

## IRONWOOD FINANCIAL, LLC

### ADV Part 2A, Firm Brochure

This brochure provides information about Ironwood Financial, LLC's qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at (888) 271-4646 or by email at [robin.dolezal@ironwoodfinancial.com](mailto:robin.dolezal@ironwoodfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State Securities Authority.

Additional information about Ironwood Financial, LLC is also available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (select "investment adviser firm" and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.

We are a Registered Investment Advisor Firm. Our registration does not imply any level of skill or training. The oral and written communications we provide to you, including this brochure, are for you to evaluate us.

Please use this information as factors in your decision to hire us or to continue our business relationship.

February 19, 2019

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## ITEM 2 – MATERIAL CHANGES

Since Ironwood Financial, LLC's previous annual amendment on February 21, 2018, this Firm Brochure has been materially amended throughout to reflect the termination of Ironwood Financial, LLC's wrap fee program. In addition, although not material, this Firm Brochure has been amended as follows:

- At Item 4 to revise disclosure language related to financial planning limitations, retirement plan rollovers, and account aggregation platforms
- At Item 4 to add disclosure language related to cash positions
- At Item 4 to remove inapplicable disclosure language related to retirement clients
- At Item 5 to revise disclosure language related to fee dispersion
- At Items 5 and 7 to revise disclosure language related to account size minimums
- At Item 12 to revise disclosure language related to brokerage practices
- At Item 15 to revise disclosure language related to custody

## ITEM 3 – TABLE OF CONTENTS

ITEM 2 – MATERIAL CHANGES .....	2
ITEM 3 – TABLE OF CONTENTS .....	2
ITEM 4 – ADVISORY BUSINESS .....	3
ITEM 5 – FEES AND COMPENSATION .....	6
ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	7
ITEM 7 – TYPES OF CLIENTS .....	7
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	7
ITEM 9 – DISCIPLINARY INFORMATION .....	8
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	9
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	9
ITEM 12 – BROKERAGE PRACTICES .....	10
ITEM 13 – REVIEW OF ACCOUNTS .....	12
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION .....	12
ITEM 15 – CUSTODY .....	12
ITEM 16 – INVESTMENT DISCRETION .....	13
ITEM 17 – VOTING CLIENT SECURITIES .....	13
ITEM 18 – FINANCIAL INFORMATION .....	13

## **ITEM 4 – ADVISORY BUSINESS**

### **4a: Firm Description**

Ironwood Wealth Management, LLC was established in July 2009. On May 12, 2015, Ironwood Wealth Management, LLC changed its name to Ironwood Financial, LLC (“Ironwood”). Our main office is located in Tucson, Arizona.

#### **4a1: Principal Owners**

Ironwood is owned and operated by the following individuals:

- Alexander D. Parrs, CFA, Managing Member: alex.parrs@ironwoodfinancial.com | (520) 318-4600
- Daniel S. Nentl, Managing Member: dan.nentl@ironwoodfinancial.com | (520) 318-4600
- Robin R. Dolezal, CFP, Managing Member: robin.dolezal@ironwoodfinancial.com | (520) 318-4600

### **4b: Types of Advisory Services**

#### **INVESTMENT ADVISORY SERVICES**

Ironwood offers a variety of investment advisory services to its clients. Ironwood may be engaged to provide discretionary and/or non-discretionary investment advisory services. Before Ironwood provides investment advisory services, we work with our clients to identify their investment goals, objectives and risk tolerance in order to create an initial portfolio allocation consistent with the client’s designated investment objectives. Ironwood primarily allocates client investment assets among mutual funds and exchange-traded funds (“ETFs”) consistent with one or more of Ironwood's asset allocation strategies. Once the appropriate portfolio has been determined, we will review the portfolio and rebalance the account based upon our client’s individual needs, stated goals and objectives. See disclosure below at Miscellaneous section regarding Conflicts of Interest/Material Considerations.

Ironwood offers financial planning services for our clients. We will prepare a written financial plan for financial planning clients. The plan considers all of your assets, liabilities, goals and objectives and includes gathering all information necessary to provide you with appropriate and agreed upon services, which may include one or more of the following:

- Investment Strategies
- Investment supervisory services
- Consultations
- Financial planning
- Pension and profit sharing planning
- Endowments
- Foundations
- Business Accounts

You are encouraged to review your plans on a regular basis.

#### **MISCELLANEOUS**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** As indicated above, to the extent requested by the client, Ironwood may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Ironwood does not serve as a law firm or accounting firm, and no portion of its services should be construed as legal or accounting services. Accordingly, Ironwood does not prepare estate planning documents or tax returns. To the extent requested by a client, Ironwood may recommend the services of other

professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.), including representatives of Ironwood in their separate individual capacities as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Ironwood and/or its representatives. **Please Note:** If the client engages any professional (i.e. attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional(s), and not Ironwood, shall be responsible for the quality and competency of the services provided. **Please Also Note-Conflict of Interest:** The recommendation by Ironwood's representative that a client purchase an insurance commission product through Ironwood's representative in his/her separate and individual capacity as an insurance agent, presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any insurance commission products through such a representative. Clients are reminded that they may purchase insurance products recommended by Ironwood through other, non-affiliated insurance agencies. **Ironwood's Chief Compliance Officer, Robin Dolezal, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Retirement Rollovers-Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Ironwood recommends that a client roll over their retirement plan assets into an account to be managed by Ironwood, such a recommendation creates a conflict of interest if Ironwood will earn a new (or increase its current) advisory fee as a result of the rollover. **No client is under any obligation to roll over retirement plan assets to an account managed by Ironwood. Ironwood's Chief Compliance Officer, Robin Dolezal, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Account Aggregation Platforms.** Ironwood may provide its clients with access to online platforms hosted by "eMoney Advisor" ("eMoney") and/or Morningstar, Inc. (collectively, the "Platforms"). The Platforms allow clients to view their complete asset allocation, including those assets that Ironwood does not manage (the "Excluded Assets"). Ironwood does not provide investment management, monitoring, or implementation services for the Excluded Assets. Therefore, Ironwood shall not be responsible for the investment performance of the Excluded Assets. Rather, the client and/or their advisor(s) that maintain management authority for the Excluded Assets, and not Ironwood, shall be exclusively responsible for such investment performance. The client may choose to engage Ironwood to manage some or all of the Excluded Assets pursuant to the terms and conditions of an Investment Advisory Agreement between Ironwood and the client. The eMoney platform also provides access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by Ironwood. Finally, Ironwood shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the eMoney platform without Ironwood's assistance or oversight.

**Please Note-Use of Mutual Funds:** Most mutual funds are available directly to the public. Thus, a prospective client can obtain many of the mutual funds that may be recommended and/or utilized by Ironwood independent of engaging Ironwood as an investment advisor. However, if a prospective client determines to do so, he/she will not receive Ironwood's initial and ongoing investment advisory services.

**Fidelity/Schwab.** As discussed below at Item 12, Ironwood recommends that Fidelity and/or Schwab serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Fidelity and

Schwab charge brokerage commissions and/or transaction fees for effecting securities transactions. In addition to Ironwood's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). The fees charged by Fidelity and Schwab, as well as the charges imposed at the mutual fund and exchange traded fund level, are in addition to Ironwood's advisory fee referenced in Item 5 below.

**Cash Positions.** Depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Ironwood may maintain cash and cash equivalent positions (such as money market funds, etc.) for defensive and liquidity purposes. Unless otherwise agreed in writing, all such cash positions are included as part of assets under management for purposes of calculating Ironwood's advisory fee. **ANY QUESTIONS:** Ironwood's Chief Compliance Officer, Robin Dolezal, remains available to address any questions that a client or prospective may have regarding the above fee billing practice.

**Portfolio Activity.** Ironwood has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Ironwood will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, mutual fund manager tenure, style drift, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Ironwood determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by Ironwood will be profitable or equal any specific performance level(s).

**Non-Discretionary Service Limitations.** Clients that determine to engage Ironwood on a non-discretionary investment advisory basis must be willing to accept that Ironwood cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that Ironwood would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, Ironwood will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

**Client Obligations.** In performing its services, Ironwood shall not be required to verify any information received from the client or from the client's other designated professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify Ironwood if there is ever any change in their financial situation or investment objectives for the purpose of reviewing/evaluating/revising Ironwood's previous recommendations and/or services.

#### **4c: Client Tailored Relationships and Restrictions**

Your portfolio is customized based on your investment objectives. You may make requests or make suggestions regarding the investments made in your portfolio. Restrictions on trading which, in our opinion, are not in your best interest cannot be honored and if forced may result in the termination of our agreement.

Similarly, you are under no obligation to act upon Ironwood's or associated person's recommendations. If you elect to act on any of the recommendations, you are under no obligation to effect the transaction through Ironwood or its associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.

#### **4d: Wrap Fee Program**

Ironwood does not participate in a wrap fee program.

#### **4e: Assets under Management (AUM)**

Ironwood, as of December 31, 2018, has \$171,380,108 in discretionary Regulatory Assets Under Management and \$17,000,000 in non-discretionary Regulatory Assets Under Management for a total of \$188,380,108.

## **ITEM 5 – FEES AND COMPENSATION**

### **5a: Fee Schedules**

<u>Assets Under Management</u>	<u>Annual Fee %</u>
First \$5,000,000	1.00%
More than \$5,000,000	Negotiable

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported are valued at the last reported sale price on the principal market in which they are traded. In certain circumstances, fees may be negotiable. Ironwood generally requires a minimum account size of \$250,000 for its service. Ironwood, in its sole discretion, may reduce or waive its account minimums based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, familial relationship, dollar amount of assets to be managed, related accounts, account composition, etc.).

The fee includes the time and activities necessary to work with your attorney and/or accountant in reaching agreement on solutions, as well as assisting them in implementation of all appropriate documents. We are not responsible for attorney or account fees charged to you as a result of the above activities.

Compensation for our services will be calculated in accordance with what is set forth in the client's agreement. We may modify the terms of any agreement by written changes submitted to the client for signature. All Investment Advisors are required to disclose to their clients that lower fees for comparable services may be available from other sources.

**Please Note:** Ironwood, in its sole discretion, may charge a lesser investment advisory fee and/or charge a flat fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, prior fee schedules, competition, negotiations with client, etc.). **Please Also Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** Ironwood's Chief Compliance Officer, Robin Dolezal, remains available to address any questions that a client or prospective client may have regarding advisory fees.

### **5b: Fee Payments Options**

Ironwood fees are paid from your account by the custodian when we submit an invoice to them. If there is insufficient cash in your account to pay your fees, an equal balance of securities in your portfolio may be sold to pay our fee. In addition to our fees, there may be custodial, mutual fund or similar third party management fees and charges.

### **5c: Third Party Fees**

You are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees we charge.

All brokerage commissions, stock transfer fees, and other similar charges incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to the investment management fees paid to us. It is your responsibility to ensure the amount of fee charged is correct. In addition to statements sent by us, you will receive statements directly from these brokers, custodians or mutual funds or other investments you hold. We strongly urge you to compare these statements for accuracy.

### **5d: Fee Payments**

Ironwood's fees are paid quarterly in advance, with payment due within 10 days from the date of the invoice. Our fee is determined by taking the percentage rate we charge, times the market value of the account, divided

by the number of days in the year and multiplied by the number of days in the quarter. The market value is the sum of the values of all assets in the account, not adjusted by any margin debit. Fees for partial quarters at the commencement or termination of an Investment Advisory Agreement will be billed or refunded on a pro-rated basis contingent on the number of days the account was open during the quarter.

#### **5.d.1: Termination**

Either Ironwood or our clients can terminate our agreement upon receipt of written notice to the other party, to include written agreement to changes by the client.

When an agreement is terminated, we will refund any pre-paid, unearned fees based on the number of days remaining in the quarter after termination. Refunds will be made within 30 calendar days of the effective date of termination.

When an agreement is terminated, all assets may need to be transferred from the current custodian. You will be responsible for paying all fees including full quarterly custodial administrative fees, account closure fees, mutual fund fees and all trading costs due to the termination. Custodian may assess additional fees for transfer of illiquid investments. If there is insufficient cash in the account, the liquidation of some securities may be used to pay the fees. Prior to termination of an agreement, we can provide a good-faith estimate of these fees.

#### **5e: Securities Commission Transactions.**

Except as set forth in Item 10 regarding insurance activities, neither Ironwood nor its investment advisory representatives accepts compensation from the sale of securities or other investment products.

### **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Ironwood does not charge advisory fees on the performance of funds or securities in your account.

### **ITEM 7 – TYPES OF CLIENTS**

Ironwood generally provides asset management and financial planning services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Pension and Profit Sharing Plans
- Trusts
- Estates
- Charities

Ironwood generally requires a minimum account size of \$250,000 for its service. Ironwood, in its sole discretion, may reduce or waive its account minimums based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, familial relationship, dollar amount of assets to be managed, related accounts, account composition, etc.). **ANY QUESTIONS:** Ironwood's Chief Compliance Officer, Robin Dolezal, remains available to address any questions that a client may have regarding its advisory fee schedule.

### **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

#### **8a: Analysis**

Ironwood uses multiple sources of information to obtain analysis and strategies. They include sources such as

financial newspapers, research prepared by others, corporate rating services, prospectuses, company press releases, annual reports and filings with the SEC.

#### **8b: Investment Strategies**

Ironwood utilizes multiple investment strategies, primarily as defined by each client's profile of risk, time horizon's and goals. These may include Long Term Trading, which is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. This may also include Short Term Trading and options writing, which generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

#### **Initial Public Offerings**

Initial public offerings are offerings of securities that often are of limited size and availability. Ironwood may identify IPOs that align with our clients investment strategies. Except in special circumstances where suitability and risk maintain our fiduciary obligations to our clients, Ironwood restricts the offering of IPO stock to accredited investors. Each client investment strategy (Growth, Conserve, etc.) may have differing allocation targets based on suitability. IPO securities are purchased in aggregate and allocated pro-rata across all accounts.

#### **Covered Call Writing**

Covered call writing is the sale of in-, at-, or out-of- the money call option against a long security position held in a client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

Securities investments involve a risk of loss that you should be prepared to bear.

#### **8c: Risk of Loss**

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Ironwood) will be profitable or equal any specific performance level(s).

Ironwood will use our best judgment and good faith efforts in rendering services to you. We cannot warrant or guarantee any particular level of account performance, or that the account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. You assume all market risk involved in the investment of account assets under the Investment Advisory Agreement and understand that investment decisions made for this account are subject to various market, currency, economic, political and business risks. Except as may otherwise be provided by law, we will not be liable to you for (a) any loss that you may suffer by reason of any investment decision made or other action taken or omitted in good faith by Ironwood with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (b) any loss arising from our adherence to your instructions; or (c) any unauthorized act or failure to act by a custodian of your account. Nothing in this document shall relieve us from any responsibility or liability we may have under state or federal statutes.

## **ITEM 9 – DISCIPLINARY INFORMATION**

#### **9a: Civil or Criminal Actions**

Ironwood and its managers have never been found guilty, convicted or plead no contest to a criminal or civil



action in a domestic, foreign or military court.

**9b: Administrative Enforcement Proceedings**

Ironwood and its managers have never been found by the SEC, any other state or federal agency or any foreign regulatory agency to have caused loss of the ability of an investment-related business to do business or been sanctioned, barred or limited in investment-related activities.

**9c: Self-Regulatory Organization Enforcement Proceedings**

Ironwood and its managers have never been found by a self-regulatory agency to have caused loss of the ability of an investment-related business to do business. Additionally, Ironwood and its managers have never been found in violation of self-regulatory agencies rules such that they were barred, suspended, limited in advisory functions or fined.

**ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

**10a: Broker Dealers and Registered Representatives**

Neither Ironwood, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

**10b: Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither Ironwood, nor our employees, hold any of the above registrations.

**10c: Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

The principal business of Ironwood is that of a registered investment advisor and provider of financial planning services. Some of our members may be insurance agents.

Conflict of Interest: The recommendation by Ironwood representatives that a client purchase an insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any insurance commission products from Ironwood representatives. Clients are reminded that they may purchase insurance products recommended by Ironwood through other non-affiliated insurance agents. Ironwood's Chief Compliance Officer, Robin Dolezal, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

**10d: Selection of Other Advisors and How this Advisor is Compensated for those Selections**

Ironwood does not select other advisors.

**ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

**11a: Code of Ethics Description**

Ironwood has adopted a Code of Ethics that governs a number of potential conflicts of interest we have when providing our advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you and to stress the importance of a culture of compliance within our firm.

An additional benefit of our Code of Ethics is to detect and prevent violations of securities laws, including our obligations we owe to you.

Ironwood's Code of Ethics is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code of Ethics with annual training and on-going monitoring of employee activity. A complete copy of our Code of Ethics will be supplied to you, free of charge, if you request it.

Ironwood's Code of Ethics includes the following:

- Requirements related to the confidentiality of your personal, business and financial information
- Prohibitions on insider trading (if we are in possession of material, non-public information)
- Reporting of gifts and business entertainment
- Pre-clearance of employee and firm transactions
- Reporting (on an on-going and quarterly basis) all personal securities transactions (what we call "reportable securities" as mandated by regulation)
- On an annual basis, we require all employees to re-certify to our Code of Ethics, identify members of their household and any account to which they have a beneficial ownership (they "own" the account or have "authority" over the account), securities held in certificate form and all securities they own at that time

#### **11b, c & d: Participation or Interest in Client Transactions**

Ironwood, or its employees, may buy and sell some of the same securities for our own accounts that we buy and sell for our clients. We will always buy or sell from our clients' accounts before we buy or sell from our accounts. In some cases Ironwood, or its employees, may buy or sell securities for our own accounts and not for clients' accounts, as it may not meet the objectives or plans for the client.

Ironwood will always maintain full disclosure with our clients so that you can make informed decisions. We will always evaluate our activity from the view of our clients to ensure that any and all required disclosures are made. For example, we will disclose anything that would cause you to be unfairly influenced to make any decision regarding actions or inactions in your account.

## **ITEM 12 – BROKERAGE PRACTICES**

### **12a: Selecting Brokerage Firms**

In the event that the client requests that Ironwood recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Ironwood to use a specific broker-dealer/custodian), Ironwood generally recommends that investment management accounts be maintained at Schwab and/or Fidelity. Prior to engaging Ironwood to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Ironwood setting forth the terms and conditions under which Ironwood shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Ironwood considers in recommending Schwab and/or Fidelity (or any other broker-dealer/custodian to clients) include historical relationship with Ironwood, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Ironwood's clients shall comply with Ironwood's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Ironwood determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Ironwood will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-

dealer/custodian are exclusive of, and in addition to, Ironwood's investment management fee. Ironwood's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

#### **12a1: Non-Soft Dollar Research and Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Ironwood can receive from Schwab and/or Fidelity (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist Ironwood to better monitor and service client accounts maintained at such institutions. Included within the support services that can be obtained by Ironwood may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Ironwood in furtherance of its investment advisory business operations.

Certain of the above support services and/or products assist Ironwood in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Ironwood to manage and further develop its business enterprise.

Ironwood's clients do not pay more for investment transactions effected and/or assets maintained at Schwab and/or Fidelity as a result of this arrangement. There is no corresponding commitment made by Ironwood to Schwab and/or Fidelity or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

Ironwood's Chief Compliance Officer, Robin Dolezal, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

#### **12a2: Brokerage for Client Referrals**

Ironwood does not receive referrals from broker-dealers.

#### **12a3: Directed Brokerage**

Ironwood does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Ironwood will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Ironwood. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs Ironwood to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Ironwood. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

#### **12.b: Sales Aggregation**

Ironwood is authorized to aggregate purchases and sales and other transactions made for your account with

purchases and sales and other transactions in the same or similar securities or instruments for other clients of ours. When we aggregate transactions, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities or instruments involved at the average price obtained. Stock exchange regulations may in certain instances prevent the executing broker-dealer from delivering to the account a confirmation slip with respect to its participation in the aggregated transaction and, in such event, we will advise you in writing of any purchase or disposition of instruments for the account with respect to any such aggregated transaction. We will direct that confirmations of any transactions effected for the account will be sent, in conformity with applicable law, to you.

## **ITEM 13 – REVIEW OF ACCOUNTS**

### **13a: Periodic Reviews**

Account reviews are conducted on an ongoing basis by Ironwood's principals. All investment advisory clients are advised that it remains their responsibility to advise Ironwood of any changes in their investment objectives or financial situation.

Financial planning clients receive their financial plans and recommendations at the time the service is completed. Depending on the type of financial planning service requested, we may meet on a regular basis with you to discuss any potential changes to your financial plan.

### **13b: Review Triggers**

More frequent reviews are triggered by a change in your investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in economic climate.

### **13c: Regular Reports**

Investment advisory clients receive standard account statements from the custodian of their accounts on a monthly basis. We encourage you to compare reports for accuracy. Financial planning clients do not normally receive investment reports.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

### **14a: Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

As referenced in Item 12 above, Ironwood may receive economic benefits from Schwab and/or Fidelity, including support services and/or products without cost (and/or at a discount). Ironwood's clients do not pay more for investment transactions effected and/or assets maintained at Schwab and/or Fidelity as a result of this arrangement. There is no corresponding commitment made by Ironwood to Schwab and/or Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

### **14b: Compensation to Non-Advisory Personnel for Client Referrals**

Ironwood does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

## **ITEM 15 – CUSTODY**

Ironwood shall have written authorization granting it the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts.

**Please Note:** To the extent that Ironwood provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Ironwood with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Ironwood's advisory fee calculation.

**Ironwood's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

## **ITEM 16 – INVESTMENT DISCRETION**

Ironwood asks our clients to give us discretionary authority to execute transactions without our client's prior approval. These transactions may include the purchase and selling of securities, arranging for payments or generally acting on behalf of our clients in most matters necessary to the handling of the account.

In certain circumstances, we accept non-discretionary authority over our clients' accounts. Non-discretionary authority requires us to obtain your prior approval of each specific transaction prior to executing investment recommendations.

## **ITEM 17 – VOTING CLIENT SECURITIES**

The clients of Ironwood retain the authority to proxy vote and will continue to do so until we otherwise may agree in writing. You should ensure that proxy ballots are mailed directly to you by selecting this option on your custodial application forms. You are welcome to delegate said proxy voting authority to a third-party representative (non-advisory personnel) by filing the appropriate custodial form.

## **ITEM 18 – FINANCIAL INFORMATION**

### **18a: Balance Sheet**

Ironwood does not solicit prepayment of more than \$1,200 in fees per client six (6) months in advance and is not required to submit a balance sheet.

### **18b: Financial Conditions**

Ironwood has no financial issues that could impair our ability to carry out our fiduciary duty to our clients.

### **18c: Bankruptcy Petition**

Ironwood has not been the subject of a bankruptcy petition within the last ten (10) years.

**ANY QUESTIONS:** Ironwood's Chief Compliance Officer, Robin Dolezal, remains available to address any questions regarding this Part 2A.