

# Aletheian Wealth Advisors LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Aletheian Wealth Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (206) 999-8600 or by email at: [rsiegel@aletheianadvisors.com](mailto:rsiegel@aletheianadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Aletheian Wealth Advisors LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Aletheian Wealth Advisors LLC's CRD number is: 304623.*

10655 NE 4th Street #312  
Bellevue, WA 98004  
(206) 999-8600  
[rsiegel@aletheianadvisors.com](mailto:rsiegel@aletheianadvisors.com)  
<https://www.aletheianadvisors.com>

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

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## **Item 2: Material Changes**

Aletheian Wealth Advisors LLC has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore there are no material changes to report.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Aletheian Wealth Advisors LLC (hereinafter AWA) is a Limited Liability Company organized in the State of Washington. The firm was formed in May 2019, and the principal owners are Joshua Ray Betts and Randy T Siegel.

### B. Types of Advisory Services

#### *Investment Management – Multi-Family Office Services*

Client families' best interests will be fully aligned with Aletheian Wealth Advisors as we serve them under a single entity that provides wealth management and advisory services.

Working with Aletheian Wealth Advisors will enable clients to establish a governance and management structure that addresses the complex issues surrounding a family's wealth, resulting in more effective decision making and the potential for better outcomes.

#### Key Elements of Comprehensive Family Office Services

- Centralize asset management activities with the potential to achieve higher returns or lower risk for investment decisions via a formalized investment process
  - o Conduct an evaluation of the overall financial situation
  - o Determine investment objectives and family philosophy
  - o Establish risk profiles and time horizons
  - o Determine asset allocation strategies for public markets and private holdings that balance risk/return goals with tax efficiency and wealth preservation
  - o Manage liquidity
- Coordinate other professional services such as philanthropy, tax and estate planning
- Facilitate the inter-generational transfer of wealth

AWA offers ongoing portfolio management services based on the Investment Policy Statement that is created for each client's specific situation.

AWA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

AWA seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of AWA's economic, investment or other financial interests. To meet its fiduciary obligations, AWA attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, AWA's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is AWA's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

### ***Family Advisory Services***

Financial Planning is an ongoing process that examines issues related to Family Succession; Estate and Wealth Transfer; Cash Flow and Sustainability Analysis; Philanthropic Intent; Minimization of Income and Estate Taxation; Life Management and Budgeting; Insurance Sufficiency and Efficiency Reviews.

### ***Fiduciary Services***

Aletheian Fiduciary Services LLC provides clients a formalized Trust administration program aligned with fiduciary standards, guidelines, and laws.

- Personal trust accounts are typically established to accomplish certain goals such as:
  - o Estate planning
  - o Tax reduction
  - o Probate avoidance / Privacy
  - o Family and charitable legacies
  - o Asset management in the event of incapacity
  - o Asset protection

Trust acceptance will be based upon a comprehensive review of the purpose and objectives of the account. Trust investment policies are based on sound fiduciary

principles, including prudence, the preservation of capital, diversification, and rate of return commensurate with the level of risk assumed.

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

AWA generally limits its investment advice to ETFs (including ETFs in the gold and precious metal sectors), equities, fixed income securities, real estate funds (including REITs), hedge funds, private equity funds, treasury inflation protected/inflation linked bonds, venture capital funds and private placements, and mutual funds, although AWAL primarily recommends ETFs. AWAL may use other securities as well to help diversify a portfolio when applicable.

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

AWA will tailor a program for each individual client specific to their individual needs and requirements. AWA may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent AWA from properly servicing the client account, or if the restrictions would require AWA to deviate from its standard suite of services, AWA reserves the right to end the relationship.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. AWA does not participate in wrap fee programs.

### **E. Assets Under Management**

AWA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$0	June 2019

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Investment Management – Multi-Family Office Services Fees*

Total Assets Under Management	Annual Fees
\$1,000,000 - \$3,000,000	1.00%
\$3,000,001 - \$5,000,000	0.80%
\$5,000,001 - \$10,000,000	0.60%
\$10,000,001 - \$25,000,000	0.40%
\$25,000,001 - \$50,000,000	0.25%
\$50,000,001 - and up	0.15%

The advisory fee is calculated using the value of the assets in the Account on the last business day of the prior billing period.

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of AWAL's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

#### *Family Advisory Services Fees*

Total Assets Under Management	Annual Fees
\$1,000,000 - \$3,000,000	0.46%
\$3,000,001 - \$5,000,000	0.46%
\$5,000,001 - \$10,000,000	0.30%
\$10,000,001 - \$25,000,000	0.20%
\$25,000,001 - \$50,000,000	.125%
\$50,000,001 - and up	0.075%

The advisory fee is calculated based on the client's net worth.

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of AWAL's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

### ***Fiduciary Services***

<b>Total Assets Under Management</b>	<b>Annual Fees</b>
\$1,000,000 - \$3,000,000	.50%
\$3,000,001 - \$5,000,000	0.50%
\$5,000,001 - \$10,000,000	0.25%
\$10,000,001 - \$25,000,000	0.10%
\$25,000,001 - \$50,000,000	0.05%
\$50,000,001 - and up	0.05%

The advisory fee is calculated using the value of the assets in Trust on the last business day of the prior billing period.

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of AWAL's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

## **B. Payment of Fees**

### ***Payment of Investment Management – Multi-Family Office Services Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis, or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. Fees are paid in advance.

### ***Payment of Family Advisory Services Fees***

Fiduciary Services fees are invoiced and billed directly to the client on a quarterly basis. Fees are paid in advance. Fees are paid by check or bank transfer.

### ***Payment of Fiduciary Services Fees***



Fiduciary Services fees are withdrawn directly from the trust's accounts with client's written authorization on a quarterly basis, or may be invoiced and billed directly to the grantor on a quarterly basis. Clients may select the method in which they are billed. Fees are paid in advance.

### **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by AWAL. Please see Item 12 of this brochure regarding broker-dealer/custodian.

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

AWAL collects fees in advance. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

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

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

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

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

AWAL does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

AWAL generally provides advisory services to High-Net-Worth Individuals.

There is no account minimum for any of AWAL's services.

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

AWAL's methods of analysis include Fundamental analysis, Modern portfolio theory and Quantitative analysis.

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

**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.

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

#### *Investment Strategies*

AWAL uses long term trading, short term trading, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

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

### B. Material Risks Involved

#### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**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.

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

### *Investment Strategies*

AWAL's use of margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

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

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long term trading risks listed above. Frequent trading 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.**

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

AWAL's use of margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

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

**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. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and

other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

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

**Hedge funds** often engage in leveraging and other speculative investment practices that may increase the risk of loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

**Private equity funds** carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Venture capital funds** invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

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

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

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

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

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

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

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

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

AWAL does not utilize nor select third-party investment advisers.

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

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

AWAL has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. AWAL's Code of Ethics is available free upon request to any client or prospective client.

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

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

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

From time to time, representatives of AWAL may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of AWAL 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. AWAL will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of AWAL may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of AWAL 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, AWAL will never engage in trading that operates to the client's disadvantage if representatives of AWAL buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

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

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

AWAL will require clients to use Fidelity Brokerage Services LLC, Charles Schwab & Co., Inc. Advisor Services and TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC.

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

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

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

AWAL receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.



### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

AWAL will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

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

If AWAL buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, AWAL would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. AWAL would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

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

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

All client accounts for AWAL's advisory services provided on an ongoing basis are reviewed at least Annually by Randy T Siegel, Chief Operating Officer & Chief Compliance Officer, with regard to clients' respective investment policies and risk tolerance levels. All accounts at AWAL are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Randy T Siegel, Chief Operating Officer & Chief Compliance Officer.

#### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

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

Each client of AWAL's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and

calculation of fees. This written report will come from the custodian. AWAL will also provide at least quarterly a separate written statement to the client.

Each financial planning client will receive the financial plan upon completion.

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

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

Charles Schwab & Co., Inc. Advisor Services provides AWAL with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For AWAL client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to AWAL other products and services that benefit AWAL but may not benefit its clients' accounts. These benefits may include national, regional or AWAL specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of AWAL by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist AWAL in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of AWAL's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of AWAL's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to AWAL other services intended to help AWAL manage and further develop its business

enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to AWAL by independent third parties. Charles Schwab & Co., Inc. Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to AWAL. AWAL is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

AWAL participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. AWAL receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, AWAL participates in TD Ameritrade's institutional advisor program and AWAL may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between AWAL's participation in the Program and the investment advice it gives to its clients, although AWAL receives economic benefits through its participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving AWAL participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have AWAL's fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to AWAL by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by AWAL's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit AWAL but may not benefit its client accounts. These products or services may assist AWAL in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help AWAL manage and further develop its business enterprise. The benefits received by AWAL or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, AWAL endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by AWAL or its related persons in and of itself creates a conflict of interest and may indirectly influence the AWAL's choice of TD Ameritrade for custody and brokerage services.

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

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

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, AWAL will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

### **Item 16: Investment Discretion**

AWAL provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, AWAL generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, AWAL's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to AWAL).

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

AWAL will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

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

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

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

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

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