

Item 1- Cover Page



Form ADV Part 2A

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135 S Worthen St, Suite 300 Wenatchee, WA 98801

Mailing Address:
PO Box 3281 Wenatchee, WA 98807

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This brochure provides information about the qualifications and business practices of Cascade Wealth Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (509) 886-8866 or by email at scott@cascade-wealth.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.

Cascade Wealth Advisors, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training. Additional information about Cascade Wealth Advisors, Inc. also is available on the SEC's website at: www.adviserinfo.sec.gov.

Item 2 - Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually or when material changes occur from the previous release of the Firm Brochure.

Material Changes since the Last Update

There were no material changes for this update. Generally, Cascade Wealth Advisors, Inc. will notify clients of material changes on an annual basis; however, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly.

Full Brochure Availability

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at (509) 886-8866 or by email at scott@cascade-wealth.com.

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Item 4 - Advisory Business

Description of Services

Cascade Wealth Advisors, Inc. ("CWA"), is a registered investment adviser located in Wenatchee, Washington. CWA has been providing investment advisory services since 2012. Scott T. Blaesing, CPA, CFP is the sole owner and President and has been in the financial services industry since 1999.

Advisory Services

The following describes our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs.

Financial Planning and Consulting Services

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

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

Portfolio Management Services

We offer discretionary and non-discretionary portfolio management services, in which our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment goals, risk tolerance, investment time horizon, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. If you engage us to provide portfolio management services, we will invest your assets according to one or more model portfolios developed by our firm. Each client's portfolio generally follows one of our model strategies but may be tailored to meet the client's specific circumstances. Once we construct an investment portfolio for you, we will monitor the portfolio's performance on an ongoing basis and will rebalance the portfolio as required by changes in market conditions and your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the number of securities, to be purchased or sold for your account without your approval

prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. For non-discretionary arrangements, we will obtain your approval prior to executing any transactions.

Employee Benefits Retirement Plan Services

We also provide advisory services to retirement plans using the third-party administration services of certain retirement plan service providers. For such clients, we will analyze the plan's current investment platform, and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. We will recommend investment options to achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles.

We will periodically review the plan's investment vehicles and investment policy statements and will recommend changes in the plan's investment vehicles, as may be appropriate, from time to time.

CWA offers the Charles Schwab Trust Bank 401(k) platform ("CSTB") to employee benefit retirement plans. CWA provides those services as described above with the direct support of Charles Schwab. Clients will engage both CWA and Charles Schwab through a tri-party agreement, which will provide to the client additional discretionary investment management services.

We will exercise discretionary authority to select the plan investments made available to the plans' participants. We will exercise discretionary authority to select and maintain the plans' investments according to the goals and investments objectives of the plan.

We will continue to work with plans to monitor plan investments, provide fiduciary plan advice including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

IRA Rollover Recommendations

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations;
- Never put our financial interests ahead of yours when making recommendations;
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Assets Under Management

As of December 31, 2021, CWA has \$120,834,205 total assets under management. Of that total \$118,485,067 is

on a discretionary basis and \$2,349,138 on a non-discretionary basis.

Wrap Fee Program

CWA does not sponsor a wrap fee program.

Item 5 - Fees and Compensation

Portfolio Management Services

Our fee for portfolio management services ranges up to 1% per annum of the value of your assets we manage. The fee will be payable quarterly in arrears. The first payment is due at the end of the current quarter and will be assessed pro-rata in the event the Agreement is executed other than the first day of the new calendar quarter. Subsequent payments are due and will be assessed on the first day of each calendar quarter based on the value of the portfolio as of the last day of the previous calendar quarter. Payment of fees may result in the liquidation of client securities if there is insufficient cash in the account.

| <u>Assets Under Management</u> | <u>Annual Fee</u> |
|---------------------------------------|--------------------------|
| \$0 to \$500,000 | 1.00% |
| \$500,001 to \$1,000,000 | 0.80% |
| \$1,000,001 to \$2,000,000 | 0.65% |
| \$2,000,001 and above | 0.50% |

The above fees may be negotiable in special circumstances. Circumstances that may warrant negotiation are family aggregation and intent to increase assets under management within 12 months.

The client may authorize investment advisory fees to be paid directly to CWA from the account by the custodian upon submission of a report to the custodian showing the amount of fees, the value of the client's assets on which the fees are based, and the specific manner in which fees are calculated. Thereport will be given to the client at the same time. The custodian will provide periodic account statements to the client. Such statements will reflect all fee withdrawals by CWA. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

Method of fee payment may be made in one of two ways:

1. **Fee Payment Authorization:** The client authorizes the custodian holding client funds and securities to deduct CWA fees directly from the client account per statements prepared and submitted to the custodian by CWA. The custodian will provide periodic account statements to the client. Statements will reflect all fee withdrawals by CWA in accordance with this Fee Payment Authorization. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.
2. **Pay by Check:** We will issue you an invoice for our services, and then you send us a check for payment. We request payment within 30 days of the date of the invoice.

In all instances, CWA will send the client a written invoice, including the fee, the formula used to calculate the fee, the fee calculation itself, the time period covered by the fee, and, if applicable, the amount of assets under management on which the fee was based. Also, CWA will include the name of the custodian(s) on your fee invoice. CWA will send these to the client concurrent with the request for payment or payment of the CWA's advisory fees. We urge the client to compare this information with the fees listed in the account statement. The reports are generated from Morningstar software and we encourage you to review the calculations.

In addition to fees paid for advisory services with respect to clients' investments in mutual funds, clients pay additional fees on the mutual fund investment because the mutual funds also pay advisory and/or management fees to an investment advisor. Fees quoted do not include brokerage commissions or transaction fees.

An additional fee of .2% or 20 basis points will be charged on an annual basis for non-discretionary accounts.

For Asset Management, services will continue until either party terminates the Agreement on thirty (30) days' written notice. If termination occurs before the end of a calendar quarter, the client will be invoiced for fees due on a pro-rata basis.

Fixed Fees

You may enter into a service agreement where the fee for services is determined through negotiations and agreements between you and CWA. Fixed fees can be based upon the value of assets managed or time expended providing services at our hourly rate of \$280. We provide a scope of work describing the services to be rendered and the annual flat fee calculation based on the value of assets or time. Fixed fees are agreed to for one year, then negotiated and agreed to for future periods. If you are paying a fixed fee you may pay a fee higher or lower than the one based upon the value of the assets managed. Fixed fees are paid for the quarter in advance. If the agreement is terminated, unearned fees will be returned to you on a pro-rata basis.

Financial Planning and Consulting

Clients who do not wish to receive continual asset management services can pay a fee to CWA for financial planning and consultation services at \$280 per hour. Fees and expenses will be itemized and billed monthly and are due and payable within fifteen days of the invoice date. Any invoice not paid within fifteen days will be assessed interest at the rate of 18% per year (1.5% per month).

Fees are not collected for services to be performed more than six months in advance.

For financial planning and consultation services, the client may terminate the Agreement at any time and a refund will be made based on time and effort expended before termination. The Agreement for financial planning terminates upon delivery of the plan or services. At this time no refunds will be made.

Employee Benefits/Retirement Plan Services

The annual fee for plan services will be charged as a percentage of assets within the plan. The annual fee will be based upon factors including the size of the plan, the number of participants, the number of locations as well as the method of employee education. Generally, the annual fee for plan services will not be higher than CWA's standard fee for accounts set up through the Retirement Plan Service Providers.

Our tiered platform standard fee schedule is as follows:

| <u>Assets Under Management</u> | <u>Annual Fee</u> |
|---------------------------------------|--------------------------|
| On the first \$1,000,000 | 0.70% |
| \$1,000,001 to \$3,000,000 | 0.35% |
| \$3,000,001 to \$5,000,000 | 0.20% |
| \$5,000,001 and above | 0.10% |

Fees shall be paid quarterly in advance based on the aggregate fair market value of the assets under management as of the close of business on the last business day of the preceding quarter according to the chart above.

Employee Benefits Retirement Plan Services will continue until either party terminates the Agreement on thirty

(30) days' written notice. If termination occurs prior to the end of a calendar quarter, the client will be invoiced or refunded for fees on a pro-rata basis.

Item 6 - Performance-Based Fees and Side-By-Side Management

CWA does not charge performance-based fees, which are based on capital appreciation in the client account.

Item 7 - Types of Clients and Account Minimums

CWA provides asset management, financial planning, and consultation to individuals, pension and profit-sharing plans, and other ERISA accounts, trusts, estates, and business entities.

There is an aggregate account minimum of \$500,000 or a flat fee minimum of \$5,000 annually. However, in special circumstances, CWA may accept clients with smaller portfolios. Circumstances that may allow for smaller accounts are family aggregation, intent to increase assets under management within 12 months of the initial agreement, or a minimum annual flat fee.

Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss

Methods of Analysis

The recommendations proposed by CWA to our clients are founded in two main areas. First, CWA leverages the work of academia. Modern Portfolio Theory, Mean-Variance Optimization, and Risk Budgeting within the Asset Allocation Process are just a few of the portfolio construction methodologies based on academics that CWA employs. Second, we use data and research provided by some of the top providers in the investment industry. These providers include Morningstar, Ibbotson Associates, Standards & Poor's, Bloomberg, various mutual fund and brokerage economists and chief investment officers, and investment blogs.

Investment Strategies

CWA utilizes multiple investment strategies to meet our clients' investment objectives. These methodologies are formulated based on a comprehensive review and assessment of the client's expectations, investment time horizon, risk tolerance level, present investment allocation, and current and projected financial requirements.

Ultimately, each strategy must maximize return within reasonable and prudent levels of risk. Also, the approach taken must provide exposure to a wide range of investment opportunities in various markets while limiting risk exposure through prudent diversification. Finally, the costs of administering and managing the investments related to the strategy cannot be excessive. The majority of clients will participate in one of our three core portfolio allocations that encourage a buy-and-hold approach.

Our Core Portfolio Allocations are;

Conservative - Core or Tax-Advantaged: Our Conservative portfolio is for retirees, those nearing retirement, or those generally conservative about their finances. Conservative uses the classic 40/60 weighting (growth assets vs. capital preservation). It is designed for those with a 5-10 year investment timeline.

Moderate - Core or Tax-Advantaged: Our Moderate portfolio is for those seeking a diversified approach focusing on growth and income while managing volatility. It is designed for those with a 10-15 year investment timeline. Our Moderate portfolio uses the classic 60/40 weighting (growth assets vs. capital preservation).

Aggressive - Core or Tax-Advantaged: Our Aggressive portfolio is for those seeking higher expected returns, they have more risk tolerance and flexibility in cash flow needs. It is for those seeking long-term capital appreciation with less regard for short-term market fluctuations, the classic 80/20 weighting (growth assets vs. capital preservation), designed for those with the expectation of a 15 year or longer investment timeline.

We offer a total of eight core or taxable account allocations and seven tax-advantaged allocations based on our client's risk assessment, financial goals, and investment timeline.

Buy & Hold Portfolio Strategy:

Just as it sounds, we buy and hold the appropriate mix of investments for you. The key to the long-term success of the buy-and-hold approach is to maintain your chosen allocation over time, combined with regular rebalancing. Buy & Hold is an approach we can implement on any of the portfolio allocations we offer, creating an effective, transparent low-cost approach to investing.

How it Works:

1. Together we select your preferred portfolio allocation.
2. We maintain the appropriate mix for the portfolio by rebalancing it quarterly.
3. We provide ongoing reports for you to monitor your portfolio.
4. We also perform tax-harvesting rebalancing at year-end, which is known for its benefits to your after-tax return.

Investor Benefits:

Potential benefits include providing investors with a transparent, low-cost, and systematic approach to portfolio management using Nobel Prize-winning theory, which supports asset allocation as the primary driver of long-term portfolio returns.

As part of our asset management service described above, we generally create a portfolio, consisting of exchange-traded funds ("ETFs") and mutual funds, although for some clients we may also include individual stocks or bonds, options, and other public and private securities or investments. The client's investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals, and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

Risk of Loss

General Risks to Investing

Investing is not without risk, and involves the risk of loss of principal which you should be prepared to bear. We try to reduce risk by diversifying a portfolio across multiple asset classes. Historical evidence clearly shows that every asset class has experienced declines in value, sometimes sustained over many years. Our strategies to minimize risk may not achieve that goal as the benefits of diversification decline if asset classes become more correlated. As with any investment, you could lose part of your investments managed by Cascade Wealth Advisors, Inc., and your account's performance could trail that of other investments.

Asset Class Risk

Securities in your portfolio(s) or underlying investments such as mutual funds may underperform in comparison to the general securities markets or other asset classes.

Concentration Risk

To the extent that Cascade Wealth Advisors, Inc. recommends portfolio allocations that are concentrated in a particular market, industry, or asset class, your portfolio may be susceptible to loss due to adverse occurrences affecting that market, industry, or asset class.

Equity Securities Risk

Equity Securities are subject to changes in value that may be attributable to market perception of a particular issuer or general stock market fluctuations that affect all issuers. Investments in equity securities may be more volatile than other types of investments.

Growth Securities Risk

Growth companies are companies whose earnings growth potential appears to be greater than the market, in general, and whose revenue growth is expected to continue over an extended period. Stocks of growth companies or “growth securities” have market values that may be more volatile than those of other types of investments. Growth securities typically do not pay a dividend.

Issuer Risk

Your account’s performance depends on the performance of individual securities in which your account invests. Any issuer may perform poorly, causing the value of its securities to decline. Poor performance may be caused by poor management decisions, competitive pressures, changes in technology, disruptions in supply, labor problems or shortages, corporate restructurings, fraudulent disclosures, or other factors. Changes to the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline.

Management Risk

The performance of your account is subject to the risk that our investment management strategy may not produce the intended results.

Market Risk

Your account could lose money over short periods due to short-term market movements and over longer periods during market downturns. The value of a security may decline due to general market conditions, economic trends, or events that are not specifically related to the issuer of the security or to factors that affect a particular industry or industries. During a general downturn in the securities markets, multiple asset classes may be negatively affected.

Passive Investment Risk

We may use a passive investment strategy that is not actively managed where we do not attempt to take defensive positions in declining markets.

Larger Company Securities Risk

Securities of companies with larger market capitalizations may underperform securities of companies with smaller and mid-size market capitalizations in certain economic environments. Larger, more established companies might be unable to react as quickly to new competitive challenges, such as changes in technology and consumer tastes. Some larger companies may be unable to grow at rates higher than the fastest growing smaller companies, especially during extended periods of economic expansion.

Regulatory Risk

Changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

Smaller Company Securities Risk

Securities of companies with smaller market capitalizations, historically, tend to be more volatile and less liquid than larger company stocks. Smaller companies may have no or relatively short operating histories or be newly public companies. Some of these companies have aggressive capital structures, including high debt levels, or are involved in rapidly growing or changing industries, or new technologies, which pose additional risks.

Value Style Investment Risk

Value stocks can perform differently from the market as a whole and from other types of stocks. Value stocks may be purchased based upon the belief that a given security may be out of favor. Value investing seeks to identify stocks that have depressed valuations, based upon a number of factors which are thought to be temporary in nature and to sell them at superior profits when their prices rise when the issues which caused the valuation of the stock to be depressed are resolved. While certain value stocks may increase in value more quickly during periods of anticipated economic upturn, they may also lose value more quickly in periods of anticipated economic downturn. Furthermore, there is a risk that the factors which caused the depressed valuations are longer-term or even permanent in nature, and that there will not be any rise in value. Finally, there is the increased risk that such companies may not have sufficient resources to continue as ongoing businesses, which may result in the stock of such companies becoming worthless.

Small Firm Risk

We rely on research from Wall Street to help us in our investment decisions. We do not have the resources that larger firms have to invest in market data systems or industry consultants to provide insight on specific companies or industries in which we may invest.

Item 9 - Disciplinary Information

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of its management personnel. Neither our firm nor any of our Associated Persons have had any reportable disciplinary information.

Item 10 - Other Financial Industry Activities and Affiliations

CWA is affiliated with a public accounting firm; Cascade Tax & Accounting Services (CTAS). CWA and CTAS are wholly owned by Scott T. Blaesing. There is no direct compensation agreement between the companies. Potentially a conflict of interest could occur if a client purchases a security and sells, the client would then need to complete Form 1040, Schedule D for tax purposes. Mr. Blaesing (CWA) would receive compensation for advising the client to buy and sell the security and if the client retained Mr. Blaesing (CTAS) as their accountant, he would also be compensated for filing Schedule D with the IRS. Clients are under no obligation to use the tax preparation services of Mr. Blaesing (CTAS).

CWA is not registered as a broker-dealer and our employees are not registered representatives of a broker-dealer.

CWA does not have compensation agreements with other Registered Investment Advisors and we do not recommend other Advisors to clients.

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

Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics

includes guidelines for professional standards of conduct for our advisory personnel. The Code of Ethics sets forth standards of conduct expected of advisory personnel; requires compliance with federal securities laws; and, addresses conflicts that arise from personal trading by advisory personnel. Our firm's Code of Ethics is provided to clients upon request.

An additional benefit of our Code of Ethics is to detect and prevent violations of securities laws, including the obligations we owe to you. Our Code of Ethics is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code of Ethics with annual training and ongoing monitoring of employee activity.

Participation or Interest in Client Transactions

Neither our firm nor our advisory personnel has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

Personal Trading Transactions

Our firm or advisory personnel firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). To mitigate conflict of interest, it is firm policy advisory personnel shall not have priority over your account in the purchase or sale of securities. Should a conflict occur because of materiality (i.e., a thinly traded stock), the disclosure will be made to the client(s) at the time of trading.

Item 12 - Brokerage Practices

Selection or Recommendation of Broker/Dealers

We participate in the Charles Schwab Institutional program and Charles Schwab Advisor Services. Charles Schwab Institutional is a division of Charles Schwab, Inc. ("Charles Schwab") member of FINRA/SIPC/NFA. Charles Schwab is an independent and unaffiliated broker-dealer. Charles Schwab offers independent investment Advisors services which include custody of securities, trade execution, clearance, and settlement of transactions. Advisor receives some benefits from Charles Schwab through its participation in the program. (Please see the disclosure under Item 14 below.)

To the extent that the client directs otherwise, we will recommend Charles Schwab as the broker-dealer. The client is not obligated to effect transactions through any broker-dealer recommended by us. In recommending broker-dealers, we will generally seek "best execution." In recommending a broker-dealer we will comply with our fiduciary duty to obtain best execution by taking into account such relevant factors as (a) price, (b) the broker-dealer's facilities, reliability, and financial responsibility, (c) the ability of the broker-dealer to effect transactions, particularly concerning such aspects as timing, order size and execution of an order, (d) the research and related brokerage services provided by such broker or dealer to us, notwithstanding that the account may not be the direct or exclusive beneficiary of such services and (e) any other factors we consider to be relevant.

CWA is not affiliated with any broker-dealer. Advisory personnel of our firm are not registered representatives of any broker-dealer and do not receive any commissions or fees from recommending these services. We may execute transactions with broker-dealers that provide research, seminars, and execution services.

Soft Dollar Practices

We may receive compensation from a brokerage firm in the form of research, products, or services ("soft dollars"). When a firm uses client brokerage commissions to obtain soft dollars, the firm receives a benefit by not having to produce or pay for such items. The client does not receive any direct benefit from these soft

dollars. The arrangement can add conflicts of interest inherent with such benefits.

CWA understands its duty for best execution and considers all factors in making recommendations to clients. These research services may be useful in servicing all of our clients, and may not be used in connection with any particular account that may have paid compensation to the firm providing such services. While we may not always obtain the lowest commission rate, we believe the rate is reasonable in relation to the value of the brokerage and research services provided.

Client Referrals from Brokers

CWA does not receive client referrals from broker-dealers.

Directed Brokerage

A client may direct brokerage to a specified broker/dealer other than the firm recommended by CWA. It is up to the client to negotiate the commission rate, as CWA will not. The client may not be able to negotiate the most competitive rate. As a result, the client may pay more than the rate available through the broker/dealer used by CWA. In client-directed brokerage arrangements, the client may not be able to participate in aggregated (“blocked”) trades, which may help reduce the cost of execution. Where the client does not otherwise designate a broker/dealer, CWA recommends a broker/dealer with competitive commission rates.

Trade Aggregation

While individual client advice is provided for each account, client trades may be executed as a block trade. The Advisor encourages its existing and new clients to use the Advisor's lead custodian, which is Charles Schwab. Only accounts in the custody of Charles Schwab would have the opportunity to participate in aggregated securities transactions. All trades using the lead custodian will be aggregated and done in the name of the Advisor. The executing broker will be informed that the trades are for the account of the Advisor's clients and not for the Advisor itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution, and the Advisor will not aggregate a client's order if in a particular instance the Advisor believes that aggregation would cause the client's cost of execution to be increased. The Custodian will be notified of the amount of each trade for each account. The Advisor and/or its Investment Adviser Representative may participate in block trades with clients, and may also participate on a pro-rata basis for partial fills, but only if clients receive fair and equitable treatment.

Item 13 - Review of Accounts and Reports on Accounts

Client Account Review

CWA monitors regularly, the individual investments within the asset management program. Portfolio performance is reviewed quarterly and CWA offers asset management clients an in-person portfolio review meeting annually, some clients may meet more frequently due to complexity and changes in their investment objectives.

Market conditions that might cause a wide variance in the specified asset allocation, or other factors could cause a more frequent review or monitoring process. The client's investment policy statement will have tolerance levels for the asset allocation agreed upon. If these tolerance levels are breached the advisor will review and make appropriate changes.

The financial plan is a snapshot in time and no ongoing reviews are conducted. We recommend clients engage us on an annual basis to update the financial plan.

Reports

All clients receive standard account statements from investment sponsors and brokerage firms. Asset management clients receive written quarterly billing and performance reports from CWA.

Item 14 - Client Referrals & Other Compensation

CWA may refer clients to its affiliated public accounting firm, Cascade Tax and Accounting Services for tax and accounting work. No referral fees are paid and clients are charged a flat fee or hourly rate common in accounting practices.

Referral Fees Paid

CWA does not directly or indirectly compensate any person for client referrals.

Referral Fees Received

As disclosed under Item 12. above, CWA participates in Charles Schwab's institutional customer program and Charles Schwab Advisor Services. CWA may recommend Charles Schwab to clients for custody and brokerage services. There is no direct link between CWA's participation in the program and the investment advice it gives to its clients, although CWA receives economic benefits through its participation in the program that is typically not available to Charles Schwab retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third-party vendors. Charles Schwab may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by Charles Schwab through the program may benefit Advisor but may not benefit its client accounts. These products or services may assist Advisor in managing and administering client accounts, including accounts not maintained at Charles Schwab. Other services made available by Charles Schwab are intended to help Advisor manage and further develop its business enterprise. The benefits received by CWA or its personnel through participation in the program do not depend on the number of brokerage transactions directed to Charles Schwab. As part of its fiduciary duties to clients, CWA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by CWA or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of Charles Schwab for custody and brokerage services.

Item 15 - Custody

As a paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian.

Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. The client is urged to compare custodial account statements against statements prepared by CWA for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other

factors. The custodial statement is the official record of your account for tax purposes.

Item 16 - Investment Discretion and Non-discretionary Services

CWA maintains full discretion under a limited power of attorney as to the securities and number of securities. Non-discretionary services are offered to clients that maintain a minimum balance of \$500,000. An additional fee of .2% or 20 basis points will be charged on an annual basis for non-discretionary accounts.

CWA will not have authority to withdraw funds or to take custody of client funds or securities, other than under the terms of the Fee Payment Authorization clause in the Agreement with the client.

Item 17 - Voting Client Securities

CWA does not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. If proxies are sent to our firm, we will forward them to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

However, independent money managers selected or recommended by our firm may vote proxies for clients. Therefore, except in the event a third party money manager votes proxies, clients maintain exclusive responsibility for (1) directing how 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 about the client's investment assets. Therefore (except for proxies that may be voted by a third party money manager), our firm and/or you shall instruct your qualified custodian to forward to you copies of all proxies and shareholder communications relating to your investment assets.

Item 18 - Financial Information

CWA does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200.00 in fees six or more months in advance nor have we filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.

Item 19 - Requirements for State Registered Advisors

Not applicable

Item 20: Additional Information

Business Continuity Plan

CWA has a Business Continuity Plan ("BCP") in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services, or key people.

Disasters

The BCP covers natural disasters such as snowstorms, hurricanes, tornados, flooding, and pandemics. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear

emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident, and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. We intend to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Summary of Business Continuity Plan

A summary of the BCP is available upon request to CWA's Chief Compliance Officer.

Information Security Program

Information Security

CWA maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Practices

Privacy Policy

Below is a summary of CWA's Privacy Policy regarding client personal information. A complete version of the Privacy Policy is contained in your client advisory agreement and may be obtained by contacting the Compliance Officer of CWA.

CWA:

- Collects non-public personal information about its clients from the following sources:
- Information received from clients on applications or other forms;
- Information about clients' transactions with the Adviser, its affiliates, and others;
- Information received from our correspondent clearing broker with respect to client accounts;
- Medical information submitted as part of an insurance application for a traditional life or variable life policy; and
- Information received from service bureaus or other third parties.

CWA will not share such information with any affiliated or nonaffiliated third party except:

- When necessary to complete a transaction in a customer account, such as with the clearing firm or account custodians;
- When required to maintain or service a customer account;
- To resolve customer disputes or inquiries;
- With persons acting in a fiduciary or representative capacity on behalf of the customer;
- With rating agencies, persons assessing compliance with industry standards, or to the attorneys, accountants, and auditors of the firm;
- In connection with a sale or merger of The Adviser's business;
- To protect against or prevent actual or potential fraud, identity theft, unauthorized transactions, claims, or other liability;
- To comply with federal, state, or local laws, rules, and other applicable legal requirements;

- In connection with a written agreement to provide investment management or advisory services when the information is released for the sole purpose of providing the products or services covered by the agreement;
- In any circumstances with the customer's instruction or consent.
 - a) Restricts access to confidential client information to individuals who are authorized to have access to confidential client information and need to know that information to provide services to clients.
 - b) Maintains physical, electronic, and procedural security measures that comply with applicable state and federal regulations to safeguard confidential client information.