

# Wealth Quarterback, LLC

CRD Number: 282967

## Brochure

**Dated: June 25, 2019**

Contact: Josh Jalinski, Chief Compliance Officer  
1400 Hooper Avenue  
Toms River, New Jersey 08753  
[www.jalinski.org](http://www.jalinski.org)

This brochure provides information about the qualifications and business practices of Wealth Quarterback, LLC. If you have any questions about the contents of this brochure, please contact us at (732) 240-2274 or [josh@jalinski.com](mailto:josh@jalinski.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 Wealth Quarterback, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Wealth Quarterback, LLC is 282967.

References herein to Wealth Quarterback, 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**

At least annually, this section will discuss only specific material changes that are made to the Wealth Quarterback LLC (“WQL”) Brochure and provide you with a summary of such changes. Additionally, reference to the date of the last annual update to this Brochure will be provided.

Our last annual amendment occurred on March 31, 2019. The changes made to our Brochure since that date are as follows:

*June 2019*

### **Item 4**

- WQL, a state-registered Investment Adviser from 2016 to 2019, filed for registration with the Securities and Exchange Commission in June 2019.

### **Items 4, 5, and 12**

- Scottrade was acquired by TD Ameritrade.

### **Item 5**

- For client accounts maintained with Fidelity, WQL’s annual investment advisory fee is prorated and paid quarterly in advance.

### **Item 7**

- WQL generally provides advisory services to individuals, high-net-worth individuals, charitable organizations, and pension and profit sharing plans.

### **Item 14**

- WQL’s representatives who serve as representatives of American Portfolios Financial Services, Inc. and as licensed insurance agents of Jalinski Advisory Group, Inc. are eligible to receive health insurance, a deferred compensation plan, sales incentives and award trips if certain sales thresholds are met.

### **Item 18**

- WQL will not require you to prepay more than \$1,200 and six or more months in advance of receiving the advisory service.

### **Item 19**

- WQL is no longer state registered and this section is no longer applicable. WQL is registered with the Securities and Exchange Commission.

**ANY QUESTIONS:** WQL’s Chief Compliance Officer, Josh A. Jalinski, remains available to address any questions regarding this Part 2A brochure, including the changes mentioned above.

A copy of our updated brochure and brochure supplements are available to you free of charge and may be requested by contacting us at (732) 240-2274 or [josh@jalinski.com](mailto:josh@jalinski.com).

Additional information about WQL is also available via the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The IARD number for WQL is 282967. The SEC’s website also provides information about any persons affiliated with WQL who are registered, or are required to be registered, as Advisory Representatives of WQL.

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

- A. Wealth Quarterback LLC (hereinafter “WQL”) is a Limited Liability Company investment advisory firm organized in the State of Delaware. The principal owner is Josh Adam Jalinski. WQL was registered with the State of New Jersey from 2016 to 2019. In June 2019, WQL filed for registration with the Securities and Exchange Commission.

B.

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

The client can engage WQL to provide discretionary investment advisory services to individuals, families, businesses, and retirement plans (see below). Before engaging WQL to provide investment advisory services, clients are required to enter into an agreement with WQL setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the fees that a client will incur (see fee schedule at Item 5 below). WQL provides investment advisory services specific to the needs of each client. Before providing investment advisory services, WQL will ascertain the client’s investment objective(s). WQL will then allocate (or recommend that the client allocate) the portfolio consistent with the designated investment objective(s). To the extent specifically requested, and separately engaged to provide same, by an individual client, WQL will generally provide financial planning and consulting services.

##### **SELECTION OF OTHER ADVISERS**

WQL may also direct clients to unaffiliated, third-party investment advisers to manage all or a portion of the client's assets.

##### **FINANCIAL PLANNING**

To the extent requested by a client, WQL also provides 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.

Before engaging WQL to provide planning or consulting services, clients are required to enter into a Financial Planning and Consulting Agreement with WQL 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 WQL commences services. If requested by the client, WQL recommends the services of other professionals for implementation purposes including certain of WQL’s representatives in their separate licensed capacities as licensed insurance agent (See Item 10 below). 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 WQL. If the client engages any such recommended professional, and a dispute arises thereafter regarding an engagement, the client agrees to seek recourse exclusively from and against the engaged professional. It remains the client’s responsibility to promptly notify WQL if there is ever any change in their financial situation or investment objectives for the purpose of WQL revising its previous recommendations or services.

## **ERISA PLAN ENGAGEMENTS**

WQL may be engaged to provide investment advisory services to ERISA retirement plans, whereby the Firm shall manage Plan assets consistent with the investment objective designated by the Plan sponsor. In such engagements, the Firm will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 (“ERISA”). The Firm will generally provide services on an “assets under management” fee basis per the terms and conditions of an Investment Advisory Agreement between the Plan and the Firm. WQL may also provide investment advisory services to participant directed retirement plans per the terms and conditions of a Retirement Plan Consulting Agreement between WQL and the plan. For such engagements, WQL shall assist the Plan with the selection of an investment platform from which Plan participants shall make their respective investment choices, and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision making process.

## **MISCELLANEOUS**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** As indicated above, to the extent requested by a client, WQL provides financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. **Please Note:** We **do not** serve as an attorney or accountant, and no portion of our services should be construed as same. Accordingly, we **do not** prepare estate planning documents or tax returns. To the extent requested by a client, we recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.), including WQL’s representatives in their separate individual capacities as representatives of American Portfolios Financial Services, Inc. (“APFS”), an SEC registered and FINRA member broker-dealer, and as licensed insurance agents of Jalinski Advisory Group, Inc. (“Group”), WQL’s affiliated insurance agency. 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 WQL and/or its representatives. **Please Note:** If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note-Conflict of Interest:** The recommendation by WQL that a client purchase a securities or insurance commission product WQL’s representatives in their separate individual capacities representatives of APFS or as an insurance agents of Group, presents a conflict of interest, as the receipt of commissions provides an incentive to recommend investment and/or 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 securities or insurance commission products from Josh A. Jalinski. Clients are reminded that they may purchase securities and insurance products recommended by WQL through other, non-affiliated broker-dealers and/or insurance agencies. **WQL’s Chief Compliance Officer, Josh A. Jalinski, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Independent Managers/Sub-Advisors.** WQL may also allocate (or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers and/or sub-advisors, including Mauldin Solutions, LLC, Capital Management Group, Inc., and/or various unaffiliated third party advisers available through the AssetMark platform, in accordance with the client's designated investment objective(s). In such situations, the Independent Manager[s] and/or sub-advisors shall have day-to-day responsibility for the active discretionary management of the allocated assets. WQL shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which WQL shall consider in recommending Independent Manager[s] and/or sub-advisors include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. **Please Note:** The investment management fee charged by the Independent Manager[s] and/or sub-advisors is separate from, and in addition to, WQL's advisory fee as set forth in the fee schedule at Item 5 below. An exception may occur when WQL serves as a solicitor for an Independent Manager, in which event WQL shall not receive an advisory fee as set forth in the fee schedule at Item 5 below. Rather, WQL shall receive a disclosed portion of the Independent Manager's investment management fee charged to the client.

**Please Note: 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 WQL recommends that a client roll over their retirement plan assets into an account to be managed by WQL, such a recommendation creates a conflict of interest if WQL will earn an advisory fee on the rolled over assets. **No client is under any obligation to rollover retirement plan assets to an account managed by WQL. WQL'S Chief Compliance Officer, Josh A. Jalinski, 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.**

**ERISA / IRC Fiduciary Acknowledgment.** If the client is: (i) a participant or beneficiary of a Plan subject to Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (ii) the beneficial owner of an IRA acting on behalf of the IRA; or (iii) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then WQL represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by WQL or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

**Custodians for Advisor Accounts.** As discussed below at Item 12, unless the client directs otherwise, WQL shall generally recommend that Fidelity, Interactive Brokers, T.D. Ameritrade, AssetMark, Nationwide, or E Trade Advisor Services serve as the broker-dealer/custodian for client investment advisory assets. Broker-dealers/custodians

charge brokerage commissions and/or transaction fees for effecting securities transactions. In addition to WQL'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).

**Black Diamond.** WQL has engaged Black Diamond Performance Reporting (a division of Advent Software, Inc.) ("Black Diamond") for enhanced client performance reporting and other administrative services. Clients who elect to subscribe to Black Diamond will receive access to Black Diamond's online portal to review portfolio holdings, performance, and other portfolio attributes. Market values in Black Diamond are typically updated daily and include accrued interest and accrued dividends. Client custodian accounts are reconciled daily by Black Diamond. Valuations of private investment vehicles and certain other holdings are updated by WQL as valuations are provided by the fund administrator or other party. Clients who elect to enroll in Black Diamond's services will be subject to an annual fee of 0.02% of their assets under WQL's management, which fee is separate from and in addition to the advisory fee charged by WQL. The client retains absolute discretion over the utilization of Black Diamond.

**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 WQL independent of engaging WQL as an investment advisor. However, if a prospective client determines to do so, he/she will not receive WQL'S initial and ongoing investment advisory services.

**Portfolio Activity.** WQL has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, WQL 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 WQL 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 WQL will be profitable or equal any specific performance level(s).

**Client Obligations.** In performing our services, WQL 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. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify WQL if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

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

- C. WQL will tailor a program for each individual client. Before providing investment management services, an investment adviser representative will ascertain each client's investment objectives. WQL will then allocate investment assets consistent with the client's investment objectives. The client may, at any time, impose reasonable restrictions, in writing, on WQL's services. WQL may use a financial simulator tool called Wealth in Motion Leap Financial Stories.
- D. WQL does not participate in or sponsor a wrap fee program.
- E. As of June 11, 2019, WQL had \$138,528,283 in assets under management on a discretionary basis.

## **Item 5 Fees and Compensation**

A.

### **INVESTMENT ADVISORY SERVICES**

Clients can engage WQL to provide discretionary investment advisory services. WQL's negotiable, annual investment advisory fee is based upon a percentage (%) of the market value. Fees are determined using the following schedule:

<b><u>Account Value</u></b>	<b><u>Fee</u></b>
\$0-\$1,000,000	1.25%
\$1,000,001-\$5,000,000	1.00%
Over \$5,000,000	Negotiable

For accounts above \$5,000,000, WQL shall price its services based upon various objective and subjective factors. As a result, WQL's clients could pay diverse fees based upon the market value of their assets, the complexity of the engagement, individualized negotiations between the parties and the level and scope of the overall investment advisory services to be rendered. As a result of these factors, similarly situated clients could pay diverse fees, and the services to be provided by WQL to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

These fees are negotiable and the final fee schedule is attached as an exhibit to the Investment Advisory Contract.

### **SELECTION OF OTHER ADVISERS**

WQL will be compensated via a fee share from the advisers to which it directs certain clients. The fees shared will not exceed any limit imposed by any regulatory agency. Any fee and the percentage that WQL will receive will be set forth in a separate agreement between the Client and WQL or the Client and the other Adviser.

Prior to introducing Pennsylvania clients to another investment advisor WQL will be responsible for determining the following

- whether the investment advisor is registered with the Pennsylvania Department of Banking and Securities under Section 301 of the Pennsylvania Securities Act



- of 1972 ("1972 Act") whether the investment advisor is relying on an exclusion from the definition of investment advisor under Section 102(j) of the 1972 Act;
- whether the investment advisor is relying on an exemption from registration under Section 302(d) of the 1972 Act; or
- if the investment advisor is registered with the Securities and Exchange Commission, and whether it has filed a Notification Filing with the Pennsylvania Department of Banking and Securities under Commission Regulation 303.015(a).

## **FINANCIAL PLANNING**

### *Fixed Fees*

The negotiated fixed rate for creating stand-alone client financial plans is between \$200 and \$10,000. For clients requesting basic financial planning services, and who are also engaged under an Investment Advisory Agreement, WQL may, at its discretion, waive the fee related to financial planning services. The decision by WQL to waive a financial planning fee is based on several subjective and objective factors, including the complexity of the plan and the amount of assets placed under WQL's management.

### *Hourly Fees*

The negotiated hourly fee for these services is between \$200 and \$1,000.

- B. Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a daily, monthly, or quarterly basis, in advance or in arrears, as detailed below.

Fees for selection of other advisers are paid according to the terms and conditions of the agreement between the Client and the other adviser. In the event there is no agreement between the Client and the third party adviser, the fees will be paid pursuant to the WQL Investment Advisory Contract and the terms and conditions discussed above regarding the fees related to Investment Advisory Services.

Financial planning fees are paid via check, cash and wire. Financial planning fees are paid 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, WQL shall generally recommend that Interactive Brokers, Fidelity, T.D. Ameritrade, AssetMark, Nationwide, or E Trade Advisor Services serve as the custodian for client assets. Broker-dealers such as these charge brokerage commissions and transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to WQL's fee, and the brokerage commissions and transaction fees charged by the custodians, clients will also incur, charges imposed at the fund level for all mutual fund and exchange traded fund purchases, (e.g. management fees and other fund expenses). Clients who elect to receive services from Black Diamond will be subject to additional fees for the use of such services, as described in Item 4 above.

- D. For client accounts maintained with Interactive Brokers LLC, WQL uses an Annualized Percentage of Net Liquidation Value applied on a Daily basis for purposes of determining the client's advisory fee. This means that client fees are determined using an annualized percentage fee based on the net liquidation value of the account, applied on a daily, monthly, or quarterly basis. Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization.

For client accounts maintained with AssetMark, T.D. Ameritrade, and E Trade Advisor Services, WQL's annual investment advisory fee is prorated and paid quarterly, in arrears, based upon the market value of the assets on the last business day of the previous quarter.

For client accounts maintained with Nationwide, WQL's annual investment advisory fee is prorated and paid quarterly, in arrears, based upon the average daily account value of the assets over the course of the fee period.

For client accounts maintained with Fidelity, WQL's annual investment advisory fee is prorated and paid quarterly in advance.

Either party may terminate the Investment Advisory Contract upon written notice.

**Please Note:** Termination may result in termination fees to be charged by the client's custodian, separate and apart from any fees that may be owed to WQL. Clients are advised to read their custodial agreements carefully for more details.

In the event that WQL collects fees in advance, refunds for fees paid in advance will be returned to the client via check, or return deposit back into the client's account.

For clients with assets held at Interactive Brokers, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination (\*The daily rate is calculated by dividing the annual asset-based fee rate by 252.).

For clients with assets held at Fidelity, clients who terminate in the middle of a billing month will be refunded a portion of their prepaid advisory fee, prorated for the number of days remaining in the billing month from the date of termination.

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

For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

- E. In the event that the client desires, the client can engage WQL's representatives, in their individual capacities, as registered representatives of American Portfolios Financial Services, Inc. ("American Portfolios"), a FINRA member broker-dealer, to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through American Portfolios, American Portfolios will charge brokerage commissions to effect securities transactions, a portion of which commissions American Portfolios shall pay to WQL's representatives, as applicable. The

brokerage commissions charged by American Portfolios may be higher or lower than those charged by other broker-dealers. In addition, American Portfolios, as well as WQL's Representatives, relative to commission mutual fund purchases, will also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.

1. Conflict of Interest: The recommendation that a client purchase a commission product from American Portfolios presents a conflict of interest, as the receipt of commissions provides 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 commission products from WQL's representatives. WQL's Chief Compliance Officer, Josh A. Jalinski, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.
2. **Please Note**: Clients may purchase investment products recommended by WQL through other, non-affiliated broker dealers or agents.
3. WQL does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products WQL recommends to its clients.
4. When WQL's representatives sell an investment product on a commission basis, WQL does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, WQL's representatives do not also receive commission compensation for such advisory services.

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

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

## **Item 7            Types of Clients**

WQL generally provides advisory services to the following types of clients:

Individuals  
High-Net-Worth Individuals  
Charitable Organizations  
Pension and Profit Sharing Plans

WQL, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its aggregate portfolio minimum 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.). **Please Note**: As result of the above, similarly situated clients could pay different fees. Similar advisory services may be available from other investment advisers for similar or lower fees.

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

### **A. Methods of Analysis and Investment Strategies**

#### *Methods of Analysis*

WQL's methods of analysis include Charting analysis, Cyclical analysis, Fundamental analysis, Modern portfolio theory, Quantitative analysis and Technical analysis.

**Charting analysis** involves the use of patterns in performance charts. WQL uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

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

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

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

**Technical analysis** involves the analysis of past market data; primarily price and volume.

#### *Investment Strategies*

WQL uses long term trading and short term trading as its general investment strategies and to a much more limited extent may engage in short sales and options trading (including covered options, uncovered options, or spreading strategies).

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

- B. WQL'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 WQL must have access to current/new market information. WQL has no control over the dissemination rate of market information; therefore, unbeknownst to WQL, certain analyses may be compiled with outdated market information, severely limiting the value of WQL'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.

WQL's primary investment strategies detailed above 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, WQL, on a limited basis, may also implement and/or recommend – short selling, use of margin, and/or options transactions. Each of these strategies has a high level of inherent risk.

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

**Margin transactions** allows the borrowing of funds from the Custodian for the purpose of purchasing securities. The loan is collateralized by the securities and cash in your account. A margin interest rate is charged by the Custodian on the funds borrowed. If the value of the securities held in your margin account drops sufficiently, you will be required to deposit more cash or sell a portion of the stock to meet margin requirements. Because of this, there is risk that the losses from a margin transaction may exceed the original amount invested or exceed the funds deposited in the account. WQL strategies generally do not involve trading an account into margin. However, a significant advantage of establishing a margin account is the accelerated availability of funds from the sale of a security. Generally, an executed stock trade has a “settlement” date of T+3 (trade date plus three days). This means that the proceeds from the sale of a stock would not usually be available to fund the purchase of another transaction until settlement. With a margin account, funds awaiting settlement are generally credited to the account immediately after the transaction is executed. Because of this, we may recommend clients establish margin accounts where available.

**Short sales** entail the possibility of infinite loss. An increase in the applicable securities’ prices will result in a loss and, over time, the market has historically trended upward.

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

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

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The

value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

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

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

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate

risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Non-U.S. securities-** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

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

## **Item 9            Disciplinary Information**

WQL has not been the subject of any disciplinary actions.

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

- A. As disclosed above, certain of WQL’s representatives are also registered representatives of American Portfolios Financial Services, Inc., a FINRA member broker-dealer.
- B. Neither WQL nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.
- C. **Broker-Dealer.** As disclosed above, certain of WQL’s representatives are registered representatives of American Portfolio Financial Services, Inc., an SEC-registered and FINRA member broker-dealer. Clients can choose to engage WQL’s representatives, in their individual capacities, to effect securities brokerage transactions on a commission basis.

**Licensed Insurance Agents.** Certain of WQL’s representatives are licensed insurance agents with Jalinski Advisory Group, Inc., and from time to time, will offer clients advice or products from those activities on a commission basis.

**Please Note-Conflict of Interest:** As indicated above in Item 4, WQL representatives, in their individual capacities, serve as representatives of American Portfolios Financial Services, Inc. (“APFS”), an SEC registered and FINRA member broker-dealer, and as a licensed insurance agents of Jalinski Advisory Group, Inc. (“Group”), WQL’s affiliated insurance agency. The recommendation by WQL that a client purchase a securities or insurance commission product from WQL’s representatives in their separate individual capacities as representatives of APFS or as an insurance agent of Group, presents a conflict of interest, as the receipt of commissions or other compensation provides an incentive to recommend investment and/or 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 securities or insurance commission products from WQL representatives.

Clients are reminded that they may purchase securities and insurance products recommended by WQL through other, non-affiliated broker-dealers and/or insurance agencies. **WQL's Chief Compliance Officer, Josh A. Jalinski, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Introductions to Other Professionals.** In the event that a client advises WQL that it requires the services of an unaffiliated professional (i.e. attorney, CPA, etc.), and the client correspondingly requests an introduction from WQL, WQL may make an introduction to a professional who is also a WQL client. Unless otherwise expressly indicated, in writing, neither WQL, nor any WQL employee, shall receive any compensation from the professional for the introduction. Nevertheless, because the recommended professional is also a WQL client, a conflict of interest arises because by making the introduction, WQL is assisting an individual or entity from whom it derives (and anticipates in the future will derive) compensation as a WQL client. In the event that WQL introduces a client to an unaffiliated professional who is also a WQL client, WQL will disclose the conflict, in writing, to the client. No client is under any obligation to utilize the services of any such recommend professional.

Josh Adam Jalinski is the owner of the Jalinski Tax Group. From time to time, he will offer clients advice or products from this activity. WQL always acts in the best interest of the client. Clients are in no way required to utilize the services of any representative of WQL in their capacity as an accountant.

**Jalinski Tax Group-Conflict of Interest.** Jalinski Tax Group ("Tax") engages the services of one or more independent CPAs to offer tax preparation services to WQL's clients. These CPAs have, in the past, and may in the future, refer clients to WQL. WQL believes that Tax and the selected CPAs provide excellent service at a very reasonable fee. There is no fee sharing arrangement between WQL and the engaged CPAs. Regardless, the relationship between WQL and the engaged CPAs presents a conflict of interest for WQL when recommending Tax and/ or the independent CPAs to WQL's clients. No client is under any obligation to engage Tax or any of the independent CPAs working in conjunction with Tax. **ANY QUESTIONS: WQL's Chief Compliance Officer, Josh Jalinski, remains available to address any questions regarding this conflict of interest.**

Josh Adam Jalinski is Radio Host of the Financial Quarterback, a weekly information radio show.

Josh Adam Jalinski is Member of the Give Alliance, a charity. The charity is made up of financial professionals who use strategies for charitable giving.

Josh Adam Jalinski is Member of the Million Dollar Round Table.

- D. WQL may direct clients to third-party investment advisers to manage all or a portion of the client's assets. WQL will be compensated via a fee share from the advisers to which it directs those clients. This relationship will be memorialized in each contract between WQL and each third-party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that WQL has an incentive to direct clients to the third-party investment advisers that provide WQL with a larger fee split. WQL will always act in the best interests of the client, including when determining



which third-party investment adviser to recommend to clients. WQL will ensure that all recommended advisers are licensed or notice filed in the states in which WQL is recommending them to clients.

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

- A. WQL has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. WQL's Code of Ethics is available free upon request to any client or prospective client.
- B. If an agency cross transaction arises, WQL will only execute such transaction with the consent of the applicable client. An agency cross transaction is generally defined as a transaction where a person acts as investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.
- C. From time to time, representatives of WQL may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of WQL to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions create a conflict of interest. WQL will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.
- D. From time to time, representatives of WQL may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of WQL to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions create a conflict of interest; however, WQL will never engage in trading that operates to the client's disadvantage if representatives of WQL buy or sell securities at or around the same time as clients.

#### **Item 12            Brokerage Practices**

- A. In the event that the client requests that WQL recommend a broker-dealer/custodian for execution and/or custodial services, WQL generally recommends that investment advisory accounts be maintained at Interactive Brokers, Fidelity, T.D. Ameritrade, AssetMark, Nationwide, or E Trade Advisor Services. Prior to engaging WQL to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with WQL setting forth the terms and conditions under which WQL shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that WQL considers in recommending Interactive Brokers, Fidelity, T.D. Ameritrade, AssetMark, Nationwide, or E Trade Advisor Services (or any other broker-dealer/custodian to clients) include historical relationship with WQL, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by WQL's clients shall comply with WQL'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 WQL 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 WQL 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, WQL's investment advisory fee.

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, WQL receives from certain broker-dealers/custodians without cost (and/or at a discount) support services and/or products, certain of which assist WQL to better monitor and service client accounts maintained at such institutions. Included within the support services that are obtained by WQL are 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 client events, computer hardware and/or software and/or other products used by WQL in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that are received assist WQL in managing and administering client accounts. Others do not directly provide such assistance, but rather assist WQL to manage and further develop its business enterprise.

WQL's clients do not pay more for investment transactions effected and/or assets maintained at Interactive Brokers, Fidelity, T.D. Ameritrade, AssetMark, Nationwide, or E Trade Advisor Services as a result of this arrangement. There is no corresponding commitment made by WQL to Interactive Brokers, Fidelity, T.D. Ameritrade, AssetMark, Nationwide, or E Trade Advisor Services, 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.

**Please Note:** In 2018, WQL began recommending Fidelity serve as a qualified custodian for client accounts. As a result of this new relationship, new clients may elect to engage Fidelity to serve as their qualified custodian and, similarly, existing clients may elect to transition their assets from their current custodian to Fidelity. As part of this process, Fidelity provided a total of \$8,000 in transition assistance

funding in order to defray costs associated with existing clients changing custodians. Since the costs of changing custodians amounted to less than \$8,000, the remaining balance was applied pro rata to defray future costs for WQL clients who transition to Fidelity as part of this process. In addition, in 2019, Fidelity provided \$6,500 in transition assistance funding.

WQL receives a discount for the financial planning technology, eMoney, from Fidelity and for the customer relationship management software, Redtail.

**WQL's Chief Compliance Officer, Josh A. Jalinski, remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding perceived conflict of interest such arrangements create.**

2. WQL receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.
3. WQL recommends that its clients utilize the brokerage and custodial services provided by Interactive Brokers, Fidelity, T.D. Ameritrade, AssetMark, Nationwide, or E Trade Advisor Services. WQL generally does not 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 WQL 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 WQL. 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.

**Please Note:** In the event that the client directs WQL 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 WQL. 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.

- B. Transactions for each client account generally will be effected independently, unless WQL decides to purchase or sell the same securities for several clients at approximately the same time. WQL 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 WQL'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. WQL 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 WQL provides investment supervisory services, account reviews are conducted on an ongoing basis by a WQL investment professional. All investment supervisory clients are advised that it remains their responsibility to advise WQL 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 WQL on an annual basis.
- B. WQL 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. WQL 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 above, WQL receives from Interactive Brokers, Fidelity, T.D. Ameritrade, AssetMark, Nationwide, or E Trade Advisor Services, without cost (and/or at a discount), support services and/or products. WQL's clients do not pay more for investment transactions effected and/or assets maintained at Interactive Brokers, Fidelity, T.D. Ameritrade, AssetMark, Nationwide, or E Trade Advisor Services as result of this arrangement. There is no corresponding commitment made by WQL to Interactive Brokers, Fidelity, T.D. Ameritrade, AssetMark, Nationwide, or E Trade Advisor Services, 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 arrangements. WQL's Chief Compliance Officer, Josh A. Jalinski, remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding conflict of interest such arrangements create.

As referenced in Item 4 above, WQL's representatives serve as representatives of American Portfolios Financial Services, Inc. and as licensed insurance agents of Jalinski Advisory Group, Inc., WQL's affiliated insurance agency. When acting in this capacity, WQL's representatives are eligible to receive health insurance, a deferred compensation plan, sales incentives and award trips if certain sales thresholds are met. To mitigate this conflict of interest, this disclosure is provided. Clients are under no obligation to engage the services of any such recommended professional. Clients are free to accept or reject any recommendation from WQL and/or its representatives.

WQL may receive compensation from the selected third party advisers via a fee split, but otherwise does not receive any economic benefit from any other third party for advice rendered to WQL's clients.

- B. WQL does not compensate unaffiliated individuals or entities for prospective client introductions

## **Item 15 Custody**

WQL shall have the ability to deduct its advisory fee from the client's account(s) maintained at the account custodian. At least quarterly, clients are provided with regular written summary account statements directly from the broker-dealer/custodian for the client's accounts. WQL may also provide a written periodic report summarizing account activity and performance.

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

## **Item 16 Investment Discretion**

The client can determine to engage WQL to provide investment advisory services on a discretionary basis. Prior to WQL assuming discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, naming WQL as the client's attorney and agent in fact, granting WQL 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 WQL on a discretionary basis may, at any time, impose restrictions, in writing, on WQL'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 WQL's use of margin, etc.).

## **Item 17 Voting Client Securities**

WQL does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients will receive their proxies or other solicitations directly from their custodian.

## **Item 18 Financial Information**

- A. WQL does not solicit fees of more than \$1,200 per client, six (6) months or more in advance.
- B. WQL 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. WQL has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: WQL's Chief Compliance Officer, Josh A. Jalinski, remains available to address any questions regarding this Part 2A.**