



Summit Wealth Advisors, Inc.

610 Main Street Suite 15
Frisco, Colorado 80443

Phone: 970-468-8800

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Part 2A Brochure

This brochure provides information about the qualifications and business practices of Summit Wealth Advisors, Inc. ("Summit Wealth Advisors") If you have any questions about the contents of this brochure, please contact us at 970-468-8800. 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. Summit Wealth Advisors is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Summit Wealth Advisors, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a IARD number. The IARD number for Summit Wealth Advisors, Inc. is 288746.

ITEM 2 – MATERIAL CHANGES

Summary of Material Changes

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov. Our Firm has made the following changes since our initial filing on January 31, 2019:

- Item 15: Custody

Standing Letters of Authorization

Summit Wealth Advisors is deemed to have custody of clients’ funds or securities when clients have standing authorizations with their custodian to move money from a client’s account to a third-party (“SLOA”) and, under that SLOA, it authorizes Summit Wealth Advisors to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. Summit Wealth Advisors does not have a beneficial interest on any of the accounts that the Firm is deemed to have Custody where SLOAs are on file. In addition, account statements reflecting all activity on the account(s), are delivered directly from the qualified custodian to each client or the client’s independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from Summit Wealth Advisors. When you have questions about your account statements, you should contact Summit Wealth Advisors, your Advisor or the qualified custodian preparing the statement.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer, Emily Messegee at 970-468-8800.

We encourage you to read this document in its entirety.

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ITEM 4 – ADVISORY BUSINESS

This Disclosure document is being offered to you by Summit Wealth Advisors, Inc. (“Summit Wealth Advisors”) about the investment advisory services we provide. It discloses information about the services that we provide and the way those services are made available to you, the client.

We are an investment management firm located in Colorado. We specialize in investment advisory services for high-net-worth individuals, employer sponsored retirement plans, charitable organizations and trusts. The firm was established in 2017 by Robert F. Lau and is currently owned by Robert F. Lau and Emily Messegee.

We are committed to helping clients build, manage, and preserve their wealth, and to provide assistance that helps clients to achieve their stated financial goals. We will offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and Summit Wealth Advisors execute an investment management agreement.

Investment and Wealth Management and Supervision Services

We offer discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. These services include investment analysis, allocation of investments, quarterly portfolio reports, financial commentaries, and ongoing monitoring of client portfolios. We primarily allocate client assets among various mutual funds, exchange-traded funds (“ETFs”), and individual debt (bonds) and equity securities in accordance with the client’s stated investment objectives.

We will work with you to obtain necessary information regarding your financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This information enables us to determine the portfolio best suited for your investment objective and needs.

In performing our services, we shall not be required to verify any information received from you or from other professionals. If you request, we will recommend you engage the services of other professionals for implementation purposes. You have the right to decide whether or not to engage the services of any such recommended professional.

Once we have determined the types of investments to be included in your portfolio and allocated them, we will provide ongoing portfolio review and management services. This approach requires us to review your portfolio at least quarterly.

We will rebalance the portfolio, as we deem appropriate, to meet your financial objectives. We trade these portfolios and rebalance them based on the combination of our market

views and your objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate written authorization from you.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks may exist that adversely affect an account's performance. This could result in capital losses in your account.

Financial Planning

Through the financial planning process, Summit Wealth Advisors, Inc. team strives to engage our clients in conversations around the family's goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each family in mind, Summit Wealth Advisors will offer financial planning ideas and strategies to address the client's holistic financial picture, including estate, income tax, charitable, cash flow, wealth transfer and family legacy objectives. Our team partners with our client's other advisors (CPA, estate attorney, insurance broker, etc.) to ensure a coordinated effort of all parties toward the client's stated goals. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets and periodic updates.

Our specific services in preparing your plan may include:

- Review and clarification of your financial goals;
- Assessment of your overall financial position including cash flow, balance sheet; investment strategy, risk management and estate planning;
- Creation of a unique plan for each goal you have including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession and other personal goals;
- Development of a goal-oriented investment plan, with input from various advisors to our clients around tax suggestions, asset allocation, expenses, risk and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention;

- Design of a risk management plan including risk tolerance, risk avoidance, mitigation and transfer, including liquidity as well as various insurance and possible company benefits; and
- Crafting and implementation of, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.

A written Financial Plan is provided to the client. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Third Party Money Managers ("TPMM")

Summit Wealth Advisors provides investment advice and recommendations on the investment strategies of Third Party Money Managers ("TPMM"). Selected TPMMs are evaluated by Summit Wealth Advisors for client use. Our services include assisting you in identifying your investment objectives and matching personal and financial data with a select list of TPMMs. The intent of this service is to have a selected list of high quality and recognizable third party investment management firms from which you select one or more TPMMs to handle the day-to-day management of your account(s). Following recommendations by our Investment Adviser Representatives ("IAR"), you will have final authority to select a TPMM. The IAR will assist you in completing appropriate documents.

Summit Wealth Advisors IARs assist clients with identifying their risk tolerance and investment objectives. IARs will recommend TPMMs in relation to the client's stated investment objectives and risk tolerance. A client may select a recommended TPMM based upon the client's needs. Clients will enter a Third Party Advisory Program Agreement directly with Summit Wealth Advisors as well as with the TPMM.

TPMMs selected for your investments need to meet several quantitative and qualitative criteria established by Summit Wealth Advisors. Among the criteria that may be considered are the TPMM's experience, assets under management, performance record, client retention, the level of client services provided, investment style, buy and sell disciplines, capitalization level, and the general investment process.

You are advised and should understand that:

- **A TPMM's past performance is no guarantee of future results;**
- There is a certain market and/or interest rate risk which may adversely affect any TPMM's objectives and strategies, and could cause a loss in a Client's account(s); and

- Client risk parameters or comparative index selections provided to Summit Wealth Advisors are guidelines only and there is no guarantee that they will be met or not be exceeded.

Summit Wealth Advisors IARs shall be available to answer questions the client may have regarding their account and act as the communication conduit between the client and the TPMM. TPMMs may take discretionary authority to determine the securities to be purchased and sold for the client. Neither Summit Wealth Advisors nor its associated persons will have any trading authority with respect to clients' managed account with the TPMM(s).

All accounts are managed by the selected TPMM and Summit Wealth Advisors does not have any discretionary trading authority with respect to such accounts. Information collected by our firm regarding TPMMs is believed to be reliable and accurate but Summit Wealth Advisors does not independently review or verify it on all occasions. All performance reporting will be the responsibility of the respective TPMM. Such performance reports will be provided directly to you and Summit Wealth Advisors. Summit Wealth Advisors does not audit or verify that these results are calculated on a uniform or consistent basis as provided by a TPMM directly to Summit Wealth Advisors or through the consulting service utilized by the TPMM.

Summit Wealth Advisors has entered into agreements with various independent TPMMs. Under these agreements, Summit Wealth Advisors offers client's various types of programs sponsored by these TPMMs. All TPMM to whom Summit Wealth Advisors will refer clients will be licensed as registered investment advisors by their resident state and any applicable jurisdictions or registered investment advisors with the Securities and Exchange Commission.

Third-party managed programs generally have account minimum requirements that will vary from investment advisor to investment advisor. Account minimums are generally higher on fixed income accounts than equity based accounts. A complete description of the TPMM's services, fee schedules and account minimums will be disclosed in the TPMM's Form ADV or similar Disclosure Brochure which will be provided to clients at the time an agreement for services is executed and account is established.

Employer Sponsored Retirement Plan Services

Employer Sponsored Retirement Plan Advisory Services consist of helping employer plan sponsors establish, monitor and review their company's retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment selection and monitoring, plan structure, and participant education.

Pursuant to Section 402(c)(3) of Employee Retirement Income Security Act of 1974 (“ERISA”), the client may appoint us as the Plan’s “investment manager” with respect to the Plan’s portfolio of investment options. Our Firm acknowledges that we are registered as an investment adviser with the State of Colorado. We act as a “fiduciary” within the meaning of Section 3(21) of ERISA with respect to the Plan. As a result of the 3(21) appointment, plan sponsors are responsible for making the fund changes within the account.

Plan participants have the ability to exercise control over the assets in their account, and we have no authority or discretion to direct the investment of assets of any participant’s account under the Plan. We offer management of 401(k), 457, and 403(b) accounts both on a plan level and on the individual participant level.

Plan Level

We will establish the Plan’s needs and objectives through an initial meeting to collect data, review Plan information, and assist in developing or updating the Plan’s provisions. Ongoing services may include recommendations regarding the selection and review of unaffiliated mutual funds that, in our judgment, are suitable for plan assets to be invested. We periodically review the investment options selected and make recommendations to keep or replace the Plan’s investment options as appropriate. We perform a comprehensive review of Investment options and will assist with converting from incumbent service providers to a new service provider if appropriate.

We will provide quarterly recommendations for the Plan’s investment allocation. Upon receipt we will review the investment options and provide positions for accounts in accordance with the management style chosen by the client. Analysis is provided for each fund held by the Plan. A report shows historical performance, asset allocation, and the performance of each fund, including its performance in comparison to its appropriate benchmark. The report also contains information regarding each Fund’s managers, capitalization, investment style, expenses, portfolio composition and other qualitative factors relevant to the Fund’s performance and adherence to the Plan’s Investment Policy Statement. Clients are responsible for making the fund changes within the account.

Participant Level

We can also be engaged to provide financial education to Plan participants. The scope of education provided to participants will not constitute “investment advice” within the meaning of ERISA and participant education will relate to general principles for investing and information about the investment options currently in the Plan. We may also participate in initial enrollment meetings and periodic workshops and enrollment meetings for new participants.

Consulting Services

We also provide clients investment advice on a more limited basis on one-or-more isolated areas of concern such as estate planning, real estate, retirement planning, or any other specific topic. Additionally, we provide advice on non-securities matters about the rendering of estate planning, insurance, real estate, and/or annuity advice or any other business advisory / consulting services for equity or debt investments in privately held businesses. In these cases, you will be required to select your own investment managers, custodian and/or insurance companies for the implementation of consulting recommendations. If your needs include brokerage and/or other financial services, we will recommend the use of one of several investment managers, brokers, banks, custodians, insurance companies or other financial professionals ("Firms"). You must independently evaluate these Firms before opening an account or transacting business, and have the right to effect business through any firm you choose. You have the right to choose whether to follow the consulting advice that we provide.

Wrap Fee Programs

We also provide services on a wrap fee basis as a wrap program sponsor. Under our wrap program, you will receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the client more or less than purchasing such services separately. The terms and conditions of a wrap program engagement are more fully discussed in our Wrap Fee Program Brochure. Because wrap program transaction fees and/or commissions are being paid by Summit Wealth Advisors to the account custodian, we have an economic incentive to minimize the number of trades in the client's account. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interests and have established policies to mitigate the conflict of interest a wrap fee arrangement will create. Additionally, we adhere to our fiduciary duty when trading your accounts. We will only trade accounts on the basis of the stated investment objectives of the account and without concern to the firm's trading costs and firm's expenses that trading the accounts will create.

Assets

As of December 31, 2018, we have total assets under management of \$96,644,681 under our management. We have \$92,846,303 under discretionary management and \$3,798,378 under non-discretionary management.

ITEM 5 - FEES AND COMPENSATION

Investment Management Fees and Compensation

Summit Wealth Advisors charges a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account maintenance activities.

Our recommended custodian charges transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See ***Additional Fees and Expenses*** below for additional details.

The fees for portfolio management are based on an annual percentage of assets under management and are applied to the account asset value on a pro-rata basis and billed quarterly in advance. The initial fee will be on the market value the date the account was funded, prorated for the number of days in the quarter that your account is under management. Thereafter, the quarterly fee will be calculated on the close of the last business day of the prior calendar quarter. The market value will be determined as reported by the Custodian. There may be a possibility for price or account value discrepancies due to quarter-end transactions in an account. Dividends or trade date settlements may occur and our third party billing software may report a slight difference in account valuation at quarter end compared to what is reported on your Statement from the Custodian. Our firm has the ability to produce billing summaries, which can be provided upon request.

Unless otherwise agreed upon and stated in ***Exhibit B*** of the Investment Management Agreement, fees are assessed on all assets under management, including securities, cash and money market balances. When applicable and noted in ***Exhibit B*** of the Investment Management Agreement, legacy positions will also be excluded from the fee calculation.

Our maximum annual advisory fee for accounts paying a percentage of assets under management is 1.50%. The specific advisory fees are set forth in your Investment Advisory Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. Additional deposits and withdrawals will be added or subtracted from portfolio assets, as the case may be, which may lead to an adjustment of the account fee. In certain circumstances, our fees and the timing of the fee payments may be negotiated. Our employees and their family related accounts are charged a reduced fee for our services.

Unless otherwise instructed by the client, we will aggregate asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We would do this, for example, where we also service accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could cause your account(s) to be assessed a lower advisory fee.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least

quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. At our discretion, our firm will allow advisory fees to be paid by check as indicated in the Investment Advisory Agreement. You are encouraged to review your account statements for accuracy.

Either Summit Wealth Advisors or you may terminate the management agreement immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination, for the quarter in which the cancellation notice was given and the unearned fee refunded to you. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of client's death or disability, Summit Wealth Advisors will continue management of the account until we are notified of client's death or disability and given alternative instructions by an authorized party.

Third Party Management ("TPMM Program" or "TPMM") Fees

Fees and billing methods are outlined in each respective TPMM's Brochure and Advisory Contract. The Client pays an on-going fee directly to the TPMM based upon a percentage of your assets under management with respect to each TPMM. You will receive disclosure of all fees by the TPMM, which include the terms of the compensation arrangement and a description of the compensation paid, at the time of signing an advisory agreement with the TPMM.

The minimum account size for will vary from TPMM to TPMM. All such minimums will be disclosed in the respective TPMM's Brochure. Summit Wealth Advisors may have the ability to negotiate such minimums for you.

You may terminate your relationship in accordance with the respective TPMMs' disclosure documents. If you terminate your participation in the Program within five business days of inception, you will receive a full refund of the fee. Pre-paid fees will be refunded in accordance with the respective TPMM's agreement and disclosure documents.

We may recommend you terminate the relationship with a TPMM. Factors involved in the termination of a TPMM may include a failure to adhere to their stated management style or your objectives, a material change in the professional staff of the TPMM, unexplained poor performance, unexplained inconsistency of account performance, or our decision to no longer include the TPMM on our list of approved TPMMs.

Account custodial services may be provided by several account custodians depending on the investment management program offered. Programs may have higher or lower fees than other programs available through Summit Wealth Advisors or available elsewhere. Investment management programs may differ in the services provided and method or type of management offered, and each may have different account minimums. Client reports

will depend upon the management program selected. Please see complete details in the program brochure and custodial account agreement for each program recommended and offered. Because managers pay different fees to the referring party, there is a conflict of interest when referring to various TPMMs. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies in this regard to mitigate any conflicts of interest. You, the Client, always has right to decide to engage the TPMM that Summit Wealth Advisers recommends to you.

Financial Planning Fees

Summit Wealth Advisers will negotiate the planning fees with you. Fees may vary based on the extent and complexity of your individual or family circumstances and the amount of your assets under our management. We will determine your fee for the designated financial advisory services based on a fixed fee arrangement described below.

Under our fixed fee arrangement, any fee will be agreed to in advance of services being performed. The fee will be determined based on factors including the complexity of your financial situation, agreed upon deliverables, and whether or not you intend to implement any recommendations through Summit Wealth Advisers. Fixed fees for financial plans range from \$150 to \$5,000.

Typically, we complete a plan within a month and will present it to you within 90 days of the contract date, provided that you have provided us all information needed to prepare the financial plan. Fees are billed in two ways: (1) One hundred percent (100%) up front or (2) one half (50%) of the estimated fee will be due and payable at the time you enter into the financial planning agreement, with the balance due and payable at the time the financial plan is delivered. Typically, fees \$500 or less will be billed with 100% upon entering the Agreement with our firm. You may terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you based on an hourly rate of \$150.00. Services provided up to date of termination but not yet paid to Summit Wealth Advisers will be billed to you based on the hourly rate of \$150.00. We will not require prepayment of more than \$1,200 in fees per client, six (6) or more months in advance of providing any services.

In no case are our fees based on, or related to, the performance of your funds or investments.

When both investment management or plan implementation and Financial Planning services are offered, there is a conflict of interest since there is an incentive for us offering Financial Planning services to recommend products or services for which Summit Wealth Advisers receives compensation. However, Summit Wealth Advisers will make all recommendations independent of such considerations and based solely on our obligations

to consider your objectives and needs. As a Financial Planning client, you have the right not to act upon any of our recommendations and not affect the transaction(s) through us if you decide to follow the recommendations.

Employer Sponsored Retirement Plan Services

For Retirement Plan Advisory Services compensation, we charge an annual fee as negotiated with the client and disclosed in the Employer Sponsored Retirement Plans Investment Advisory Agreement. The compensation method is explained and agreed upon in advance before any services are rendered. Fees range from 0.25% to 0.50% annually.

Plan advisory services begin with the effective date of the Investment Advisory Agreement, which is the date you sign the Investment Advisory Agreement. For that calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the Agreement was effective. Our fee is billed in arrears on the last business day of the calendar quarter. Invoices are sent out each quarter to either the client or the custodian of the Plan. For Plans where our fee is billed to the custodian, the fee is deducted directly from the participant accounts. Written authorization permitting us to be paid directly from the custodial account is outlined in the Investment Advisory Agreement.

Either party may terminate the Investment Advisory Agreement at any time upon immediate notice. You are responsible to pay for services rendered until the termination of the agreement.

Administrative Services Provided by Orion Advisory Services

We have contracted with Orion Advisory Services (referred to as “Orion”) to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Orion will have access to client accounts, but Orion will not serve as an investment advisor to our clients. Summit Wealth Advisors and Orion are non-affiliated companies. Orion charges our firm an annual fee for each account administered by Orion. The annual fee is paid from the portion of the management fee retained by us.

Additional Fees and Expenses:

In addition to the advisory fees paid to Summit Wealth Advisors, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the independent managers, margin costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot

differentials, transfer taxes, wire transfer and electronic fund fees, fees for trades executed away from custodian and other fees and taxes on brokerage accounts and securities transactions. Summit Wealth Advisors' brokerage practices are described at length in Item 12, below. Neither our Firm nor its supervised persons accept compensation for the sale of securities or other investment products. Further, our firm does not share in any of these additional fees and expenses outlined above.

ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees) nor engage in side by side management.

ITEM 7 - TYPES OF CLIENTS

We provide investment advice to individuals, high-net-worth individuals, foundations, employer sponsored retirement plans, trusts and charitable organizations. We have no minimum initial account value.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Philosophy

At Summit Wealth Advisors, we believe that our investment philosophy serves as the basis for the investment solutions we provide our clients and is predicated upon the following four philosophical tenets:

1. Investment decisions should be made with a long-term perspective
2. Portfolios should be constructed to achieve diversification
3. Valuation considerations should drive investment decisions
4. Skillful active management has the potential to add value

Long-Term Perspective

We approach investing with patience and discipline, focusing on long-term goals and relying on fundamental truths of investing exhibited throughout history. We understand that short-term fluctuations in price and performance do not always reflect true values and that investor fortitude through difficult cycles is often rewarded over time. We do not define risk simply as market volatility, but rather understand volatility as a natural element of markets that provide opportunity to capitalize on mispriced assets.

Diversification by Risk Exposure

The primary means of crafting an effective portfolio diversification is to meaningfully allocate to differing risk exposures. We believe diversification between and within each category should be sought, and that portfolios should be diversified globally to help

effectively mitigate risks. There are four broad categories we implement in our portfolios, each of which serves a different role in the portfolio:

- Fixed Income – Total return and deflation protection
- Real Assets – Total return and inflation protection
- Equity – Total return and diversification
- Global Equity/Income – Total return and income

Valuation Oriented

Valuation drives investment decisions across all asset categories and asset selection. Prices do matter to overall return. Value investing can help lower a portfolio's risk by building in a margin of safety when assets are purchased below their true value. Value investing often requires a contrarian mindset as investing against prevailing trends is not always comfortable, but we believe that achieving strong long-term performance requires a willingness to diverge from the consensus and allocate capital when it is most difficult.

Active Management

In some areas, a passive allocation is suitable to efficiently gain market exposure at competitively low costs. However, opportunities exist for managers with unique capabilities to add value through strategies that are not simply a representation of the market. We believe that strong investment results are most likely found with active managers that have aligned their interests with that of their clients. Exceptional active managers can help enhance returns through expertise, skill, and employing a value-oriented approach. These managers have the ability to expertly invest in complexity, where their knowledge, better use of information, and access to unique opportunities allows them to wisely recognize and execute on investment opportunities.

Portfolio Construction

First and foremost, our portfolio construction process begins with identifying the needs, objectives and suitability of our client. We build and customize each individual client's portfolio with their specific long-term goals in mind and we provide on-going asset management and portfolio adjustments as the needs of clients evolve overtime. These objectives dictate how we implement our investment philosophy described above. The due diligence process involved in creating a diverse asset allocation begins with a high-level market analysis of the asset class categories: equity (stocks, private equity, long/short funds), fixed income (bonds, bank loans, government funds), real assets (real estate, natural resources, commodities) and global equity/income (foreign/emerging markets equity, foreign/emerging markets fixed income/bonds). This quantitative information is then complemented with qualitative information gathered from industry "experts", economists and investment managers. Collectively, this information is used to identify the market-wide/global trends and influences that impact areas of the market, thereby

resulting in what could be attractive opportunities from a valuation perspective, as well as identifying those capital markets that may be overvalued.

From this point we use the overall market research and information to develop asset mix scenarios with different risk and return characteristics, or “models”. Asset classes are considered based on their contribution to the return and risk diversification of the entire portfolio and then we tweak our models to complement the overarching objectives and suitability of the client.

The process in selecting specific assets to complete the model portfolio starts with our own due diligence and research based on the information gathered from a variety of sources including: industry and academic journals/periodicals, investment professionals, analysts and market strategists, and custodial research teams. We synthesize the data gathered through these sources to drive our daily research process and despite the use of external data sources, the conclusions we reach are independent and proprietary.

TPMM Analysis

We seek to recommend investment strategies that will give a client a diversified portfolio consistent with the client’s investment objective. We do this by analyzing the various securities, investment strategies, and third party management firms. The goal is to identify a client’s risk tolerance, and then find a TPMM with the maximum expected return for that level of risk.

We examine the experience, expertise, investment philosophies and past performance of independent TPMMs in an attempt to determine if that TPMM has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the TPMMs’ underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the TPMMs’ compliance and business enterprise risks.

A risk of investing with a TPMM who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a TPMMs’ portfolio, there is also a risk that the TPMM may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the TPMMs’ daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities

involves risk of loss. Further, depending on the different types of investments there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, Summit Wealth Advisors 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.

Investors should be aware that accounts are subject to the following risks:

Market Risk — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

Foreign Securities and Currency Risk — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

Capitalization Risk — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

Interest Rate Risk — In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.

Credit Risk — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

Securities Lending Risk — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

Option Risk - Our firm's use of options is limited to covered calls and hedging strategies. Client portfolios may purchase or sell options, or other derivatives that trade on an exchange. Both the purchasing and selling of call and put options entail risks. An investment in an option may be subject to greater fluctuation than an investment in the underlying securities. The effectiveness of purchasing or selling stock index options as a hedging technique depends upon the extent to which price movements in the hedged portfolios correlate with price movements of the stock index selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular security, whether a portfolio realizes a gain or loss will depend upon movements in the level of security prices in securities markets generally rather than movements in the price of a particular security.

Exchange-Traded Funds — ETFs face market-trading risks, including the lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

Performance of Underlying Managers — We select the mutual funds and ETFs in the client portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

Alternative Investments - Investments classified as "alternative investments" may include a broad range of underlying assets including, but not limited to, hedge funds, private equity, venture capital, and registered, publicly traded securities. Alternative investments are speculative, not suitable for all clients and intended for only experienced and sophisticated investors who are willing to bear the high risk of the investment, which can include: loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative investment practices; lack of liquidity in that there may be no secondary market for the fund and none expected to develop; volatility of returns; potential for restrictions on transferring interest in the fund; potential lack of diversification and resulting higher risk due to concentration of trading authority with a single advisor; absence of information regarding valuations and pricing; potential for delays in tax reporting; less regulation and typically higher fees than other investment options such as mutual funds. The SEC requires investors be accredited to invest in these more speculative alternative investments. Investing in a fund that concentrates its investments in a few holdings may involve heightened risk and result in greater price volatility.

ITEM 9 - DISCIPLINARY INFORMATION

Summit Wealth Advisors does not have any legal, financial or other “disciplinary” item to report.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Insurance

IARs of Summit Wealth Advisors may act as agents appointed with various life, disability or other insurance companies and receive commissions, trails, or other compensation from the respective product sponsors and/or as a result of effecting insurance transactions for clients. This creates a conflict of interest. We recognize the fiduciary responsibility to act in the best interest of our clients and have established policies in this regard to mitigate any conflicts of interest. You have the right to decide whether or not to act on the insurance recommendations from Summit Wealth Advisors’ IARs. If you decide to act upon our insurance recommendations, you have the right to choose the insurance professional to use to purchase the insurance products.

ITEM 11 - CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Summit Wealth Advisors and persons associated with us are allowed to invest for their own accounts or to invest in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interests and have established policies in this regard to mitigate any conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts and other situations where there is a conflict of interest.

The Code of Ethics is designed to protect our clients to detect and deter misconduct, educate personnel regarding the firm’s expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Summit Wealth Advisors, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm’s ethical principles.

We have established the following restrictions to ensure our firm’s fiduciary responsibilities:

1. A director, officer or supervised employee of Summit Wealth Advisors shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No director, officer or supervised employee of Summit Wealth Advisors shall prefer his or her own interest to that of the advisory client. Trades for supervised employees are traded alongside client accounts.
2. We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Summit Wealth Advisors.
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account. All TPMM accounts are managed by the selected TPMM and we do not have any discretionary trading authority with respect to such accounts.
4. We emphasize the unrestricted right of the client to select and choose any custodian (except in situations where we are granted discretionary authority) he or she wishes.
5. We require that all supervised individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
6. Any supervised individual not in observance of the above may be subject to termination.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; Attn: Chief Compliance Officer.

ITEM 12 - BROKERAGE PRACTICES

The Custodian and Brokers We Use

Investment Management Services

Clients must maintain assets in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. Advisor Services ("Schwab"), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated, and unaffiliated with Schwab. Schwab will hold client assets in a brokerage account, and buy and sell securities when we instruct them to.

While we recommend that clients use Schwab as Custodian, client must decide whether to do so and open accounts with Schwab by entering into account agreements directly with them. The client opens the accounts with Schwab. The accounts will always be held in the name of the client and never in Summit Wealth Advisors's name.

How We Select Custodians

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
2. Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
4. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
5. Availability of investment research and tools that assist us in making investment decisions
6. Quality of services
7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices
8. Reputation, financial strength, and stability
9. Prior service to Summit Wealth Advisors and our other clients
10. Availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from Schwab)

Client Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge separately for custody services. However, Schwab receives compensation by charging ticket charges or other fees on trades that it executes or that settle into clients' Schwab accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see How We Select Brokers/Custodians).

Products and Services Available to Us from Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide Summit Wealth Advisors and our clients with access to its institutional brokerage, trading, custody,

reporting, and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts; others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. These are considered soft dollar benefits because there is an incentive to do business with Schwab. This creates a conflict of interest. We have established policies in this regard to mitigate any conflicts of interest. We believe that our selection of Schwab as custodian and broker is in the best interests of clients. Summit Wealth Advisors will at all times act in the best interest of their clients and act as a fiduciary in carrying out services to clients.

Following is a more detailed description of Schwab's support services:

Services That Benefit Our Clients

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit our clients and their accounts.

Services That May Not Directly Benefit Our Clients

Schwab also makes available to us other products and services that benefit us but may not directly benefit our clients or their accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

1. Provide access to client account data (such as duplicate trade confirmations and account statements)
2. Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
3. Provide pricing and other market data
4. Facilitate payment of our fees from our clients' accounts
5. Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise.

These services include:

1. Educational conferences and events
2. Consulting on technology, compliance, legal, and business needs
3. Publications and conferences on practice management and business succession
4. Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions. We believe that our selection of Schwab as custodian and broker is in the best interests of our clients.

Some of the products, services and other benefits provided by Schwab benefit Summit Wealth Advisors and may not benefit our client accounts. Our recommendation or requirement that you place assets in Schwab's custody may be based in part on benefits Schwab provides to us, or our agreement to maintain certain Assets Under Management at Schwab, and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

We place trades for our clients' accounts subject to its duty to seek best execution and its other fiduciary duties. Schwab's execution quality may be different than other Custodians.

We do not routinely recommend, request or require that you direct us to execute transaction through a specified custodian. Additionally, we typically do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

1. Our policy for the aggregation of transactions shall be fully-disclosed separately to our existing clients (if any) and the Custodian(s) through which such transactions will be placed;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our investment advisory agreement with you for which trades are being aggregated.

3. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client's participation in the transaction.
4. We will prepare a written statement ("Allocation Statement") specifying the participating client accounts and how to allocate the order among those clients;
5. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade's positions should be "first in line" to receive the next allocation.
6. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is reviewed by our compliance officer. Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account.
7. We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
8. Individual advice and treatment will be accorded to each advisory client.

Trade Errors

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the custodian, the custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

ITEM 13 - REVIEW OF ACCOUNTS

Account Reviews and Reviewers – Investment Supervisory Services

The underlying securities within the investment supervisory services are regularly monitored. These reviews will be made by each Investment Adviser Representative in addition to the Chief Compliance Officer or his designee. We offer the ability to meet with our clients on an annual basis to review their account. This review is usually conducted in person or by telephone. The number of accounts assigned depends on which IAR has the personal relationship with the client.

The purpose of all these reviews is to ensure that the investment plan continues to be implemented in a manner which matches your objectives and risk tolerances. More-frequent reviews may be triggered by material changes in variables such as your individual circumstances, or the market, political or economic environment. You are urged to notify us of any changes in your personal circumstances.

Statements and Reports

Through an agreement with Orion, Summit Wealth Advisors will have the ability to provide clients with Performance/Position summary reports upon request. Reports may also be provided at every client meeting. Communication to clients will be done on an as needed basis with a minimum of one (1) contact per calendar quarter.

The custodian for the individual client's account will also provide clients with an account statement at least quarterly. You are urged to compare the reports provided by Summit Wealth Advisors against the account statements you receive directly from your account custodian.

Those clients who are exclusively Financial Planning clients (i.e. those who have no assets under management with us in our advisory program) will receive no regular reports from the Firm.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Summit Wealth Advisors does not pay referral fees or receive compensation for referrals.

Summit Wealth Advisors refers clients to a TPMM. TPMM will be paid an on-going fee by based upon a percentage of your assets under management with respect to each TPMM. You will receive disclosure of all fees paid to Summit Wealth Advisors by the TPMM, which include the terms of the compensation arrangement and a description of the compensation paid, at the time of signing an advisory agreement with the TPMM.

ITEM 15 - CUSTODY

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Summit Wealth Advisors is deemed to have custody of client funds and securities whenever Summit Wealth Advisors is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Summit Wealth Advisors

will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Summit Wealth Advisors has the authority to have fees deducted directly from client accounts, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from Summit Wealth Advisors. When you have questions about your account statements, you should contact Summit Wealth Advisors or the qualified custodian preparing the statement.

Clients will provide written authorization permitting the fees to be paid directly from their account held by the qualified custodian. When fees are deducted from an account, Summit Wealth Advisors is responsible for calculating the fee and delivering instructions to the custodian.

Standing Letters of Authorization

Summit Wealth Advisors is deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and, under that SLOA, it authorizes Summit Wealth Advisors to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. Summit Wealth Advisors does not have a beneficial interest on any of the accounts that the Firm is deemed to have Custody where SLOAs are on file. In addition, account statements reflecting all activity on the account(s), are delivered directly from the qualified custodian to each client or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from Summit Wealth Advisors. When you have questions about your account statements, you should contact Summit Wealth Advisors, your Advisor or the qualified custodian preparing the statement.

ITEM 16 - INVESTMENT DISCRETION

For discretionary accounts, prior to engaging Summit Wealth Advisors to provide investment advisory services, the client will enter a written Agreement with us granting the firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, you will need

to execute additional documents required by the Custodian to authorize and enable Summit Wealth Advisors, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your accounts. authorized, in our discretion and without prior consultation with client to: (1) buy, sell, exchange and trade any stocks, bonds, and other equities or securities and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority will be communicated by client to us in writing.

The limitations on investment and brokerage discretion held by Summit Wealth Advisors for client are:

1. For discretionary clients, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
2. Any limitations on this discretionary authority shall be included in writing as indicated on the investment advisory Agreement, Appendix B. The client may change/amend these limitations as required. Such amendments shall be submitted to us in writing.

Research products and services received by us from custodians will be used to provide services to all our clients.

In some instance, we may not have discretion. We will discuss all transactions with the client prior to execution or the client will be required to make the trades if in an employer sponsored account.

ITEM 17 - VOTING YOUR SECURITIES

Summit Wealth Advisors will not vote proxies on the client's behalf. The client is welcome to vote proxies or designate an independent third-party at its own discretion. The client will designate proxy voting authority in the custodial account documents. The client must ensure that proxy materials are sent directly to it or its assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients can contact our office with questions about a particular proxy solicitation by phone at 970-468-8800.

ITEM 18 - FINANCIAL INFORMATION

We do not receive prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our 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, we have not been the subject of a bankruptcy petition at any time.