Authority (FINRA) on November 7, 2017. At the time that the AWC was accepted, Brad Lawing was no longer registered with FINRA. Brad Lawing was found to have violated FINRA Rule 2010 by communicating securities business by a means his firm prohibited and could not monitor. Brad Lawing was also found to have violated FINRA Rule 2111 and 2010 by recommending shares of a business development company to three customers, but two of them did not satisfy the issuers' suitability standards and the third customer's investment resulted in overconcentration.

Brad Lawing was ordered to pay a fine of \$10,000. He was ordered to make restitution to two of the three affected customers in the amount of \$11,754 plus interest. In addition, Brad Lawing was suspended for five months from associating with any FINRA member firm in any capacity from November 20, 2017 through April 19, 2018. Brad Lawing paid the fine of \$10,000 and made restitution to the two clients in the total amount of \$12,255.87 in December 2017.

### **Other Financial Industry Activities and Affiliations**

LF Wealth Advisors is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment registered adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment adviser representatives with LF Wealth Advisors.

### **Insurance Agent**

You may work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative may sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent may suggest that you implement recommendations of LF Wealth Advisors by purchasing disability insurance, life insurance, annuities, or other insurance products. This receipt of commissions creates an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

### **Prevail Innovative Wealth Strategies**

Andrew F. Stafford is the President of Prevail Innovative Wealth Strategies, an unaffiliated Insurance Agency. When acting in this capacity, Andrew F. Stafford is compensated in the form of a salary as President of Prevail Innovative Wealth Strategies. He receives no other compensation or benefits outside of the benefits offered to all employees at Prevail Innovative Wealth Strategies in relation to their employment. Prevail Innovative Wealth Strategies, and LF Wealth Advisors are not affiliated.

Bradley C. Lawing is a 15% owner of Prevail Innovative Wealth Strategies, an unaffiliated Insurance Agency. Bradley C. Lawing is compensated by the profits of Prevail Innovative Wealth Strategies based on his ownership in the firm. The receipt of this compensation affects the judgment of Bradley C. Lawing when recommending insurance products to his clients. While Bradley C. Lawing endeavors at all times to put the interest of his clients first as a part of LF Wealth Advisors' overall fiduciary duty to clients, clients should be aware that the receipt of profits from Prevail Innovative Wealth Strategies itself creates a conflict of interest and may affect Bradley C. Lawing's decision-making process when making recommendations. Clients are never obligated or required to purchase insurance products from or through Bradley C. Lawing.

### **Interest in Client Transactions and Code of Ethics**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. LF Wealth Advisors has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. LF Wealth Advisors requires its supervised persons to consistently act in your best interest in all advisory activities. LF Wealth Advisors imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of LF Wealth Advisors. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

LF Wealth Advisors or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of LF Wealth Advisors that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. LF Wealth Advisors and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry. We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to

implementing transactions for client accounts.

- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of LF Wealth Advisors.

Any associated person not observing our policies is subject to sanctions up to and including termination.

### **Account Reviews**

Managed accounts are reviewed at least quarterly. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by Andrew Stafford, with reviews performed in accordance with your investment goals and objectives.

### **Account Statements and Reports**

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements directly from the qualified custodian. Additionally, LF Wealth Advisors may provide position or performance reports at meetings with you and upon request. Additionally, LF Wealth Advisors may provide position or performance reports to you upon request.

You are encouraged to always compare any reports or statements provided by us against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

### **Client Referrals**

LF Wealth Advisors does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fees charged for providing investment advisory services. LF Wealth Advisors receives no other forms of compensation in connection with providing investment advice.

We receive an economic benefit from TD Ameritrade in the form of the support products and services it makes available to us and other independent investment advisers whose clients maintain their accounts at TD Ameritrade. These products and services, how they benefit us, and the related conflicts of interest are described in our Firm Brochure (see Item 12 – Brokerage Practices). The availability of TD Ameritrade’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### **Financial Information**

LF Wealth Advisors does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, LF Wealth Advisors has not been the subject of a bankruptcy petition at any time.



## Item 10 - Customer Privacy Policy Notice

The information contained in this section will also be disclosed in LF Wealth Advisors' Privacy Policy Statement. This statement will be provided to all clients in accordance with the rules and regulations of the *Gramm-Leach-Bliley Act of 1999*.

As a registered investment advisor, LF Wealth Advisors, LLC and its investment adviser representatives will gather and develop personal information regarding our clients. This information will be gathered and developed by us for the following purposes:

1. To determine the client's financial goals and objectives
2. To determine the level of advisory services needed and desired by the client
3. To provide the client with specific recommendations regarding advisory services
4. To provide the client with specific recommendations regarding financial products
5. To provide ongoing support and recommendations regarding financial products held in the client's account

Client information that LF Wealth Advisors, LLC will collect may include, but not be limited to the following:

- Information received from clients on financial inventories through consultations with its representatives. This information may include personal and household information such as income, spending habits, investment objectives, financial goals, statements of account and other records concerning the clients' financial conditions and assets, together with information concerning employee benefits and retirement plan interests, wills, trusts, mortgages and tax returns.
- Information developed as part of financial plans, analyses or investment advisory services.
- Information concerning investment advisory account transactions, such as wrap account transactions.
- Information about clients' financial products and services transactions with LF Wealth Advisors, LLC

When a client account is closed, LF Wealth Advisors, LLC will continue to keep all client information confidential in accordance with the principles stated in its privacy policy.

A copy of the Privacy Policy Notice will be delivered to all clients in writing by at least one of the following methods:

- By hand delivering a copy to the client
- Mailing a copy to the client's address on record
- If business is conducted electronically, a notice may be posted on an electronic site as long as the client acknowledges receipt of the Privacy Policy Notice prior to the client obtaining any services or products from LF Wealth Advisors, LLC

A copy of the Privacy Policy Notice will be provided to the client no later than the time a client establishes a relationship with LF Wealth Advisors, LLC, unless this situation would cause a delay in the client obtaining services and the client agrees to accept the notice at a later date. When this situation applies, a copy of the Privacy Policy Statement will be delivered to the client within a reasonable time period following the transaction.

Any time a change is made to the Privacy Policy, the statement to clients will be revised. The revised statement will be given to all affected clients prior to any disclosure of information. In addition, LF Wealth Advisors, LLC will provide a copy of its Privacy Policy Statement to all current and existing clients at least annually.

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