

EarnWell, Inc

Wrap Fee Program Brochure

This brochure provides information about the qualifications and business practices of EarnWell, Inc. If you have any questions about the contents of this brochure, please contact us by email at: support@earnwell.co. 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 EarnWell, Inc is also available on the SEC's website at www.adviserinfo.sec.gov. EarnWell, Inc's CRD number is: 288674.

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

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Item 2: Material Changes

There are no material changes in this brochure from the last annual updating amendment of EarnWell, Inc on March 13, 2018. Material changes relate to EarnWell, Inc policies, practices or conflicts of interests only.

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Item 4: Services Fees and Compensation

EarnWell, Inc (hereinafter "EarnWell ") offers the following services to advisory clients:

A. Description of Services

EarnWell participates in and sponsors wrap fee programs, which means EarnWell will wrap third party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.) for wrap fee portfolio management accounts. EarnWell will charge clients one fee, and pay all transaction fees using the fee collected from the client. Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that EarnWell has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs.

Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

The fee schedule is set forth below:

| Total Assets Under Management | Annual Fees |
|-------------------------------|-------------|
| All Assets | 0.50% |

For accounts under \$2,500, EarnWell charges a fixed fee of \$1/month. All accounts above \$2,500 are charged the annual 0.50% fee.

These fees are negotiable depending upon the needs of the client and complexity of the situation and the final fee schedule is attached as Exhibit II of the client contract. EarnWell 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.

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid monthly in arrears. Because fees are charged in arrears, no refund policy is necessary.

Clients may terminate the contract without penalty, for full refund, within five business days of signing the contract. Thereafter, clients may terminate the contract with thirty days' written notice.

As of this filing, all Client Account trades are executed using Third Party Trade LLC, a subsidiary of Third Party Technologies Inc. Pursuant to an Agreement for Services, TPT

provides trading services to EarnWell Clients. TPT does not charge separate or additional trading commissions to EarnWell Clients.

B. Contribution Cost Factors

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client's account, the adviser's ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

C. Additional Fees

Clients who participate in the wrap fee program will not have to pay for transaction or trading fees. However, clients are still responsible for all other account fees, such as annual IRA fees to the custodian, transition fees if the account is moved to another broker, or mutual fund fees.

D. Compensation of Client Participation

Neither EarnWell , nor any representatives of EarnWell receive any additional compensation beyond advisory fees for the participation of client's in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, EarnWell may have a financial incentive to recommend the wrap fee program to clients.

Item 5: Account Requirements and Types of Clients

EarnWell generally provides its wrap fee program services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Charitable Organizations
- ❖ There is a \$100 account minimum for EarnWell's services.

Item 6: Portfolio Manager Selection and Evaluation

A. Selecting/Reviewing Portfolio Managers

EarnWell will not select any outside portfolio managers for management of this wrap fee program. EarnWell will be the sole portfolio manager for this wrap fee program.

Standards Used to Calculate Portfolio Manager Performance

EarnWell will use industry standards to calculate portfolio manager performance.

Review of Performance Information

EarnWell reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed monthly and is reviewed by EarnWell .

B. Related Persons

EarnWell and its personnel serve as the portfolio managers for all wrap fee program accounts. This is a conflict of interest in that no outside adviser assesses EarnWell 's management of the wrap fee program. However, EarnWell addresses this conflict by acting in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager of the wrap fee program.

C. Advisory Business

EarnWell offers portfolio management services to its wrap fee program participants as discussed in Section 4 above.

Robo-Advisory Portfolio Management Services

EarnWell provides "robo-advisory" portfolio management services through an online interface. This entails the use of algorithm-based portfolio management advice, rather than in-person investment advice. EarnWell uses an automated algorithm to generate an asset allocation (between stocks and bonds) for each client based on individual characteristics, such as the client's age, risk tolerance, income, and current assets, among others. Asset allocation decisions are customized in increments of 10% (e.g. the algorithm could result in a 70/30 recommended allocation between stocks/bonds). EarnWell 's investment advisory personnel oversee the algorithm but may not monitor each client's account. Clients are encouraged to update their account/questionnaire with any change in their objectives, risk tolerance, or other pertinent information, as that information factors into the portfolio's composition.

The stock portion of a client's portfolio is invested entirely in the EarnWell 100, a proprietary list of stocks EarnWell has researched that we believe to be socially and environmentally responsible. The EarnWell 100 is designed to perform similarly to broader market indexes (e.g. the S&P 500), while meeting EarnWell's criteria for social and environmental responsibility. The portfolio allocation toward bonds is invested in an ETF holding treasury bonds.

The EarnWell 100

The EarnWell 100 stocks are chosen internally through a proprietary analysis of large cap stocks listed in the United States (principally consisting of stocks that are included in the S&P 500). Each stock is evaluated across approximately 150 metrics to measure responsibility across environmental, social and governance (ESG) functions. An algorithm generates an "impact score" for each company. Certain companies are excluded from the EarnWell 100 based on a history of corruption, fraud, or other objectionable behaviors, and certain sectors are excluded based on a negative impact to the environment (e.g. oil producers) or humanity (e.g. gun manufacturers). The EarnWell 100 is then assembled with consideration given to the overall impact score and sector diversification.

Fractional shares, equal weighting and rebalancing

EarnWell uses fractional shares in order to (1) make its individual stock investing strategy possible for balances as low as \$100 and (2) keep accounts as fully invested in the market as practically possible (i.e. minimizing cash drag). Shares of the EarnWell 100 portfolio are purchased in equal dollar amounts (i.e. equal weighting). As new deposits or withdrawals are made, shares will be bought or sold with a view to rebalancing towards both the targeted asset allocation and an equal weight stock portfolio. If no deposits or withdrawals are made in an account, the account will be reviewed from time to time (but at minimum annually) to assess the need for a rebalance.

Portfolio management accounts participating in the wrap fee program will not have to pay for transaction or trading fees. EarnWell will charge clients one fee, and pay transaction fees using the advisory fee collected from the client. Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that EarnWell has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs. To address this conflict, EarnWell will always act in the best interest of its clients consistent with its fiduciary duty as an investment adviser.

Performance-Based Fees and Side-By-Side Management

EarnWell 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.

Services Limited to Specific Types of Investments

EarnWell generally limits its investment advice to fixed income securities, equities and ETFs, although EarnWell primarily recommends equities. EarnWell may use other securities as well to help diversify a portfolio when applicable.

Client Tailored Services and Client Imposed Restrictions

EarnWell will construct a portfolio for each individual client based on information provided by the client. This will include gathering information on the client's specific needs and requirements as well as a plan that will be executed by EarnWell on behalf of the client.

The client can remove individual stocks from the portfolio EarnWell assembles on their behalf via the EarnWell digital application. Client acknowledges there are potential diversification implications from stock removal and client assumes this risk if they choose to alter the EarnWell-selected portfolio. Similarly, EarnWell recommends and implements a specific asset allocation based on a client's personal needs and risk profile. The client is free to alter the proposed asset allocation via EarnWell's digital application, with the client accepting any risk associated with any changes to EarnWell's recommended asset allocation.

Wrap Fee Programs

EarnWell sponsors and acts as portfolio manager for this wrap fee program. EarnWell manages the investments in the wrap fee program. The fees paid to the wrap account program will be given to EarnWell as a management fee.

Amounts Under Management

EarnWell has the following assets under management:

| Discretionary Amounts: | Non-discretionary Amounts: | Date Calculated: |
|------------------------|----------------------------|------------------|
| \$185,212.00 | \$0.00 | December 2018 |

Methods of Analysis and Investment Strategies

EarnWell's methods of analysis include Modern portfolio theory.

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.

EarnWell uses long term trading.

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

Material Risks Involved

Modern Portfolio Theory assumes that investors are risk averse, 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.

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

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

Risks of Specific Securities Utilized

EarnWell generally seeks investment strategies that do not involve significant or 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.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit

rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

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

Voting Client Proxies

EarnWell will accept voting authority for client securities in certain cases. When EarnWell does accept voting authority for client securities, it will always seek to vote in the best interests of its clients. EarnWell does not maintain preapproved voting guidelines but relies on the investment committee to determine the appropriate course of action in voting client securities that is in the best interest of the client. Clients may direct EarnWell on how to vote client securities by communicating their wishes in writing or electronically to EarnWell. When voting client proxies the investment committee will always hold the interests of the clients above its own interests. Clients of EarnWell may obtain the voting record of EarnWell on client securities by contacting EarnWell at phone number or e-mail address listed on the cover page of this brochure. Clients may obtain a copy of EarnWell's proxy voting policies and procedures upon request.

Item 7: Client Information Provided to Portfolio Managers

All client information material to managing the portfolio (including basic information, risk tolerance, sophistication level, and income level) is provided to the portfolio manager. The portfolio manager will also have access to that information as it changes and is updated.

Item 8: Client Contact with Portfolio Managers

EarnWell places no restrictions on client ability to contact its portfolio managers. EarnWell's representative, Cecil D Brown III, Cofounder can be contacted during regular business hours and contact information is on the cover page of Cecil D Brown III's Form ADV Part 2B brochure supplement.

Item 9: Additional Information

A. Disciplinary Action and Other Financial Industry Activities

Criminal or Civil Actions

There are no criminal or civil actions to report.

Administrative Proceedings

There are no administrative proceedings to report.

Self-regulatory Organization Proceedings

There are no self-regulatory organization proceedings to report.

Registration as a Broker/Dealer or Broker/Dealer Representative

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

Registration as a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor

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

Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Neither EarnWell nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

EarnWell does not utilize nor select other advisors or third party managers. All assets are managed by EarnWell management.

B. Code of Ethics, Client Referrals, and Financial Information

Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality,

Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

Recommendations Involving Material Financial Interests

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

Investing Personal Money in the Same Securities as Clients

From time to time, representatives of EarnWell may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of EarnWell 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. EarnWell 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.

Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of EarnWell may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of EarnWell 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, EarnWell will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least quarterly only by Cecil D Brown III, Cofounder. Cecil D Brown III is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at EarnWell are assigned to this reviewer.

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).

Content and Frequency of Regular Reports Provided to Clients

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

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

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

Compensation to Non – Advisory Personnel for Client Referrals

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

Balance Sheet

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

Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

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

Bankruptcy Petitions in Previous Ten Years

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

Item 10: Requirements for State Registered Advisers

Material Relationships (If Any) With Issuers of Securities

Neither EarnWell, nor its management persons, has any relationship or arrangement with issuers of securities.