

**ITEM 1: COVER PAGE FOR PART 2A OF  
FORM ADV: FIRM BROCHURE  
June 14, 2019**

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This brochure provides information about the qualifications and business practices of MPWA, Inc. dba Mestmaker & Petrey Wealth Advisors (MPWA). If you have any questions about the contents of this brochure, please contact by telephone at (661) 395-9400 or email at [dan.petrey@mpwealthadvisors.com](mailto:dan.petrey@mpwealthadvisors.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 MPWA also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term "registered investment adviser" and description of MPWA and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and the Brochure Supplements for our firm's associates which advise you for more information on the qualifications of our firm and its employees.

## **Item 2: Material Changes to Our Part 2A of Form ADV: Firm Brochure**

MPWA is required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure. At this time, the following are material changes to our previous Brochure:

**Last Annual Amendment Filing:** 03/28/2019

MPWA has not had any material changes since our last annual update. However, MPWA is now eligible to register with the SEC.

### Item 3: Table of Contents:

<u>Section:</u>	<u>Page(s):</u>
ITEM 1: COVER PAGE FOR PART 2A.....	1
Item 2: Material Changes to Our Part 2A of Form ADV: Firm Brochure .....	2
Item 3: Table of Contents:.....	3
Item 4: Advisory Business .....	4
Item 5: Fees & Compensation.....	8
Item 6: Performance-Based Fees and Side-by-Side Management.....	11
Item 7: Types of Clients & Account Requirements .....	11
Item 8: Methods of Analysis, Investment Strategies & Risk of Loss.....	12
Item 9: Disciplinary Information .....	13
Item 10: Other Financial Industry Activities and Affiliations.....	13
Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading .....	14
Item 12: Brokerage Practices .....	16
Item 13: Review of Accounts or Financial Plans.....	19
Item 14: Client Referrals & Other Compensation .....	20
Item 15: Custody .....	21
Item 16: Investment Discretion .....	22
Item 17: Voting Client Securities.....	22
Item 18: Financial Information .....	23
Item 19: Requirements for State-Registered Advisers .....	23

## Item 4: Advisory Business

We specialize in the following types of services: Asset Management, Financial Planning & Consultations, Pension Consulting, 401(k) Participant Service, and Referrals to Third Party Money Managers.

A. Description of our advisory firm, including how long we have been in business and our principal owner(s)<sup>1</sup>.

We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a corporation formed in the State of California in 2008, has been in business as an investment adviser since 2009, and is owned as follows by:

Jeffrey Kapral Mestmaker – 50% Owner  
Daniel Patrick Petrey – 50% Owner

B. Description of the Types of Advisory Services We Offer.

(i) Asset Management:

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds (“ETFs”), options, mutual funds and other public and private securities or investments. The client’s individual investment strategy is tailored to his/her specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client’s circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the client’s individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

### **Ambassador Accounts**

By utilizing Ambassador Accounts, we are able to provide discretionary portfolio management services to our clients. In some cases, non-managed (additional) accounts may be established by clients at Raymond James. For each client, our firm will conduct one or more meetings (in person if possible, otherwise via telephone conference) with the client in order to understand the client’s current financial situation, existing resources, financial goals, and tolerance for risk. Based on the foregoing, our firm is able to provide clients a custom-tailored portfolio to meet the individualized needs and investment objectives of the client. For instance, we may propose an investment portfolio consisting of exchange traded funds, mutual funds, individual stocks or bonds, and be able to determine the securities to be purchased/sold and the amount of securities to be purchased/sold. Upon the client’s

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<sup>1</sup> Please note that: (1) For purposes of this item, our principal owners include the persons we list as owning 25% or more of our firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If we are a publicly held company without a 25% shareholder, we simply need to disclose that we are publicly held. (3) If an individual or company owns 25% or more of our firm through subsidiaries, we must identify the individual or parent company and intermediate subsidiaries. If we are a state-registered adviser, on Form ADV Part 2A Page 2, we must identify all intermediate subsidiaries. If we are an SEC-registered adviser, we must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries.

agreement to the proposed investment plan, we will work with the client to establish or transfer investment accounts so that our firm is able to manage the client's portfolio. Once the portfolio is constructed, we may monitor the portfolio as changes in market conditions and client circumstances may require. Clients using our firm's asset management services are charged an annual advisory fee as a percentage of assets under management.

Ambassador Accounts are held at Raymond James Financial Services, Inc., member FINRA/SIPC ("RJFS") for custody of customer assets and execution of customer transactions. Raymond James & Associates, Inc., member NYSE/SIPC ("RJA") acts as the clearing agent in the execution of securities transactions placed through RJFS. Trades in Ambassador Accounts may not be executed as principal by RJA, which may affect the quality of trade executions received by clients in securities in which RJA is quoting the best available bid or offer.

We have retained and will compensate RJFS and/or RJA to provide various administrative services which include determining the fair market value of assets held in the account at least quarterly and producing brokerage statements and performance reports for clients detailing account assets, account transactions, receipt and disbursement of funds, interest and dividends received and account gain or loss by security as well as for the total account. Our firm receives research, trade execution, custody and performance reporting benefits from RJFS in connection with Ambassador Accounts which we otherwise might have to purchase separately. Since the Ambassador account restricts the purchase of funds with a sales load, clients should carefully consider whether a particular fund's purchase would result in a lower aggregate cost if utilizing an alternative share class in a commission-based account if available.

(ii) Financial Planning & Consultations:

We provide a variety of financial planning and consultation services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or consultations are typically completed within

six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

(iii) Pension Consulting:

We provide pension consulting services to employer plan sponsors on an ongoing basis. Generally, such pension consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure and participant education.

All pension consulting services shall be in compliance with the applicable state law(s) regulating pension consulting services. This applies to client accounts that are pension or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in section 1 of the Pension Consulting Agreement).

(iv) 401(k) Participant Service:

We occasionally assist individuals, who do not receive any of the advisory services noted in Item 4 of this Brochure, except subscribers to our online newsletter and blog, review their 401(k) accounts and offer advice as to the allocation of funds in such accounts and provide an explanation of the plan. We do not manage these accounts and only offer advice when requested by these individuals. These assets are not included in our firm's assets under management.

(v) Referrals to Third Party Advisory Services:

We provide clients with a list of investment advisory services of third party professional portfolio management firms for the individual management of client accounts. As part of this process, we assist clients in identifying an appropriate third party advisory service. We provide initial due diligence on third party money managers and ongoing reviews of their management of your account.

In order to assist clients in the selection of a third party advisory services, we typically gather information from the client about their financial situation, investment objectives, and reasonable restrictions they can impose on the management of the account, which are often very limited. It is important to note that we do not offer advice on any specific securities or other investments in connection with this service. Investment advice and trading of securities is only offered by or through the third party advisory services to clients.

We periodically review third party advisory services' reports provided to the client, but no less often than on an annual basis. Our associates contact the clients from time to time, as agreed to with the client, in order to review their financial situation and objectives; communicate information to third party money managers as warranted; and, assist the client in understanding and evaluating the services provided by the third party advisory services. The client will be expected to notify us of any changes in his/her financial situation,

investment objectives, or account restrictions that could affect their account. The client may also directly contact the third party advisory service managing the account or sponsoring the program.

(vi) Online Newsletter & Blog:

We occasionally provide newsletters and write on a blog, which is viewable to our clients when signing up for a yearly subscription. "Western Financial Underground" will be a subscription newsletter to assist those who would like investment help but do not want to give up total control of their investment portfolio. It will have a somewhat aggressive bias so subscribers should use discretion when determining appropriate portfolio allocation percentages.

C. Explanation of whether (and, if so, how) we tailor our advisory services to the individual needs of clients, whether clients may impose restrictions on investing in certain securities or types of securities.

(i) Individual Tailoring of Advice to Clients:

We offer individualized investment advice to clients utilizing our Asset Management service. On the other hand, we offer general investment advice to clients utilizing our Financial Planning & Consulting, Pension Consulting, 401(k) Participant Service, and Referrals to Third Party Money Manager services.

(ii) Ability of Clients to Impose Restrictions on Investing in Certain Securities or Types of Securities:

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our Asset Management service. We do not manage assets through our other services.

D. Participation in Wrap Fee Programs.

We do not offer wrap fee programs.

E. Disclosure of the amount of client assets we manage on a discretionary basis and the amount of client assets we manage on a non-discretionary basis as of April 30, 2019.

We manage<sup>2</sup> approximately \$69.7.0 million on a discretionary basis and \$29.0 million on a non-discretionary basis.

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<sup>2</sup> Please note that our method for computing the amount of "client assets we manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A of Form ADV. However, we have chosen to follow the method outlined for Item 5.F in Part 1A of Form ADV. If we decide to use a different method at a later date to compute "client assets we manage," we must keep documentation describing the method we use and inform you of the change.

## Item 5: Fees & Compensation

We are required to describe our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you. Our fees may be negotiable depending on the nature and complexity of each client's circumstances.

A. Description of how we are compensated for our advisory services provided to you.

(i) Asset Management:

<b>Assets Under Management</b>	<b>Annual Percentage of Assets Charge</b>	
	<u>Quarterly Fee Rate</u>	<u>Annualized Total</u>
<u>Account Value</u>		
\$0-\$500,000	0.3750%	1.50%
\$500,001-\$1,000,000	0.3375%	1.35%
\$1,000,001-\$5,000,000	0.3125%	1.25%
\$5,000,001-\$10,000,000	0.2500%	1.00%
\$10,000,001-\$25,000,000	0.1875%	0.75%
\$25,000,001-\$50,000,000	0.1625%	0.65%
\$50,000,001+	0.1250%	0.50%

Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter.

In certain circumstances, advisory fees may be negotiable based upon prior relationships as well as related account holdings. The fees charged are calculated as described above and are not charged on the basis of a share of capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

Pursuant to CCR Section 260.238(j), our firm hereby discloses that clients may receive the same or comparable services from other Financial Advisors at a lower fee.

(ii) Financial Planning & Consultations:

We charge on an hourly or flat fee basis for financial planning and consultation services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees are \$250 for financial advisors. Flat fees generally range from \$1,500 to \$10,000.

Our firm discloses that by offering hourly financial consulting services, a conflict exists between the interests of our firm and the interests of the client. Furthermore, we disclose that we may utilize various firms for the execution of securities transactions and to custody assets. In certain cases, our firm may recommend that clients execute transactions through unaffiliated broker-dealers. In any event, the client is under no obligation to act upon our firm's recommendations and if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through us, or any of the unaffiliated broker-dealers.



In order to disclose all material conflicts of interest, our firm discloses that we may utilize various firms for the execution of securities transactions and to custody assets. In certain cases, we may recommend that clients execute transactions through unaffiliated broker-dealers. Our firm does not earn any commissions from unaffiliated broker-dealers. In any event, the client is under no obligation to act upon our firm's recommendations and if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through us, or any of the unaffiliated broker-dealers.

(iii) Pension Consulting:

We charge on an hourly or flat fee basis for pension consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fee is \$250. Our flat fees generally range from \$750 to \$10,000. Flat fees will be charged annually for ongoing pension consulting services.

(iv) 401(k) Participant Service:

We charge a flat fee ranging from \$50 to \$1,000 for 401(k) participant services each time a review is requested by an individual and conducted by MPWA. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of the services provided.

(v) Referrals to Third Party Money Managers:

We are paid by third party money managers when we refer you to them and you decide to open a managed account. Third party money managers pay us a portion of the investment advisory fee that they charge you for managing your account. Fees paid to us by third party money manager are generally ongoing. All fees we receive from third party money managers and the written separate disclosures made to you regarding these fees comply with relevant state statutes and rules. The separate written disclosures you need to be provided with include a copy of the third party money manager's Form ADV Part 2, all relevant Brochures, a Solicitation Disclosure Statement detailing the exact fees we are paid and a copy of the third party money manager's privacy policy. The third party money managers we recommend will not directly charge you a higher fee than they would have charged without us introducing you to them.

(vi) Online Newsletter & Blog:

Our clients may choose to subscribe to our online newsletter & blog. Our firm charges \$100 annually for this service.

B. Description of whether we deduct fees from clients' assets or bill clients for fees incurred.

(i) Asset Management:

Our fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. Fees will generally be automatically deducted from your managed account\*. As part of this process, you understand and acknowledge the following:

- a) Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms;
- c) We send a copy of our invoice to the independent custodian at the same time we send the invoice to you;
- d) Our invoice includes a legend that urges the client to compare information provided in their statements with those from the qualified custodian in account opening notices and subsequent statements sent to the client for whom the adviser opens custodial accounts with the qualified custodian. Please contact MPWA immediately if any discrepancies are noted.

\*In rare cases, we will agree to directly bill clients.

(ii) Financial Planning & Consultations:

We require a retainer of fifty-percent (50%) of the ultimate financial planning or consultation fee with the remainder of the fee directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$500 when services cannot be rendered within 6 (six) months.

(iii) Pension Consulting:

The fee-paying arrangements for pension consulting service will be determined on a case-by-case basis and will be detailed in the signed Pension Consulting Agreement. The client will be invoiced directly for the fees.

(iv) 401(k) Participant Service:

The fee-paying arrangements for 401(k) participant service will be determined on a case-by-case basis and will be detailed in the signed 401(k) Participant Agreement. The client will be invoiced directly for the fees.

(v) Referrals to Third Party Money Managers:

Third party money managers establish and maintain their own separate billing processes which we have no control over. In general, they will directly bill you and describe how this works in their separate written disclosure documents.

(vi) Online Newsletter & Blog:

For clients who choose to subscribe to this service, we will bill the client directly in advance. All fees due shall be payable within thirty (30) days of signing up for this service.

C. Description of any other types of fees or expenses clients may pay in connection with our advisory services, such as custodian fees or mutual fund expenses.

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm trades are executed through. Also, clients will pay the following separately incurred expenses, of which we do not receive any part: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

D. Client's Advisory Fees Are Due Quarterly In Advance.

We charge our advisory fees quarterly in advance. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

E. Commissionable Securities Sales.

We do not sell securities for a commission. In order to sell securities for a commission, we would need to have our associated persons register with a broker-dealer. We have chosen not to do so.

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

We do not charge performance-based or side-by-side management fees to our clients.

## **Item 7: Types of Clients & Account Requirements**

We have the following types of clients:

- Individuals;
- High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, limited liability companies and/or other business types

Our requirements for opening and maintaining accounts or otherwise engaging us:

- We do not require a minimum account balance for our asset management service.
- We generally charge a minimum fee of \$1,500 for written financial plans.
- Clients should refer to the third party advisors' disclosure documents for information on minimum account size requirements or any other conditions for managing or maintaining an account.

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

### A. Description of the methods of analysis and investment strategies we use in formulating investment advice or managing assets.

#### Methods of Analysis:

- Charting;
- Fundamental;
- Technical;
- Cyclical

#### Investment Strategies We Use:

- Long Term Purchases (Securities Held At Least a Year);
- Short Term Purchases (Securities Sold Within a Year);
- Trading (Securities Sold Within 30 Days);
- Margin Transactions;
- Option Writing, including Covered Options, Uncovered Options or Spreading Strategies;

#### Risk of Loss

Investors must be aware that there is a potential risk of loss to any investor whether or not they decide to invest their money. If investors decide to invest their money, they are obligated to assume a portion of risk. The amount of risk that they assume varies from investor to investor and is one of the contributing factors in determining a suitable portfolio for its client. The following is a list of some of the risk that an investor may be exposed to:

- **Market Risk** – These are risk that affect the entire market and cannot be avoided through diversification. This risk may be caused by events such as overall market changes, local, regional, or global political, social, or economic instability, governmental or governmental agency responses to economic conditions, interest rates, a recession, or wars.
- **Interest Rate Risk** - The risk that an investment's value will change due to a change in the level of interest rates. Interest rate risk affects the value of bonds more directly than stocks, and it is a major risk to all bondholders. As interest rates rise, bond prices fall and vice versa. Falling interest rates may cause an issuer to redeem, “call” or refinance a security before its stated maturity date, which may result in having to reinvest the proceeds in lower yielding securities.
- **Unsystematic Risk** – These are risk that are specific to a company or industry sector and may be avoided or mitigated by diversification. There is a risk that the company will perform poorly or have its value reduced based on factors specific to the company or industry
- **Credit Risk** – The risk that a company or municipality will not be able to repay its lenders. This is very important to those investing in fix-income investments such as bonds.

- Country Risk – Is a group of risk that is associated with investing in a foreign country. This risk includes political risk, exchange rate risk, economic risk, sovereign risk and transfer risk, which is the risk of capital being locked up or frozen by government action.

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

**B. Our practices regarding cash balances in client accounts, including whether we invest cash balances for temporary purposes and, if so, how.**

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to comprehensive portfolio management, asset management service and portfolio monitoring, as applicable.

### **Item 9: Disciplinary Information**

We are required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

We have determined that our firm and management have nothing to disclose under the aforementioned standard.

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

**A. Our firm or our management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. The details are as follows:**

We have nothing to disclose in this regard.

**B. Our management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.**

We have determined we have nothing to disclose in this regard.

- C. Description of any relationship or arrangement that is material to our advisory business or to our clients, that we or any of our management persons have with any related person<sup>3</sup> listed below. We are required to identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how we address it.

Our firm or our management persons do not have a material relationship with any related person(s). However, representatives of our firm are insurance agents/brokers. They may offer insurance products and receive customary fees as a result of insurance sales. A conflict of interest may arise as these insurance sales may create an incentive to recommend products based on the compensation adviser and/or our supervised persons may earn and may not necessarily be in the best interests of the client.

- D. If we recommend or select other investment advisers for our clients and we receive compensation directly or indirectly from those advisers, or we have other business relationships with those advisers, we are required to describe these practices and discuss the conflicts of interest these practices create and how we address them.

For further description of the recommendation and selection of other advisers please see Items 4.B(v) and 5.A(v) of this Brochure. Prior to referring clients to third party advisors, we will ensure that third party advisors are registered, or notice filed with the Department of Corporations and the Ohio Division of Securities.

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

- A. Brief description of our Code of Ethics adopted pursuant to SEC rule 204A-1 and offer to provide a copy of our Code of Ethics to any client or prospective client upon request.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>4</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

<sup>3</sup> Our Related Persons are any advisory affiliates and any person that is under common control with our firm. Advisory Affiliate: Our advisory affiliates are (1) all of our officers, partners, or directors (or any person performing similar functions); (2) all persons directly or indirectly controlling or controlled by us; and (3) all of our current employees (other than employees performing only clerical, administrative, support or similar functions). Person: A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company ("LLC"), limited liability partnership ("LLP"), sole proprietorship, or other organization.

<sup>4</sup> For purposes of the policy, our associate's personal accounts generally include any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

- B. If our firm or a related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest (excluding an interest as a shareholder of an SEC-registered, open-end investment company), we must describe our practice and discuss the conflicts of interest it presents.

Our firm or a related person does not buy securities from or sells securities to our clients as a principal.

- C. If our firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that our firm or a related person recommends to clients, we are required to describe our practice and discuss the conflicts of interest this presents and generally how we address the conflicts that arise in connection with personal trading.

See Item 11.A of this Brochure. Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

- D. If our firm or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for our firm's (or the related person's own) account, we are required to describe our practice and discuss the conflicts of interest it presents. We are also required to describe generally how we address conflicts that arise.

See Item 11.A of this Brochure. Related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities within 48 hours of buying or selling for our clients. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.



## Item 12: Brokerage Practices

A. Description of the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Our firm, subject to its best execution obligations, may trade outside of RJFS. In the selection of broker-dealers, we may consider all relevant factors, including the commission rate, the value of research provided, execution capability, speed, efficiency, confidentiality, familiarity with potential purchasers and sellers, financial responsibility, responsiveness and other relevant factors.

1. Research and Other Soft Dollar Benefits. If we receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), we are required to disclose our practices and discuss the conflicts of interest they create. Please note that we must disclose all soft dollar benefits we receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

Our firm has an arrangement with RJFS. Under the arrangement with RJFS, we receive services which include, among others, brokerage, custodial, administrative support, record keeping and related services. We do not receive soft dollar benefits although the non-soft dollar investment research products and services that may be obtained by our firm are intended to support our firm in conducting business and in serving the best interests of our clients but that may benefit our firm and not a specific client.

- a. Explanation of when we use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, and how we receive a benefit because our firm does not have to produce or pay for the research, products or services.

We do not use client brokerage commissions (or markups or markdowns) to obtain research or other products or services. As part of the arrangement described in Item 12.A(1), RJFS also makes certain research and brokerage services available at no additional cost to our firm. These services include certain research and brokerage services, including research services obtained by RJFS directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by RJFS to our firm may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by RJFS to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.



- b. Incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving best execution.

Our firm does not take into consideration whether or not we will receive client referrals from the broker-dealer or third party in selecting and/or recommending broker-dealers. However, our firm will only use RJFS as the broker-dealer for our client accounts.

RJFS charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). RJFS enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. RJFS' commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by RJFS may be higher or lower than those charged by other custodians and broker-dealers.

- c. Causing clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up).

Clients do not pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits, as we only use RJFS.

- d. Disclosure of whether we use soft dollar benefits to service all of our clients' accounts or only those that paid for the benefits, as well as whether we seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

See Item 12.A (1) of this Brochure.

- e. Description of the types of products and services our firm or any of our related persons acquired with client brokerage commissions (or markups or markdowns) within our last fiscal year.

We are required to specifically describe to our clients the types of products or services that we are acquiring and to permit them to evaluate possible conflicts of interest. Our description must be more detailed for products or services that do not qualify for the safe harbor in Section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that we obtain various research reports and products is not specific enough.

We do not, nor any of our related persons acquire products and services with client brokerage commissions (or markups or markdowns).

- f. Explanation of the procedures we used during our last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits we received.

We do not direct client transactions to RJFS in return for soft dollar benefits.

2. Brokerage for Client Referrals. If we use client brokerage to compensate or otherwise reward brokers for client referrals, we must disclose this practice, the conflicts of interest it creates, and any procedures we used to direct client brokerage to referring brokers during the last fiscal year (i.e., the system of controls used by us when allocating brokerage).

Our firm does not consider, in selecting or recommending broker-dealers, whether we or any of our firm's related persons receive client referrals from a broker-dealer or third party.

3. Directed Brokerage.

- a. If we routinely recommend, request or require that a client directs us to execute transactions through a specified broker-dealer, we are required to describe our practice or policy. Further, we must explain that not all advisers require their clients to direct brokerage. If our firm and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, we are further required to describe the relationship and discuss the conflicts of interest it presents by explaining that through the direction of brokerage we may be unable to achieve best execution of client transactions, and that this practice may cost our clients more money.

We do not have directed brokerage arrangements. Our firm will only use RJFS as the broker-dealer for our client accounts except for alternative investments which are held directly by transfer agents.

- b. If we permit a client to direct brokerage, we are required to describe our practice. If applicable, we must also explain that we may be unable to achieve best execution of your transactions. Directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices on transactions.

See Item 12.A(3) of this Brochure.

- B. Discussion of whether, and under what conditions, we aggregate the purchase or sale of securities for various client accounts in quantities sufficient to obtain reduced transaction costs (known as bunching). If we do not bunch orders when we have the opportunity to do so, we are required to explain our practice and describe the costs to clients of not bunching.

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

### Item 13: Review of Accounts or Financial Plans

- A. Review of client accounts or financial plans, along with a description of the frequency and nature of our review, and the titles of our employees who conduct the review.

We review accounts on at least a quarterly basis for our clients Asset Management services. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Financial Advisors or Portfolio Managers will conduct reviews.

Pension Consulting clients receive reviews of their pension plans for the duration of the pension consulting service. We also provide ongoing services to Pension Consulting clients where we meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

As noted in Item 4.A(iv) of this Brochure, we only conduct account reviews for 401(k) participants upon the request of the individual.

Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

- B. Review of client accounts on other than a periodic basis, along with a description of the factors that trigger a review.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

- C. Description of the content and indication of the frequency of written or verbal regular reports we provide to clients regarding their accounts.

We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we meet with clients who subscribe to the following services: Asset Management.

As mentioned in Item 13.A of this Brochure, Pension Consulting clients do not receive written or verbal updated reports regarding their pension plans unless they choose to contract with us for ongoing Pension Consulting services.

Related to 401(k) participant services, reviews and verbal report will be provided to such individuals only upon their request. Regular reports are not provided related to this service.

As mentioned in Item 13.A of this Brochure, Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or an update to their initial written financial plan.

## Item 14: Client Referrals & Other Compensation

- A. If someone who is not a client provides an economic benefit to our firm for providing investment advice or other advisory services to our clients, we must generally describe the arrangement. For purposes of this Item, economic benefits include any sales awards or other prizes.

See Items 4.B(i) and 12.A(1) of this Brochure.

### **Additional Compensation:**

Services provided by RJFS to financial advisory firms include research (including mutual fund research, third-party research, and RJA's proprietary research), brokerage, custody, and access to mutual funds and other investments that are available only to institutional investors or would require a significantly higher minimum initial investment. In addition, RJFS makes available software and other technologies that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution, provide research, pricing information, quotation services, and other market data, assist with contact management, facilitate payment of fees to our firm from client accounts, assist with performance reporting, facilitate trade allocation, and assist with back-office support, record-keeping, and client reporting. RJFS also provides access to financial planning software, practice management consulting support, best execution assistance, consolidated statements assistance, educational and industry conferences, marketing and educational materials, technological and information technology support, and RJFS corporate discounts. Many of these services may be used to service all or a substantial number of MPWA's accounts, including accounts not maintained at RJFS.

RJFS may provide financial assistance to our firm by establishing forgivable and repayable loan programs. Loan amounts are normally intended to assist us with start-up costs, including rent, overhead expenses, computers, monies owed to third parties, and similar costs. Under the RJFS forgivable loan program, such loans normally become forgivable when a minimum of eighty percent (80%) of a pre-negotiated amount of our firm's clients establish and continuously maintain accounts with RJFS (or its affiliates as agreed between RJFS and our firm) for three years. The terms of the RJFS forgivable loan program are negotiable. The terms of the RJFS repayable loan program are normally competitive with interest rates offered within the securities industry, including margin loan interest rates. RJFS repayable loans normally range from one (1) to three (3) years. However, the terms of the RJFS repayable loan program are negotiable. Clearing and custodial arrangements with RJFS, RJA, or any other RJFS affiliates as described herein do not and will not in any way affect, or relate or pertain to, the RJFS forgivable or repayable loan programs.

RJFS may also provide us with other services intended to help us manage and further develop our business enterprise, including assistance in the following areas: consulting, publications and presentations, information technology, business succession, and marketing. In addition, RJFS may make available or arrange and/or pay for these types of services provided by independent third parties, including regulatory compliance.

RJFS is recognized as a full-service registered broker-dealer and registered investment adviser. Our firm has no formal relationship with RJFS for client referrals and receives no compensation from RJFS (other than the services and arrangements described herein) for accounts opened by

firm clients. On an informal basis, RJFS occasionally may make referrals to our firm as a courtesy or accommodation. Nothing of value, monetary or otherwise, is given, paid, or received in exchange for such referrals.

Our firm (through its representatives) has received from RJFS a one-time \$9,000 forgivable loan based on the amount of assets it is anticipated that we will custody with RJFS during our firm's first year of business. It is estimated that \$55 million in assets will be custodied by our firm at RJFS within one-year. In addition, RJFS will reimburse our firm's client's ACAT transfer fees charged by their current broker-dealer subject to a cap of \$20,000 across all of our firm's accounts. RJFS will provide up to \$13,500 in additional assistance to us for marketing and other expenses.

The aforementioned forgivable loan may be used to purchase computer hardware and software which RJFS can obtain on our firm's behalf at extensive discounts. Additionally, the loan may be used as soft dollar support to offset market information systems such as Reuters, S & P, etc., at whatever level our firm decides it needs these systems and their offerings.

Also, see Items 4.B(v) and 5.A(v) of this Brochure for information and compensation related to MPWA's referrals to third party advisers.

- B. If our firm or a related person directly or indirectly compensates any person who is not our employee for client referrals, we are required to describe the arrangement and the compensation.

We may pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with relevant state statutes and rules. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to you. In this regard, we maintain Solicitors Agreements in compliance with relevant state statutes and rules and applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, we ensure that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If we are paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

## **Item 15: Custody**

- A. If we have custody of client funds or securities and a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules (for example, a broker-dealer or bank) does not send account statements with respect to those funds or securities directly to our clients, we must disclose that we have custody and explain the risks that you will face because of this.

State Securities Bureaus, or their equivalent, generally take the position that any arrangement under which a registered investment adviser is authorized or permitted to withdraw client funds or securities maintained with a custodian upon the adviser's instruction to the custodian is deemed to have custody of client funds and securities. As such, we have adopted the following safeguarding procedures:

- (1) Our clients must provide us with written authorization permitting direct payment to us of our advisory fees from their account(s) maintained by a custodian who is independent of our firm;
  - (2) We must send a statement to our clients showing the amount of our fee, the value of your assets upon which our fee was based, and the specific manner in which our fee was calculated;
  - (3) We must disclose to you that it is your responsibility to verify the accuracy of our fee calculation, and that the custodian will not determine whether the fee is properly calculated; and
  - (4) Your account custodian must agree to send you a statement, at least quarterly, showing all disbursements from your account, including advisory fees.
- B. If we have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to our clients, we are required to explain that you will receive account statements from the broker-dealer, bank, or other qualified custodian and that you should carefully review those statements.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodian we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

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

If we accept discretionary authority to manage securities accounts on behalf of clients, we are required to disclose this fact and describe any limitations our clients may place on our authority. The following procedures are followed before we assume this authority:

Our clients need to sign a discretionary investment advisory agreement with our firm for the management of their account. This authorization gives us the authority to buy, sell, hold, exchange, invest, and otherwise deal with the client's investment assets at its sole discretion and without consulting with the client in advance. This type of agreement only applies to our Asset Management clients. We do not take or exercise discretion with respect to our other clients.

#### **Item 17: Voting Client Securities**

- A. If we have, or will accept, proxy authority to vote client securities, we must briefly describe our voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6.

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to

mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy vote or other solicitation.

However, third party money managers selected or recommended by our firm may vote proxies for clients. Therefore, except in the event a third party money manager votes proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Therefore (except for proxies that may be voted by a third party money manager), our firm and/or you shall instruct your qualified custodian to forward to you copies of all proxies and shareholder communications relating to your investment assets.

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

- A. If we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we must include a balance sheet for our most recent fiscal year.

We do not require, nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance; therefore, we have not included a balance sheet for our most recent fiscal year.

- B. If we have discretionary authority or custody of client funds or securities, or we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we must disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

See Item 18.A above. There are no financial conditions that is reasonably likely to impair our ability to meet our contractual commitments to our clients.

- C. If we have been the subject of a bankruptcy petition at any time during the past ten years, we must disclose this fact, the date the petition was first brought, and the current status.

We have not been the subject of a bankruptcy petition at any time during the past ten years.

### **Item 19: Requirements for State-Registered Advisers**

We are an SEC-registered investment adviser; therefore, this section is not applicable.