

# Lowe Wealth Advisors, LLC

SEC File Number: 801 – 72431

ADV Part 2A, Brochure

Dated: January 31, 2019

Contact: Greg Lowe, Chief Compliance Officer

6230 Old Dobbin Lane

Columbia, Maryland 21045

[www.LoweWealthAdvisors.com](http://www.LoweWealthAdvisors.com)

Telephone: 443-766-7160

Email: [Greg@LoweWealth.com](mailto:Greg@LoweWealth.com)

This Brochure provides information about the qualifications and business practices of Lowe Wealth Advisors, LLC. If you have any questions about the contents of this Brochure, please contact Greg Lowe at 443-766-7160 or [Greg@LoweWealth.com](mailto:Greg@LoweWealth.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

References herein to Lowe Wealth Advisors, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

## Item 2           Material Changes

Since the March 15, 2018 Annual Update filing, this Brochure has been materially amended at Item 4.A. to update “principal” ownership as more fully set forth on Form ADV Part 1, Schedule A “Direct Owners and Executive Officers.”

**ANY QUESTIONS: Lowe Wealth Advisors, LLC’s Chief Compliance Officer, Gregory A. Lowe, CFP®, remains available to address any questions that an existing or prospective client may have regarding any of these changes or any other aspect of this Brochure.**

## Item 3           Table of Contents

Item 1	Cover Page.....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents.....	2
Item 4	Advisory Business .....	3
Item 5	Fees and Compensation .....	12
Item 6	Performance-Based Fees and Side-by-Side Management .....	15
Item 7	Types of Clients.....	15
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	16
Item 9	Disciplinary Information .....	23
Item 10	Other Financial Industry Activities and Affiliations .....	23
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	24
Item 12	Brokerage Practices .....	25
Item 13	Review of Accounts.....	27
Item 14	Client Referrals and Other Compensation .....	27
Item 15	Custody.....	28
Item 16	Investment Discretion .....	28
Item 17	Voting Client Securities.....	28
Item 18	Financial Information .....	29

#### **Item 4            Advisory Business**

- A. Lowe Wealth Advisors, LLC (the “Registrant”) is a limited liability company formed in Maryland in March 2011 under the original name of “Lowe FS, LLC.” The Registrant changed its name to “Lowe Wealth Advisors, LLC” in May 2016. The Registrant became registered as an Investment Adviser with the Securities and Exchange Commission on June 22, 2011. Registrant is principally owned by Lowe & Associates Financial Services, LTD., which is principally owned by: Harold A. Lowe, Registrant’s President; and Gregory A. Lowe, Registrant’s Vice President and Chief Compliance Officer.
- B. As discussed below, Registrant offers to its clients (individuals, high net worth individuals, pension and profit sharing plans, etc.) investment management services, wealth management services, financial planning and consulting services, and retirement plan consulting services as described below.

#### **STANDARD INVESTMENT ADVISORY SERVICES**

The client can engage Registrant to provide discretionary and/or non-discretionary investment advisory services and financial planning / consulting services on a *fee* basis. Before engaging Registrant to provide such services, clients are required to enter into an applicable form of agreement with Registrant, setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

#### **Wealth Management Services**

Clients can engage Registrant to provide Wealth Management Services, which include financial planning services in addition to investment management services on a discretionary or non-discretionary *fee* basis. To commence the Wealth Management Services engagement, a representative will first ascertain each client’s investment objectives (including risk tolerance, time horizon, and other similar factors) that affect the client’s current and anticipated financial status. The Registrant will then perform initial financial planning services that typically include data gathering, development of financial goals, and the determination of anticipated and acceptable risk based upon a review of cash flow, assets, debts, insurance needs, market volatility, and inflation.

Thereafter, the Registrant will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives and the financial plan. The Registrant primarily allocates investment assets among mutual funds and exchange traded funds (“ETFs”) generally following the parameters of one or more similarly managed investment allocation models described in Item 8.C. below. However, Registrant typically adjusts its trading strategies within the models on an individualized client basis depending upon each client’s investment objectives and/or tax consequences. When consistent with client investment objectives, the Registrant may also allocate investment assets among individual debt and equity securities, options, and unaffiliated private funds (on a non-discretionary basis) for certain qualified clients. Finally, when consistent with a client’s investment objectives, the Registrant may recommend that certain clients consider making one or more private mortgage loans in conjunction with the loan programs established by “Principal Lenders Group” d/b/a “RKS Capital Funding” as discussed further below. If a client chooses to make such loan(s), Registrant offers to provide periodic consultations, research, recommendations and administrative

support with respect to such loan(s). **This arrangement presents a material conflict of interest, please refer to the “Miscellaneous” Section below for more information.**

Once the assets are allocated, the Registrant provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives, and may rebalance the account on a discretionary or non-discretionary basis.

The Registrant will also provide limited financial planning services that typically include the review of account performance as compared to established financial goals and risks, and any changes that could affect the achievement of those goals as part of its ongoing Wealth Management Services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of the Registrant), the Registrant may determine to charge for such additional services pursuant to a stand-alone Financial Planning Agreement (see below).

### **Investment Management Services**

Clients who choose not to receive financial planning services as part of the investment advisory process may engage Registrant to provide Investment Management Services on discretionary or non-discretionary *fee* basis. To commence the Investment Management Services engagement, a representative will first ascertain each client’s investment objectives (including risk tolerance, time horizon, and other similar factors) that affect the client’s current and anticipated financial status. The Registrant will then allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. The Registrant primarily allocates investment assets among mutual funds and ETFs generally following the parameters of one or more similarly managed investment allocation models described in Item 8.C. below. However, Registrant typically adjusts its trading strategies within the models on an individualized client basis depending upon each client’s investment objectives and/or tax consequences. When consistent with client investment objectives, the Registrant may also allocate investment assets among individual debt and equity securities, options, and unaffiliated private funds (on a non-discretionary basis) for certain qualified clients. Finally, when consistent with a client’s investment objectives, the Registrant may recommend that certain clients consider making one or more private mortgage loans in conjunction with the loan programs established by “Principal Lenders Group” d/b/a “RKS Capital Funding” as discussed further below. If a client chooses to make such loan(s), Registrant offers to provide periodic consultations, research, recommendations and administrative support with respect to such loan(s). **This arrangement presents a material conflict of interest, please refer to the “Miscellaneous” Section below for more information.**

Once the client’s assets are allocated, the Registrant provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives, and may rebalance the account on a discretionary or non-discretionary basis as applicable.

### **Retirement Plan Services**

The Registrant offers retirement plan consulting/management services, pursuant to which it assists sponsors of self-directed retirement plans organized under the Employee Retirement Security Act of 1974 (“ERISA”). To the extent that the plan sponsor engages the Registrant in an ERISA Section 3(21) capacity only, the Registrant will assist with the selection and/or monitoring of investment options (generally open-end mutual funds and exchange traded funds) from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. If the plan sponsor chooses to engage the Registrant in an ERISA Section 3(38) capacity, Registrant may provide the same services as described above, but may also: create specific asset allocation models that Registrant manages on a discretionary basis, which plan participants may choose in managing their individual retirement account; and/or modify the investment options made available to plan participants on a discretionary basis.

### **Financial Planning and Consulting Services (Stand-Alone)**

To the extent requested by a client, the Registrant may also provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, retirement planning, educational planning, business planning, and tax / cash flow planning, etc.) on a stand-alone, separate fee basis resulting in the presentation of a written financial plan. The written financial plan provided may include multiple models, stress-tested variations and various goal scenarios.

### **LWA MEDICAL SERVICES**

Registrant also offers investment advisory services geared toward certain clients who are actively engaged in a medical profession, such as: Residents, Fellows, Physicians, Nurses, Nurse Practitioners, Physician Assistants and other Medical Specialists (collectively, “Medical Professionals”). These Medical Professionals may choose to engage the Registrant to provide investment advisory services according to the following specialized service offerings:

#### **LWA Medical Fast Track Planning**

The “LWA Medical Fast Track Planning” service offers Medical Professionals an opportunity to engage Registrant in a limited capacity to provide financial planning advice and service addressing three specific financial issues selected by the client. Under this engagement, clients are required to provide specific documents as requested with respect to those three financial issues. Registrant will then gather data needed to respond and make recommendations, and ultimately conduct a thirty minute online video or in-person meeting to help identify the client’s particular financial situation and objectives. Registrant will then develop recommendations, analysis, and a plan of action related to the three focus areas and present the client with findings and a limited financial plan during a one hour video or in-person meeting.

### **LWA Medical Financial Planning**

Registrant offers its “LWA Financial Planning” service to Medical Professionals seeking ongoing financial guidance and assistance defining investment objectives and action items, along with the development of a written financial plan. The specific areas of focus generally include but are not necessarily limited to investment and non-investment related matters such as: estate planning, insurance planning, retirement planning, educational planning, business planning, and tax / cash flow planning.

Under this service offering, Medical Professionals can choose to engage Registrant to initially provide a “vision and goals” meeting to discuss financial planning objectives; followed by the preparation of a written financial plan with action items that are presented during a subsequent meeting. All meetings may be conducted in-person or through an online video platform. The written financial plan may include multiple models, stress-tested variations and various goal scenarios.

After delivering the initial written financial plan, the Registrant will provide the following services: responses to ongoing financial planning and consulting inquiries upon request; participation in annual review meetings to discuss and update the written financial plan and analysis; periodic communications to confirm goals, vision, overall planning data and assumptions; access to an online platform for comprehensive reporting services and other information including financial planning concepts; and an annual review of the client’s investment portfolio and employer retirement plan options. In the event that the client seeks extraordinary planning and/or consultation services (to be determined in the sole discretion of the Registrant), the Registrant may determine to charge for such additional services pursuant to a stand-alone Financial Planning Agreement (see above).

### **LWA Medical Passive Investment Management**

Medical Professionals having investment portfolios valued at less than \$250,000 may choose to engage Registrant to provide its “LWA Medical Passive Investment Management” service offering. Under this engagement, Registrant offers management of a passive investment strategy based upon analysis of account data, investment objectives, and risk tolerance. The portfolio will generally seek to invest in low cost and tax efficient holdings including ETFs, index-based mutual funds and other investments. Because the portfolio will be passive in nature, the allocation will be reviewed from time to time to ensure the criteria meet the stated objectives, but it is not anticipated the allocation would be changed or adapted to market movements, conditions, risks or opportunities except in extreme circumstances.

### **LWA Medical Wealth Management**

Medical Professionals may also engage Registrant to provide Wealth Management Services, which include financial planning services in addition to investment management services on a discretionary or non-discretionary *fee* basis.

To commence the Wealth Management Services engagement, a representative will first ascertain each client’s investment objectives (including risk tolerance, time horizon, and other similar factors) that affect the client’s current and anticipated financial status. The Registrant will then perform initial financial planning services that typically include data

gathering, development of financial goals, and the determination of anticipated and acceptable risk based upon a review of cash flow, assets, debts, insurance needs, market volatility, and inflation.

Thereafter, the Registrant will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives and the financial plan. The Registrant primarily allocates investment assets among mutual funds and ETFs generally following the parameters of one or more similarly managed investment allocation models described in Item 8.C. below. However, Registrant typically adjusts its trading strategies within the models on an individualized client basis depending upon each client's investment objectives and/or tax consequences. When consistent with client investment objectives, the Registrant may also allocate investment assets among individual debt and equity securities, options, and unaffiliated private funds (on a non-discretionary basis) for certain qualified clients. Finally, when consistent with a client's investment objectives, the Registrant may recommend that certain clients consider making one or more private mortgage loans in conjunction with the loan programs established by "Principal Lenders Group" d/b/a "RKS Capital Funding" as discussed further below. If a client chooses to make such loan(s), Registrant offers to provide periodic consultations, research, recommendations and administrative support with respect to such loan(s). **This arrangement presents a material conflict of interest, please refer to the "Miscellaneous" Section below for more information.**

Once the assets are allocated, the Registrant provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives, and may rebalance the account on a discretionary or non-discretionary basis.

The Registrant will also provide limited financial planning services that typically include the review of account performance as compared to established financial goals and risks, and any changes that could affect the achievement of those goals as part of its ongoing Wealth Management Services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of the Registrant), the Registrant may determine to charge for such additional services pursuant to a stand-alone Financial Planning Agreement (see above).

## **MISCELLANEOUS**

**Unaffiliated Private Investment Funds.** Registrant, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in unaffiliated private investment funds including the "CCP Total Return Fund I, LP," which is managed by "Cicero Capital Partners, LLC." Registrant's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) (or such other investment vehicle) shall generally be included as part of "assets under management" for purposes of Registrant calculating its investment advisory fee. Registrant's clients are under absolutely no obligation to consider or make an investment in any private investment fund(s).

**Private Investment Fund Risk.** Private investment funds generally involve various risk factors, including, but not limited to the potential for complete loss of principal, liquidity constraints and lack of transparency of the underlying fund investments, a complete discussion of which is set forth in each private investment fund's offering

documents that will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. For the “CCP Total Return Fund I, LP,” there is a forty-five day notice requirement, meaning that the investor cannot receive a redemption of the investment until the end of the month in which forty-five days have expired since the investor forwards a redemption request. Each prospective client investor, who must be duly qualified, will generally be required to complete a Subscription Agreement (or similar document), pursuant to which the client shall establish that the client is qualified for investment in the private investment fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

**Private Investment Fund Valuation.** In the event that Registrant references private investment funds owned by the client on any supplemental account reports prepared by Registrant, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If no subsequent valuation post-purchase is provided by the Fund Sponsor, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date), or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be significantly more or less than original purchase price. The client’s advisory fee shall be based upon reflected fund value(s).

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** To the extent requested by a client or specifically engaged to do so, Registrant shall provide financial planning and/or consulting services regarding investment or non-investment related matters, such as estate planning, tax planning, insurance, etc. under the terms and conditions of a written agreement with the client. Registrant does not serve as an attorney or accountant, and no portion of Registrant’s services should be construed as legal or accounting services. Accordingly, Registrant does not prepare estate planning documents or tax returns. To the extent requested by a client, Registrant may recommend the services of other professionals for implementation purposes, including one of Registrant’s representatives in his individual capacity as a licensed insurance agent discussed in Item 10.C. below. The client is under no obligation to engage the services of any such recommended professional or entity. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. It remains the client’s responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Registrant’s previous recommendations and/or services. If the client engages any such recommended professional or entity, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional or entity. The preceding sentence shall not limit or waive any applicable rights under federal or state law, including securities laws and fiduciary obligations that cannot be limited or waived. **Conflict of Interest:** The recommendation by Registrant that a client purchase an insurance commission product from a firm representative in an individual capacity as a licensed insurance agent presents a **conflict of interest**. No client is under any obligation to purchase any insurance commission products from Registrant’s representatives. Clients are reminded that they may purchase insurance products or accounting services recommended by Registrant through other insurance agents or CPA



firms. **Registrant's Chief Compliance Officer, Gregory A. Lowe, CFP®, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Principal Lenders Group / RKS Capital Funding Conflict of Interest.** As discussed above, Registrant may recommend that certain clients consider making one or more private mortgage loans (each, a "Loan") in conjunction with the loan programs established by "Principal Lenders Group" d/b/a "RKS Capital Funding" (the "Group"). The President of the Group, Richard K. Stanton, Esq., is a related-family member of Registrant's principal, Gregory A. Lowe, CFP®. Neither the Group, nor Mr. Stanton shall provide any compensation to Registrant, Gregory A. Lowe, CFP®, or any other of Registrant's principals or employees with respect to this recommendation. **However, the relationship between Gregory A. Lowe and Richard K. Stanton creates a material conflict of interest. Clients must therefore carefully consider this conflict of interest when determining to make a Loan, including discussion with professional advisors of their choosing other than Registrant. Clients are further reminded they are under absolutely no obligation to consider or make a Loan. Registrant's Chief Compliance Officer, Gregory A. Lowe, CFP®, remains available to address any questions that a client or prospective client may have regarding this conflict of interest**

**Non-Discretionary Service Limitations.** Clients that determine to engage Registrant on a non-discretionary investment advisory basis must be willing to accept that Registrant cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that Registrant 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, the Registrant 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, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. It remains each client's responsibility to promptly notify Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Registrant's previous recommendations and/or services.

**Portfolio Activity.** Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant 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, financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, there can be no assurance that investment decisions made by Registrant will be profitable or equal any specific performance level(s).

**Cash Positions.** The Registrant may maintain cash and cash equivalent positions (such as money market funds) for defensive and liquidity purposes. Unless otherwise agreed in writing, all cash and cash equivalent positions will be included as part of assets under management for purposes of calculating the Registrant's investment advisory fee.

**Inverse/Enhanced Market Strategies.** The Registrant may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct the Registrant, in writing, not to employ any or all such strategies for their accounts.

**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 Registrant) will be profitable or equal any specific performance level(s).

**ByAllAccounts eMoney Advisor Platform.** Registrant, in conjunction with the services provided by ByAllAccounts, Inc., and the online platform hosted by "eMoney Advisor" ("eMoney") may also provide periodic comprehensive reporting services which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets managed by Registrant (the "Excluded Assets"). The client and/or their other advisors that maintain trading authority, and not Registrant, shall be exclusively responsible for the investment performance of the Excluded Assets. Unless otherwise specifically agreed in writing, Registrant's service relative to the Excluded Assets is limited to reporting only. The sole exception to the above shall be if Registrant's is specifically engaged to monitor and/or allocate the assets within the client's 401(k) account maintained away at the custodian directed by the client's employer. As such, except with respect to the client's 401(k) account (if applicable), Registrant does not maintain any trading authority for the Excluded Assets. **Rather, the client and/or the client's designated other investment professional(s) maintain supervision, monitoring and trading authority for the Excluded Assets.** If Registrant is asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and Registrant shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that Registrant provide investment advisory services for the Excluded Assets, the client may engage the Registrant to do so pursuant to the terms and conditions of the Wealth Management Agreement or Investment Management Agreement between Registrant 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 Registrant. Finally, Registrant 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 Registrant's assistance or oversight.

**Retirement Plan Rollovers – No Obligation / 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 the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant 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 Registrant. The Registrant’s Chief Compliance Officer, Gregory A. Lowe, CFP®, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such a rollover recommendation.**

**Disclosure Statement.** A copy of Registrant’s written Brochure as set forth on Part 2 of Form ADV shall be provided to each client before, or contemporaneously with, the execution of the Investment Advisory Agreement.

- C. Registrant shall provide investment advisory services specific to the needs of each client. To commence investment advisory services, an investment adviser representative will ascertain each client’s investment objective(s). Thereafter, Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on Registrant’s services.
- D. Registrant does not sponsor a wrap program or offer investment advisory services on a wrap-fee basis.
- E. As of December 31, 2018, Registrant had \$270,579,547 in assets under management on a discretionary basis and \$6,484,149 in assets under management on a non-discretionary basis.

## Item 5 Fees and Compensation

### A. STANDARD INVESTMENT ADVISORY SERVICES

#### Wealth Management Services

The client can engage the Registrant on a negotiable *fee* basis to provide discretionary and/or non-discretionary Wealth Management Services as described above. The Registrant's fee for this service shall include an initial one-time fee of \$3,000 for preparation of a written financial plan, half of which shall be payable upon execution of the Wealth Management Agreement and the other half of which shall be payable upon presentment of a written financial plan.

In addition to the above, Registrant's annual fee for Wealth Management Services shall be based upon a percentage (%) of the market value and type of assets placed under the Registrant's management, generally between 0.75% and 1.25% as follows:

<u>Market Value of Portfolio</u>	<u>Annual Fee %</u>
The First \$1,000,000	1.25%
Additional Assets between \$1,000,001 and \$3,000,000	1.00%
Additional Assets exceeding \$3,000,000	0.75%

#### Investment Management Services

The client can engage the Registrant on a negotiable *fee* basis to provide discretionary and/or non-discretionary Investment Management Services as described above. The Registrant's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under the Registrant's management, generally between 0.75% and 1.00% as follows:

<u>Market Value of Portfolio</u>	<u>Annual Fee %</u>
The First \$3,000,000	1.00%
Additional Assets exceeding \$3,000,000	0.75%

#### "Held Away" Assets

Upon request, the Registrant may provide clients with recommendations (but will not implement any trades) relative to certain "held away" assets that are not held with the Client's primary custodian, and for which the Registrant does not have transactional authority. For this service, the Registrant charges a flat annual investment advisory fee of 0.50% of the value of the "held away" assets.

#### Options Strategies Overlay Fee

When consistent with a client's investment objectives, the Registrant may recommend that clients utilize option strategies intended to serve as an overlay to the Registrant's existing investment advisory services. Clients that choose to engage Registrant to manage investment assets utilizing options strategies will pay an additional 0.25% on the first \$1,000,000 of investment assets, with no additional fee applied to investment assets exceeding \$1,000,000.

### **Principal Lenders Group / RKS Capital Funding Consulting Fee**

When consistent with a client's investment objectives, the Registrant may recommend that certain clients consider making one or more private mortgage loans in conjunction with the loan programs established by "Principal Lenders Group" d/b/a "RKS Capital Funding." If a client chooses to make such loan(s), Registrant will provide periodic consultations, research, recommendations and administrative support. Registrant's annual fixed consulting fee for this service is based upon the value of the loan(s) as follows, which shall be prorated and charged quarterly, in advance:

<u>Value of Positions</u>	<u>Annual Consulting Fee</u>
\$50,000 – \$100,000	\$750
\$100,000 – \$150,000	\$1,500
\$150,001 – \$200,000	\$2,250
\$200,001 – \$250,000	\$3,000
\$250,001 – \$300,000	\$4,500
\$300,001 – \$350,000	\$5,250
\$350,001 – \$400,000	\$6,000
Above \$400,001	Negotiable

### **Retirement Plan Services**

If a client determines to engage the Registrant to provide retirement plan services, the terms and conditions of the engagement shall be set forth in a Retirement Plan Services Agreement between the Registrant and the plan sponsor. The Registrant charges a negotiable annual fee for retirement plan consulting services, which generally ranges between 0.50% and 1.00% of plan assets depending on the level and scope of services requested, the individual(s) rendering the service, and the size of the plan.

### **Standard Financial Planning and Consulting Services (Stand-Alone)**

The Registrant may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Registrant's financial planning and consulting fees are negotiable depending upon the level and scope of the service(s) required, and the individual(s) rendering the services. Such fees generally range between \$3,000 and \$10,000 on a fixed-fee basis (which may be billed on a recurring basis for certain ongoing engagements), or \$250 on an hourly rate basis. Annual updates to any financial plan typically range between \$1,500 and \$3,750 on a fixed-fee basis, or \$250 on an hourly rate basis.

### **LWA MEDICAL SERVICES**

#### **Fast Track Planning**

Before engaging Registrant to provide the Fast Track Planning service, Medical Professional clients are required to sign a Fast Track Planning Agreement with Registrant setting forth the terms and conditions of the engagement including the scope of the services to be provided. Registrant generally charges \$499 for this service, which is payable upon execution of the Fast Track Planning Agreement. However, Registrant may, in its sole discretion, reduce the fee based upon the complexity and anticipated time to complete the engagement.

### **LWA Medical Financial Planning**

Before engaging Registrant to provide this service, Medical Professional clients are required to enter into an “LWA Medical Financial Planning Agreement” with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client before Registrant commences services (if any). The LWA Medical Financial Planning fees are negotiable depending upon the level and scope of the service(s) required, and the individual(s) rendering the services. Such fees generally range between \$1,000 and \$3,000 per year on a fixed-fee basis (which may be billed on a recurring basis for certain ongoing engagements).

### **LWA Medical Passive Investment Management**

Medical Professionals having investment portfolios valued at less than \$250,000 may choose to engage Registrant to provide its “LWA Medical Passive Investment Management” service offering. Before engaging Registrant to provide this service, Medical Professional clients are required to enter into an “LWA Medical Passive Investment Management Agreement” with Registrant setting forth the terms and conditions of the engagement (including termination) describing the scope of the services to be provided, and the applicable fee. The LWA Medical Passive Investment Management fees are negotiable depending upon the level and scope of the service(s) required, and the individual(s) rendering the services, but generally range between 0.25% and 0.35% of the value of such assets under Registrant’s management if the client also engages Registrant under the LWA Medical Financial Planning offering; or between 0.35% and 0.50% of the value of such assets under Registrant’s management if the client does not also engage Registrant under the LWA Medical Financial Planning offering.

### **LWA Medical Wealth Management**

Before engaging Registrant to provide the LWA Medical Wealth Management service, Medical Professional clients are required to sign a Wealth Management Agreement with Registrant setting forth the terms and conditions of the engagement including the scope of the services to be provided. The terms, conditions, costs, and expenses of this service are the same as described under “STANDARD INVESTMENT ADVISORY SERVICES / Wealth Management Services” and related sections of this Item 5.

- B. Clients may elect to have Registrant’s fees deducted from their custodial accounts. In addition, Clients may also choose to pay Registrant’s fees through online payment platforms. The applicable form of Agreement and the custodial / clearing agreement may authorize the custodian to debit the account for the amount of Registrant’s fees and to directly remit that fee to Registrant in compliance with regulatory procedures. In the limited event that Registrant bills the client directly, payment is due upon receipt of Registrant’s invoice. Registrant generally deducts or bills clients for its fees quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter. However, for certain retirement plans, Registrant bills its advisory fee quarterly in arrears based upon the market value of the assets on the last business day of the previous quarter.

- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Registrant generally recommends that Fidelity Institutional Wealth Services, an SEC-registered and FINRA member broker dealer ("Fidelity") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Fidelity charge brokerage commissions and/or 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 fixed income securities transactions). In addition to Registrant's investment advisory 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). When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom Registrant and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers, in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a "tradeaway" fee charged by the account custodian (typically, Fidelity). The fees charged by the applicable broker-dealer/custodian, and the charges imposed at the mutual fund and exchange traded fund level, are in addition to Registrant's advisory fee referenced in this Item 5.
- D. Registrant generally deducts or bills clients for its fees quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter. However, for certain retirement plans, Registrant bills its advisory fee quarterly in arrears based upon the market value of the assets on the last business day of the previous quarter. In addition, under the LWA Medical Financial Planning engagement, fees are charged semi-annually in arrears. Upon termination of the applicable form of investment advisory engagement, Registrant will either: refund the pro-rated portion of the advanced unearned advisory fee based upon the number of days that services were provided during the billing quarter; or debit the account / bill the client for the pro-rated portion of the unpaid advisory fee based upon the number of days that services were provided during the billing quarter (as applicable).
- E. Neither Registrant, nor its representatives, accepts compensation from the sale of securities or other investment products.

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

Neither Registrant, nor any supervised person of Registrant, accepts performance-based fees.

## **Item 7            Types of Clients**

Registrant's clients generally include individuals, high net worth individuals, pension and profit sharing plans, trusts and estates. The Registrant does not generally impose any requirements for opening or maintaining an account. The Registrant, in its sole discretion, may choose to reduce its advisory fees 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, negotiations with client, etc.). In addition, certain legacy clients may have accepted different pre-existing service offerings

from Registrant and may therefore receive services under different fee schedules than as set forth above.

## **Item 8            Methods of Analysis, Investment Strategies and Risk of Loss**

A. Registrant may utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts);
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices); and

Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year);
- Short Term Purchases (securities sold within a year);
- Trading (securities sold within thirty (30) days); and
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time).

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear, including the loss of principal investment. Past performance may not be indicative of future results. 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 Registrant) will be profitable or equal any specific performance level(s). Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease and client account values could suffer a loss.

B. Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis Registrant must have access to current / new market information. Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time



period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, the Registrant may also recommend the use of options transactions, which, as an investment strategy, involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by Registrant shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. Certain of the options-related strategies (such as, straddles, short positions, etc.), may, in and of themselves, produce additional principal volatility and/or risk. A client allocating to these strategies must be willing to accept these enhanced volatility and principal risks. Clients may therefore direct Registrant in writing at any time, not to employ any or all such strategies for their accounts.

For detailed information on the use of options and option strategies, clients are encouraged to carefully review the Option Clearing Corp.'s Option Disclosure Document, which can be found at the following link: <http://www.optionsclearing.com/components/docs/riskstoc.pdf>. Hard copies may be ordered by calling 1-888-678-4667, or by writing OCC, 1 North Wacker D. STE 500 Chicago, IL 60606.

Subject to the fee schedule provided in Item 5 above, Registrant may employ "Covered Call Writing" and "Long Put Option Purchase" strategies when consistent with a client's investment objectives.

**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 before 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.

**Long Put Option Purchase.** Long put option purchases allow the option holder to sell or "put" the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long put option increases. In this way long puts are often used to hedge a long stock position. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

- C. Currently, Registrant primarily allocates investment assets among mutual funds and ETFs. When consistent with client investment objectives, the Registrant may also allocate investment assets among individual debt and equity securities, options, and certain unaffiliated private funds (on a non-discretionary basis) for certain qualified clients including the “CCP Total Return Fund I, LP,” which is managed by “Cicero Capital Partners, LLC.” Private investment funds generally involve various risk factors, including, but not limited to the potential for complete loss of principal, liquidity constraints and lack of transparency of the underlying fund investments, a complete discussion of which is set forth in each private investment fund’s offering documents that will be provided to each client for review and consideration and as described in Item 4 above. Further, each type of security has its own unique set of risks associated with it, and it would not be possible to describe of the specific risks of every type of investment. However, the following provides a short description of the risks associated with investing in these types of securities:

**Market Risk.** The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors (such as economic or political factors), but may also be incurred because of a security’s specific underlying investments. Additionally, each security’s price can fluctuate based on market movement, which may or may not be due to the security’s operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.

**Unsystematic Risk.** Unsystematic risk is the company-specific or industry-specific risk in a portfolio that the investor bears. Unsystematic risk is typically addressed through diversification. However, as indicated above, diversification does not or guarantee better performance and cannot eliminate the risk of investment losses.

**Value Investment Risk.** Value stocks may perform differently from the market as a whole and following a value-oriented investment strategy may cause a portfolio to underperform growth stocks.

**Growth Investment Risk.** Prices of growth stocks tend to be higher in relation to their companies’ earnings and may be more sensitive to market, political and economic developments than other stocks, making their prices more volatile.

**Small Company Risk.** Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, small capitalization companies are more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

**Commodity Risk.** The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political, and regulatory developments.

**Foreign Securities and Currencies Risk.** Foreign securities prices may decline or fluctuate because of: (i) economic or political actions of foreign governments, and/or (ii) less regulated or liquid securities markets. Investors holding these securities are also exposed to foreign currency risk (the possibility that foreign currency will fluctuate in value against the U.S. dollar).

**Interest Rate Risk.** Fixed income securities and fixed income-based securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices tend to fall. When interest rates fall, fixed income security prices tend to rise. In general, fixed income securities with longer maturities are more sensitive to these price changes.

**Inflation Risk.** When any type of inflation is present, a dollar at present value will not carry the same purchasing power as a dollar in the future, because that purchasing power erodes at the rate of inflation.

**Reinvestment Risk.** Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate), which primarily relates to fixed income securities.

**Credit Risk.** The issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and impact performance. Credit risk is considered greater for fixed income securities with ratings below investment grade. Fixed income securities that are below investment grade involve higher credit risk and are considered speculative.

**Call Risk.** During periods of falling interest rates, a bond issuer will call or repay a higher-yielding bond before its maturity date, forcing the investment to reinvest in bonds with lower interest rates than the original obligations.

**Regulatory Risk.** Changes in laws and regulations from any government can change the market value of companies subject to such regulations. Certain industries are more susceptible to government regulation. For example, changes in zoning, tax structure or laws may impact the return on investments.

**Mutual Fund Risk.** Mutual funds are operated by an investment companies that raise money from shareholders and invests it in stocks, bonds, and/or other types of securities. Each fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. Mutual funds charge a separate management fee for their services, so the returns on mutual funds are reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Mutual funds that are sold through brokers are called load funds, and those sold to investors directly from the fund companies are called no-load funds. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

**Exchange Traded Fund Risk.** ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) an ETF's shares may trade at a market price that is above or below its net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

**Principal Lenders Group / RKS Capital Funding Risk Factors.** When consistent with a client's investment objectives, Registrant may recommend that certain clients (each, a "Lender") consider making one or more private mortgage loans (each, a "Loan") in conjunction with the loan programs established by "Principal Lenders Group" d/b/a "RKS Capital Funding" (the "Group"). These Loans are subject to various risks, including the following: a borrower may default on a Loan, in which case the Lender may not receive the interest payments or any payments until after the underlying property is liquidated, and the Lender's ability to obtain collateral may be limited by the Lender's minority share in the underlying property and the rights of other lenders/note holders; the borrower may prepay the Loan, resulting in a reduction in the amount of expected interest payments that the Lender will receive; the Loan may not provide daily liquidity or pricing, therefore a Lender may not be able to exit from the Loan prior to maturity; a reduction in or the loss of principal may occur if the underlying property is sold at a loss; the Loans originated by the Group are made to borrowers who may not qualify for bank financing or who choose to seek alternative financing for other reasons including but not limited to: participation in short sales, timing issues, privacy concerns, inability to meet historical income requirements, poor credit ratings, or the fact that they are foreign nationals; the Group reserves the right to repurchase the interest of any Lender at any time; and by assigning the interests of the underlying Loan, the Group may reduce its risk of loss in the event of a default commensurate to the level of interests it assigns. In light of these risk factors, the Registrant does not recommend that its clients participate in a Loan unless they are qualified investors who are able to tolerate the above risks and the potential for a complete loss of principal investment.

To mitigate these risk factors, the President of the Group, Richard K. Stanton, Esq., provides a personal guarantee to each Lender for the prompt and full payment of all monthly interest payments and the Lender's principal investment ("Personal Guarantee"). Further, to help ensure the relative value of the Personal Guarantee, the Registrant will periodically obtain a personal financial statement from Richard K. Stanton, Esq.

Similarly Managed Asset Allocation Models. Registrant may also allocate client assets, on a discretionary basis, among one or more asset allocation models that have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as Registrant's asset allocation models, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is applicable to Registrant's management of client assets through the asset allocation models:

1. Initial Interview – at the opening of the account, the Registrant, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. Individual Treatment - the account is managed on the basis of the client's financial situation and investment objectives;
3. Quarterly Notice – at least quarterly the Registrant shall notify the client to advise the Registrant whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
4. Annual Contact – at least annually, the Registrant shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
5. Consultation Available – the Registrant shall be reasonably available to consult with the client relative to the status of the account;
6. Quarterly Report – the client shall be provided with a quarterly report for the account for the preceding period;
7. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct the Registrant not to purchase certain mutual funds;
8. No Pooling – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account;
9. Separate Account - a separate account is maintained for the client with the Custodian;
10. Ownership – each client retains indicia of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

The Registrant believes that its annual investment advisory fee is reasonable in relation to: (1) the advisory services provided under the Investment Advisory Agreement; and (2) the fees charged by other investment advisers offering similar services/programs. However, Registrant's annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to Registrant's annual investment advisory fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses). **Please Note:** Registrant's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

A brief description of each of Registrant's asset allocation models follows. Please note that all allocations and model compositions are subject to change at the Registrant's discretion based upon market conditions:

**Conservative:** This model emphasizes generation of stable current income, with generation of future capital appreciation as a secondary objective. Modest annual principal fluctuation is expected and acceptable. This model will consist of a determined allocation among equities, fixed income, and cash, with a primary emphasis on fixed income. It is generally comprised of 60% fixed income securities (cash, cash equivalents, bonds and bond funds) and 40% equity securities (mutual funds, ETFs, and individual equities).

**Balanced:** This model emphasizes generation of current income and future capital appreciation. Principal risk and fluctuation is expected to be dampened in exchange less substantial return potential over the intended investment time horizon (at least 5 years). This model will consist of a determined allocation among equities, fixed income, and cash. It is generally comprised of: 40% fixed income (cash, cash equivalents, bonds and bond funds); and 60% equity securities (mutual funds, ETFs, and individual equities).

**Moderate Growth:** This model emphasizes future capital appreciation, with generation of income as a secondary objective. Principal risk and fluctuation is expected and acceptable over the intended long-term investment time horizon (in excess of 5 years). This model will consist of a determined allocation among equities, fixed income, and cash, with a primary emphasis on equities. It is generally comprised of: 30% fixed income (cash, cash equivalents, bonds and bond funds); and 70% equity securities (mutual funds, ETFs, and individual equities).

**Growth:** This model purely emphasizes future capital appreciation. Principal risk and fluctuation is expected and acceptable over the intended long-term investment time horizon (in excess of 5 years). This model will consist of a determined allocation among equities, fixed income, and cash, with a primary emphasis on equities. It is generally comprised of: 20% fixed income (cash, cash equivalents, bonds and bond funds); and 80% equity securities (mutual funds, ETFs, and individual equities).

**Balanced - Indexed:** This model is a simplified allocation of the Balanced strategy, utilizing only mutual funds and ETFs, with an emphasis on both current income and future capital appreciation. Principal risk and fluctuation is expected to be dampened in exchange less substantial return potential over the intended investment time horizon (at least 5 years). This model will consist of a determined allocation among equities, fixed income, and cash. It is generally comprised of: 40% fixed income (cash, cash equivalents, bonds and bond funds); and 60% equity securities (mutual funds, ETFs, and individual equities).

**Moderate Growth- Indexed:** This model is a simplified allocation of the Moderate Growth strategy utilizing only mutual funds and ETFs. The primary emphasis is on future capital appreciation, with income generation serving as the secondary objective. Principal risk and fluctuation is expected and acceptable over the intended long-term investment time horizon (in excess of 5 years). This model will consist of a determined allocation among equities, fixed income, and cash, with a primary emphasis on equities, including private investment funds. It is generally comprised of 30% fixed income (cash, cash equivalents, bonds and bond funds); and 70% equity securities (mutual funds and ETFs).

**Growth- Indexed:** This model is a simplified allocation of the Growth strategy utilizing only mutual funds and ETFs. The emphasis is entirely on future capital appreciation. Principal risk and fluctuation is expected and acceptable over the intended long-term investment time horizon (in excess of 5 years). This model will consist of a determined allocation among equities, fixed income, and cash, with a primary emphasis on equities. It is generally comprised of 20% fixed income (cash, cash equivalents, bonds and bond funds); and 80% equity securities (mutual funds and ETFs).

## **Item 9            Disciplinary Information**

Registrant has not been the subject of any disciplinary actions.

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

- A. Neither Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Licensed Insurance Agent.** One of the Registrant's investment adviser representatives, David Kasten, is also a licensed insurance agent in his separate and individual capacity who may recommend the purchase of certain insurance-related products on a commission basis as referenced in Item 4.B above. However, when recommending an insurance product, Registrant's representatives generally refer the client to an unaffiliated insurance professional for insurance policy considerations and prospective purchase. In such an event, and if the client purchases a policy, the unaffiliated professional shall share a portion of the commission with Mr. Kasten in his separate and individual capacity.

**Conflicts of Interest:** The recommendation by Registrant or its representatives that a client purchase an insurance commission product that results in a commission payment or a portion thereof to Mr. Kasten presents **conflicts of interest**, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any insurance commission products through Registrant's representative or from any recommended unaffiliated professional. Clients are reminded that they may purchase insurance products recommended by Registrant through other, non-affiliated or non-recommended licensed insurance agents. **The Registrant's Chief Compliance Officer, Gregory A. Lowe, CFP®, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

**Principal Lenders Group / RKS Capital Funding.** Registrant may recommend that certain clients consider making a private mortgage loans in conjunction with the loan programs established by "Principal Lenders Group" d/b/a "RKS Capital Funding" RKS Securities (the "Group"). The President of the Group, Richard K. Stanton, Esq., is a related-family member of Registrant's principal, Gregory A. Lowe, CFP®.

**Conflict of Interest:** While neither the Group, nor Mr. Stanton shall provide any compensation to Registrant, Gregory A. Lowe, CFP®, or any other of Registrant's principals or employees with respect to this recommendation. **However, the relationship between Gregory A. Lowe and Richard K. Stanton creates a material conflict of interest. Clients must therefore carefully consider this conflict of interest when determining to make a Loan, including discussion with professional advisors of their choosing other than Registrant. Clients are further reminded they are under absolutely no obligation to consider or make a Loan. Registrant's Chief Compliance Officer, Gregory A. Lowe, CFP®, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

- D. Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.
- In accordance with Section 204A of the Investment Advisers Act of 1940, Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Registrant or any person associated with Registrant.
- B. Neither Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which Registrant or any related person of Registrant has a material financial interest.
- C. Registrant and/or representatives of Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Registrant and/or representatives of Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation presents a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Registrant's clients) and other potentially abusive practices.

Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Registrant's "Access Persons." Registrant's securities transaction policy requires that an Access Person of Registrant must provide the Chief Compliance Officer or a designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or a designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Registrant selects; provided,



however that at any time that has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Registrant and/or representatives of Registrant may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Registrant and/or representatives of Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation presents a conflict of interest. As indicated above in Item 11.C, Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

## **Item 12 Brokerage Practices**

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

Factors that the Registrant considers in recommending Fidelity (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant'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 the Registrant 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's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant 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, Registrant's investment advisory fee. The Registrant'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.

### **1. Non-Soft Dollar Research and Additional Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant receives from Fidelity (or could receive from another broker-dealer/custodian, investment manager, vendor, platform, or fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Registrant to better monitor and service client accounts maintained at such institutions. The support services that Registrant obtains can include 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-including financial support for client events of approximately \$2,000 per year, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products received may assist Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Registrant to manage and further develop its business enterprise. There is no corresponding commitment made by Registrant to 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.

**Registrant's Chief Compliance Officer, Gregory A. Lowe, CFP®, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest presented.**

2. Registrant does not receive referrals from broker-dealers.

3. Directed Brokerage

Registrant 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 Registrant 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 Registrant. As a result, a 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. If the client directs Registrant 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 Registrant. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts. **Registrant's Chief Compliance Officer, Gregory A. Lowe, CFP®, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

B. To the extent that Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Registrant decides to purchase or sell the same securities for several clients at approximately the same time. Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders

placed for each client account on any given day. Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

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

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by Registrant's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Registrant on an annual basis.
- B. Registrant may conduct account reviews on an other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. 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. Registrant may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A above, the Registrant receives economic benefits from Fidelity including support services and/or products without cost (and/or at a discount).

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at Fidelity as a result of this arrangement. There is no corresponding commitment made by the Registrant to 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. **Registrant's Chief Compliance Officer, Gregory A. Lowe, CFP®, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the conflict of interest presented.**

- B. If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, Registrant may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Registrant's investment advisory fee, and shall not result in any additional charge to the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, is required to: disclose the nature of their solicitor relationship, provide each prospective client with a copy of the Registrant's written Brochure and a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between the Registrant and the solicitor, including the compensation to be received by the solicitor from the Registrant.

## **Item 15           Custody**

Registrant shall have the ability to have its investment advisory and planning fee for each client debited by the custodian on a monthly 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. Registrant may also provide a written periodic report summarizing account activity and performance. **Please Note:** To the extent that Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Registrant with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Registrant's investment advisory and planning fee calculation.

The Registrant provides other services on behalf of its clients that require disclosure at ADV Part 1, Item 9. In particular, certain clients have signed asset transfer authorizations that permit the qualified custodian to rely upon instructions from the Registrant to transfer client funds to "third parties." In accordance with the guidance provided in the SEC Staff's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subjected to an annual surprise CPA examination.

## **Item 16           Investment Discretion**

The client can determine to engage Registrant to provide investment advisory services on a discretionary basis. Before Registrant assumes discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, naming Registrant as the client's attorney and agent in fact, granting Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Registrant on a discretionary basis may, at anytime, impose restrictions, **in writing**, on Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Registrant's use of margin, etc.).

## **Item 17           Voting Client Securities**

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities 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.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

**Item 18      Financial Information**

- A. Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: Registrant's Chief Compliance Officer, Gregory A. Lowe, CFP®, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**