

***CRESTMONT PRIVATE WEALTH LLC***  
***Form ADV Part 2A Brochure***

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***December 2024***

This Disclosure Brochure provides information about the qualifications and business practices of Crestmont Private Wealth LLC (“Crestmont Private Wealth”). If you have any questions about the contents of this Disclosure Brochure, please contact us at 830-468-5379 or by email at [info@crestmontpw.com](mailto:info@crestmontpw.com)

Crestmont Private Wealth is an Investment Advisor registered with the Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about Crestmont Private Wealth to assist you in determining whether to hire or retain Crestmont Private Wealth as your advisor.

Crestmont Private Wealth’s IARD/CRD number is 304170. Additional information about Crestmont Private Wealth and its advisory persons are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2: MATERIAL CHANGES

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Form ADV Part 2A (the “Disclosure Brochure”) provides information about a variety of topics relating to an Advisor’s business practices and conflicts of interest. Crestmont Private Wealth believes that communication and transparency are the foundation of our relationship and continually strives to provide our clients with complete and accurate information at all times. We encourage all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us and of course, we always welcome your feedback.

### Material Changes since our annual amendment in February of 2024

None, however, there are a number of minor editorial changes listed including the explanation of the cash management plus service and additional services and benefits. We urge you to read this in its entirety.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Crestmont Private Wealth, free of charge.

At any time, you may view the current Disclosure Brochure on-line at the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may also request a copy of this Disclosure Brochure at any time free of charge, by contacting us at 830-468-5379 or by email at [info@crestmontpw.com](mailto:info@crestmontpw.com)

*Please retain a copy of this Disclosure Brochure for your records.*

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## ITEM 4: ADVISORY BUSINESS

### ***INTRODUCTION***

**Crestmont Private Wealth, LLC** (hereafter “Crestmont Private Wealth”), is a fee-based investment adviser that offers the following types of advisory services: *Financial Planning and Portfolio Management Services*.

Crestmont Private Wealth was incorporated in 2019. Crestmont was approved as a registered investment adviser in May of 2019. The experience, education, and background of its principals and investment adviser representatives (hereafter “IA Reps”) can be found in the Firms Brochure Supplement document.

Crestmont Private Wealth’s is owned by **Samuel McGee, CEO, CIO and Chairman of the Investment Committee** (hereafter “McGee”).

### ***INITIAL CONSULTATION***

Crestmont Private Wealth will typically begin by providing the Client with a free initial consultation. Crestmont Private Wealth uses the initial consultation to:

- Introduce the Client to Crestmont Private Wealth and its services;
- Gather information about the Client’s investment and financial objectives, financial condition, and risk tolerance, which Crestmont Private Wealth uses in forming its investment advice; and
- Deliver Company Brochure (ADV2), Form CRS and Privacy Policy

The consultation must be completed before Crestmont Private Wealth will make any specific recommendations about the Client’s asset allocation or securities to buy or sell.

Prior to establishing a Client’s account, the Client will sign Crestmont Private Wealth’s *Financial Planning and Portfolio Management Agreement*, which serves as the contract between the Client and Crestmont Private Wealth, specifying the precise nature of services to be rendered by Crestmont Private Wealth and fees to be paid by the Client.

### ***FINANCIAL PLANNING AND PORTFOLIO MANAGEMENT SERVICES***

The core of every client relationship is *Financial Planning*. Crestmont Private Wealth makes available ad hoc *Financial Planning* consultations by phone, video conference, and in person for client households. In addition, Crestmont Private Wealth currently provides access to EMoney, web-based *Financial Planning* software, Orion, client reporting software, Holistiplan, a tax planning software platform and Orion Hidden Levers, a risk alignment platform, for each client household. The *Financial Planning* consultations can include but are not limited to overall asset allocation, securities recommendations, insurance needs, mortgage planning, retirement planning, college planning, trust & estate planning, savings, budgeting, and tax planning. It is recommended that each client consult their CPA or estate planning attorney as Crestmont Private Wealth is not a CPA firm or law firm.

Crestmont Private Wealth primarily manages Client accounts on a discretionary basis. For discretionary accounts, Crestmont Private Wealth will evaluate the Client’s financial condition and risk tolerance in order to tailor its securities recommendations to meet the Client’s investment objectives and individual needs. On rare occasions, Crestmont Private Wealth will allow the Client to impose restrictions or parameters on investing in certain securities or types of securities. For discretionary accounts, Crestmont Private Wealth will manage them inside of one of the following models, unless otherwise agreed. The

models are Conservative, Moderate, Balanced, Moderate Growth, Growth, Aggressive, and Ultra Aggressive. Also, Crestmont Private Wealth manages condensed versions of the Conservative, Moderate, Balanced, Moderate Growth, Growth, Aggressive models for accounts opened under \$50,000 in value. If any of these accounts grow over the \$50,000 threshold through deposits or market movement, Crestmont Private Wealth will transition the accounts to the standard models on a discretionary basis.

Crestmont Private Wealth will manage money actively and dynamically utilizing primarily: mutual funds, exchange-traded funds (ETFs), and exchange listed stocks. However, in rare instances, Crestmont Private Wealth may invest in individual bonds, common stocks, closed-end funds, stock options, Personal Retirement Annuities, or private placements. Given that the market will affect the value of these securities, Crestmont Private Wealth will provide ongoing monitoring of client accounts.

Crestmont Private Wealth offers CPW Focus Portfolio (“CPW Focus”), a separately managed account strategy with an investment objective to produce an attractive rate of return from capital appreciation and total return.

Crestmont Private Wealth offers CPW Equity Income Portfolio (“CPW Equity Income”), a separately managed account strategy with an investment objective to produce an attractive rate of return from dividends and capital appreciation.

Crestmont Private Wealth offers a US Targeted Equity Strategy. This option is for non-US citizens or US citizens living abroad due to the restraints placed by the Custodian on investing in US based mutual funds and may be selected by clients who wish to minimize any potential transaction costs by mutual funds for rebalancing, buying or selling. Typically, ETFs are transaction cost free on the Schwab custodial platform.

Crestmont Private Wealth offers a Cash Management Plus in which Crestmont Private Wealth manages cash for clients that is used for specific near-term goals, or to generate retirement income where taking market risk and intermediate interest rate risk is not recommended or desired. The duration is generally over a period of one to three years. The primary goal is to match client assets with the projected liabilities while minimizing the interest rate risk (bonds) and market risk (stocks). The secondary goal is to obtain a higher yield or interest rate by investing in short term U.S. Treasuries, short term investment grade corporate bonds, CDs and money market funds. This can be done by purchasing individual treasuries or bonds, CDs, or ETFs and mutual funds. By doing this in-house we can minimize excess fees of a separately managed account from a third party and provide more flexibility than an annuity.

Crestmont Private Wealth does not provide any “wrap programs” (programs that bundle brokerage and advisory services under a single comprehensive fee). All securities recommended by Crestmont Private Wealth include additional transaction charges by the Client’s broker-dealer/custodian separate and in addition to Crestmont Private Wealth’s advisory fees.

### ***DISCRETIONARY PORTFOLIO MANAGEMENT***

For discretionary accounts, the Client will grant Crestmont Private Wealth limited trading authority (discretionary authority) in the Client’s brokerage account by executing the appropriate documents with the Client’s broker-dealer/custodian. The discretionary authority will allow Crestmont Private Wealth to enter securities transactions on the Client’s behalf, determining which securities and the amount of securities to buy or sell. Clients will be notified of all transactions by trade confirmations from their broker-dealer/custodian and through communication with Crestmont Private Wealth.

Clients will provide written authorization to allow Crestmont Private Wealth to automatically deduct its advisory fee from the Client's account (discussed at greater length in the "FEES AND COMPENSATION" section of this Disclosure Brochure) by signing Crestmont Private Wealth's *Financial Planning and Portfolio Management Agreement*; however, Crestmont Private Wealth will not have the authority to make any other withdrawals from the Client's account(s) under management.

Crestmont Private Wealth recommends the Client grant discretionary authority to Crestmont Private Wealth so that it may execute recommendations in a timely fashion, but Clients should always review their brokerage account statements to verify the trading activity and withdrawals that occur in their account(s).

### ***NON-DISCRETIONARY PORTFOLIO MANAGEMENT***

For certain relationships, Crestmont Private Wealth will have non-discretionary accounts whereby Crestmont Private Wealth will have no discretion or trading authority, no billing, but provide Orion performance reporting at Crestmont Private Wealth's cost. Crestmont is relieved of any responsibility for the fiduciary oversight or management of any non-discretionary account per the Agreement with the client. These accounts are typically used for cash distributions for retirees, or for concentrated or self-directed positions that the client wishes to maintain oversight on their own. For non-discretionary accounts, clients should contact Schwab directly at 800-435-4000 or use <https://www.schwaballiance.com> to place orders online. Under rare or extenuating circumstances, and on a best effort basis, Crestmont Private Wealth may provide order assistance with a client on the phone directly with Schwab's trade desk or through Crestmont. It is understood that in these circumstances Crestmont Private Wealth personnel may not be immediately available during trading hours for non-discretionary accounts and are not responsible for any late or delayed execution. Since Crestmont Private Wealth will recommend all Clients grant it discretionary authority where active money management is advised, Crestmont Private Wealth anticipates very little of its Portfolio Management Services to be rendered on a non-discretionary basis.

### ***401K PLAN SERVICES***

Crestmont Private Wealth offers services to 401K plan sponsors on a discretionary basis, and in accordance with the objectives specified. Additionally, Crestmont Private Wealth shall make recommendations to the employer or plan sponsor, consistent with the IPS or plan sponsor, as to the diversified menu of investment funds to be offered to Plan Participants covered by the Plan.

Crestmont Private Wealth will memorialize the services provided and scope of compensation with an *Agreement* between Crestmont Private Wealth as advisor to the plan sponsor/employer, in which plan sponsor/employer pays the fee.

Services include: Plan design and implementation with a custodian, on-going plan review and analysis, research and evaluation of plan investment choices, annual qualitative and quantitative analysis of investment choices, asset allocation strategies or models that could be life cycle or age-based funds. These services may be modified or revised from time to time, based on the approval of both parties.

If Plan Participant(s) wish to engage in a discretionary portfolio management relationship with Crestmont Private Wealth, a separate *Financial Planning and Portfolio Management Agreement* will be entered into on an individual basis.

As of December 31, 2023, Crestmont Private Wealth had \$248,167,089 in discretionary and \$8,486,148 in non-discretionary assets for a total of \$256,653,237 under management.

## ITEM 5: FEES AND COMPENSATION

### ***MANAGEMENT FEES FOR FINANCIAL PLANNING AND PORTFOLIO MANAGEMENT SERVICES***

If engaged, Crestmont Private Wealth shall charge an annual fee based upon a percentage of the market value of the assets being managed by Crestmont Private Wealth. There is not a separate charge for Financial Planning. Financial Planning is included in the assets under management fee. The specific manner in which fees are charged is established in the Client's *Agreement* with Crestmont Private Wealth.

As described in further detail below, Crestmont Private Wealth's annual fee is exclusive of, and in addition to transaction fees and other related expenses by third parties, which shall be incurred by the Client. Note that Crestmont Private Wealth shall not receive any portion of these charges or fees.

#### **Investment Portfolio Fees:**

Crestmont Private Wealth's annual fee shall be prorated and charged quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. The annual fee shall vary (between 0.30% and 1.50%) depending upon the market value of the assets under management and the type of *Financial Planning and Portfolio Management Services* to be rendered, as follows:

#### **Investment Portfolio PORTFOLIO VALUE ANNUAL FEE SCHEDULE**

First \$500,000	1.50%
Next \$1,000,000	1.25%
Next \$3,500,000	1.00%
Next \$5,000,000	0.65%
Above \$10,000,000	0.30%

Annual fees will be deducted from the Client Account by the Custodian. Fees are calculated by applying the annual rate to the value at the end of the previous quarter, multiplied by the days in the quarter divided by 365 days. The fees above also apply to any Cash Management Plus accounts. Clients will be provided with a statement, at least quarterly, from the Custodian, reflecting deduction of the Investment Advisory Fee. Clients provide written authorization permitting Crestmont Private Wealth to be paid directly from their accounts held by the Custodian as part of the *Financial Planning and Portfolio Management Agreement* and separate account forms provided by the Custodian.

For the initial quarter of Financial Planning and Portfolio Management Services, or for any new account(s) added during the quarter, the first quarter's fees shall be calculated on a pro rata basis and billed intra-quarter. The Agreement between Crestmont Private Wealth and the Client will continue in effect until terminated by either party pursuant to the terms of the Agreement. Crestmont Private Wealth's annual fee shall be prorated through the date of termination and any remaining balance shall be refunded to the Client, as appropriate, in a timely manner.



Fee schedules are all negotiable and, in some circumstances, may be offered to be aggregated on a family basis.

#### **401K Plan Services Fees:**

Crestmont Private Wealth's annual fee shall be prorated and charged quarterly, in advance. The annual fee shall vary (between 0.35% and 1.00%) depending upon the market value of the assets under management and the scope of services to be rendered, as follows:

Annual fees will be billed to the plan sponsor/employer or deducted from plan assets on a quarterly basis in arrears. Fees are calculated by applying the annual rate to the value at the end of the previous quarter, multiplied by the days in the quarter divided by 365 days.

Notwithstanding the above, all fees are negotiable, and certain clients may be charged less, depending upon a number of factors, including portfolio size, employment and relationship to Crestmont Private Wealth at the discretion of Crestmont Private Wealth's principals.

#### ***ASSET ADDITIONS AND WITHDRAWALS***

The Client may make additions to and withdrawals from the account at any time. For additions greater than \$100,000 deposited into an account after the inception of a quarter, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter. Pro-rated fees are based on the number of days remaining in the quarter and will be applied to the next quarterly billing cycle. Additions may be in cash or securities provided that Crestmont Private Wealth reserves the right to liquidate any transferred securities or decline to accept particular securities into a Client's account. Crestmont Private Wealth consults with its Clients about the options and ramifications of transferring securities. However, Clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications.

Clients may withdraw account assets, subject to the usual and customary securities settlement procedures and reasonable notice to Crestmont Private Wealth. For partial withdrawals over \$100,000 within a billing period, we shall calculate the fee paid with respect to such assets, prorated based on the number of days remaining in the quarter. Pro-rated fees are based on the number of days remaining in the quarter and will be credited towards the next quarterly billing cycle. However, Crestmont Private Wealth designs its portfolios as long-term investments and asset withdrawals may impair the achievement of a Client's investment objectives.

For partial withdrawals purposed for the purchase of commissionable products through our broker/dealer or General Insurance Agent, within a billing period, regardless of the amount of the withdrawal, we shall calculate the fee paid with respect to such assets, prorated based on the number of days remaining in the quarter. These calculated unearned fees will be credited towards the next quarter's fee. Pro-rated fees are based on the number of days remaining in the quarter and will be credited towards the next quarterly billing cycle.

#### ***TERMINATION PROVISIONS, REFUNDS AND ASSIGNMENT***

Prior to engaging Crestmont Private Wealth, the Client will be required to enter into a written *Agreement* with Crestmont Private Wealth setting forth the terms and conditions of the engagement and describing the scope of the services to be provided and the portion of the fee that is due from the Client prior to Crestmont Private Wealth commencing services. Either party may terminate the *Agreement* by written notice to the other. In the event Crestmont Private Wealth or the Client terminates the *Agreement*, the balance of Crestmont Private Wealth's unearned fees (if any) shall be refunded to the Client. Crestmont



Private Wealth reserves the right to bill on pro-rated deposits or new accounts prior to terminating a relationship in such circumstances where termination occurs before the next billing cycle.

Assignment of Crestmont Private Wealth's *Financial Planning and Portfolio Management Agreement* is prohibited without the written consent of the Client. In the event of a merger or acquisition, consent is implied if Crestmont Private Wealth sends notice of such merger or acquisition to client, and Client does not object in writing to the merger or acquisition within the period specified in the notice.

### ***ADDITIONAL FEES***

Clients will incur certain charges imposed by the Financial Institution(s) and other third parties such as custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Clients will incur transaction fees. Such charges and fees are exclusive of and in addition to Crestmont Private Wealth's fee.

Item 12 further describes the factors that Crestmont Private Wealth considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation.

### ***OTHER COMPENSATION***

In addition to the *Financial Planning and Portfolio Management* fees described above, some individual IA Reps of Crestmont Private Wealth are licensed as insurance agents in order to provide risk management solutions such as long term care, life, disability, annuity, medicare gap, or ILIT estate planning insurance. These Reps receive insurance commissions for the recommendation and placement of those insurance products. The Reps currently utilize Ash Brokerage as general agent to assist in the discovery of the best possible solutions and underwriting, where applicable and appropriate, for each client's situation. Crestmont prefers to handle this area of risk management in house for our clients versus not providing this service, which we believe results in a more integrated and wholistic experience. All recommendations are made with the mindset of a fiduciary.

This creates a conflict of interest and may offer IA Reps an incentive to recommend insurance products that produce insurance and/or brokerage commissions for the IA Rep. However, ownership and executive management of Crestmont reviews all recommendations that are made in this regard, and they must be appropriate, and solution driven for the client. When any such recommendations are made, IA Reps will disclose they are receiving commissions prior to completing any transaction and will obtain specific consent from the Client before transacting on any insurance product as these are elected options by the client once the recommendations are made and are not discretionary. Additionally, Clients always have the option to purchase insurance and/or investment products through other insurance agents not affiliated with Crestmont Private Wealth however we aim to provide the best possible solutions through work with our general agent Ash Brokerage.

Any insurance commissions will be charged separately through the insurance company or agency and remitted to the IA Rep in their capacity as an insurance agent. Crestmont Private Wealth will not receive any insurance commissions paid to its IA Reps.

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

Crestmont Private Wealth does not charge performance-based fees for its investment advisory services or engage in side-by-side management as we believe this creates an economic incentive to take additional risks for the clients. The fees charged by Crestmont Private Wealth are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

## ITEM 7: TYPES OF CLIENTS

Crestmont Private Wealth will provide advisory services to various types of Clients, including:

- **Individuals:** Crestmont Private Wealth provides *Financial Planning and Portfolio Management Services*. This may include trust accounts and family partnerships.
- **High Net Worth Individuals:** Crestmont Private Wealth provides *Financial Planning and Portfolio Management Services*. This may include trust accounts and family partnerships.
- **Businesses and Non-Profits:** Occasionally, Crestmont Private Wealth will provide advisory services to businesses and non-profits seeking *Financial Planning and Portfolio Management Services* for their organization's interests.

### **ERISA CLIENTS**

With regards to retirement plans that are subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), Crestmont Private Wealth generally assumes the role of a fiduciary with respect to such ERISA plans. Additionally, the Responsible Plan Fiduciary for ERISA plans will be provided with an ERISA Fee and Services Disclosure pursuant to Section 408(b)(2) of ERISA, prior to the ERISA Plan engaging Crestmont Private Wealth for advisory services.

### **PORTFOLIO MINIMUMS**

There is a suggested portfolio minimum of \$500,000 for the standard service offering at Crestmont Private Wealth, though Crestmont Private Wealth management can waive this minimum in certain circumstances.

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

*Financial Planning Services* are a core offering to all client households. Crestmont Private Wealth analyzes the Client's financial goals and objectives, income and spending, savings and investments, risks and insurance needs, asset allocation, and tax implications. This analysis seeks to ensure that the Client's needs are addressed while making progress toward their financial goals and objectives. *Financial Planning* is customized to each client relationship and their specific needs. Thus, ad hoc planning can consist of but is not limited to overall asset allocation, securities recommendations, insurance needs, mortgage planning, retirement planning, college planning, trust and estate planning, savings, budgeting, and tax planning. Crestmont Private Wealth currently offers EMoney, *Financial Planning* software, to all clients, which includes individualized client portals, Monte Carlo simulations, cash flow analysis and document storage.

Crestmont Private Wealth has an investment committee that generally meets monthly to go over various investment and portfolio topics that are prudent to the management of portfolios, such as rebalancing decisions, investment selection, mutual fund manager review, ETF review, and monitoring, etc. The team members are Samuel McGee, CFA, CIO, and Alec Walker, CFP, Executive Vice President, Financial Planning. Hannah Perry, CCO, COO, and Director of Client Experience, oversees the execution and trading of all strategies offered by Crestmont. The secondary trading or backup functions are provided by Alec Walker, CFP, as necessary.

With regards to portfolio management, Crestmont Private Wealth's core offering is an asset allocation, top-down management process with an emphasis on risk management and placement into the right risk spectrum for each client's time horizon, risk tolerance willingness and ability, liquidity, and goals. Investment portfolios will be custodied at *Schwab*. The Firm has a pricing policy to determine pricing sources, pricing practices, including any reviews and re-pricing practices to help ensure fair, accurate and current valuations. The Crestmont Private Wealth Management Investment Committee generally meets monthly and at minimum quarterly, or more often as needed, to evaluate macro-economic conditions, sub-asset class valuations, and asset allocation. Special emphasis is placed on providing clients with education on the long term nature of investing, risks associated with investing, to educate on the disadvantages of attempting to "time the markets" but rather focus on "time in the market" based on their risk tolerance and objectives for each account.

Crestmont Private Wealth monitors the macro-economic environment utilizing a wide range of economic indicators, including but not limited to: Employment, Economic Growth (GDP), Economic Policy, Asset Valuation, and Inflation. By analyzing various economic data, the Investment Committee develops and maintains an acute understanding of global markets and makes sound investment decisions accordingly. Crestmont does not attempt to time the market and is not seeking to invest in or out of economic cycles but rather utilizes this information to educate our clients and stay abreast of economic news and how it affects the equity and debt markets. Despite the macro-economic analysis performed by Crestmont Private Wealth, any investment in securities carries market risk and investors may lose their principal investment. On occasion, Crestmont Private Wealth seeks third party research via conferences or written materials from other financial institutions with permission.

In its sub-asset class analysis, Crestmont Private Wealth seeks to determine appropriate asset classes to provide diversification and long term potential return. This is done by analyzing various valuation metrics, including but not limited to price to earnings ratios, and credit spreads, duration risk, of certain fixed income indexes. The committee attempts to determine an appropriate diversified mix of individual assets to attempt to control risk in a prudent fashion based on the model objective. In the more aggressive portfolios, this will be a diversified mix of mostly equities through ETFs, Mutual Funds, or Common Stocks. In the less risk tolerant portfolios there will be more bond allocations, utilizing ETFs, Mutual Funds, or Individual Bonds. The ranges of these sub asset classes will be clearly marked on a client engagement in % bands for said accounts we manage, so the client understands the relative model that is assigned to each account we are managing and said strategy. Despite the sub-asset class valuations performed by Crestmont Private Wealth, any investment in securities carries market risk and investors may lose their principal investment.

In its individual security analysis, Crestmont Private Wealth utilizes various qualitative and quantitative measures. This includes selection, monitoring, and investment action. Crestmont Private Wealth monitors all model securities on their investment platform. This is done by tracking performance on a historical basis and also considering other various current factors that Crestmont deems important that could be qualitative or quantitative in nature. Crestmont Private Wealth utilizes a number of factors in considering an investment merit for inclusion in portfolios. Some of these investment risk factors could

include but are not limited to metrics such as beta to S&P, interest rate sensitivity, expenses or transaction costs, track record, size (market cap), historical liquidity, and opportunity for total return prospects. Depending on the investment type, a wide range of factors will be considered that differ from others. A prudent analysis is undertaken and documented. Despite the security analysis and fundamental research performed by Crestmont Private Wealth, any investment in securities carries market risk and investors may lose their principal investment.

Crestmont Private Wealth utilizes Orion performance reporting to monitor ongoing historical performance of investments since the entry point, and to keep ongoing discussion regarding the merit of those investments forward. Orion is also used to run cash balance reports, and drift reports, for rebalancing decisions. Crestmont Private Wealth also will utilize data by JP Morgan Research, Dimensional Fund Advisors white labeled content for investment presentation analysis or other software, FactSet, Ycharts, periodicals, or publicly available information to monitor investments in the portfolio on a fluid basis. Crestmont Private Wealth uses this information to determine current fit, reduction, increase, or sale of said securities on an ongoing basis.

For discretionary accounts, Crestmont Private Wealth will manage them inside of one of the following models, unless otherwise agreed. The models are Conservative, Moderate, Balanced, Moderate Growth, Growth, Aggressive, and Ultra Aggressive. Crestmont Private Wealth also offers the CPW Focus and CPW Equity Income strategies. In certain instances, clients may opt for a US Targeted Equity Strategy model. Crestmont Private Wealth may also make available 3<sup>rd</sup> party separate account strategies that may be available within the Schwab network.

The investment strategies recommended to Clients will vary depending on the Client's financial goals and risk tolerance and could vary by account. Crestmont Private Wealth will manage discretionary accounts inside of one of the noted models above, unless otherwise agreed. As well, Crestmont Private Wealth manages condensed versions of the Conservative, Moderate, Balanced, Moderate Growth, Growth, Aggressive models- for accounts opened under \$50,000 in value. If any of these accounts grow over the \$50,000 threshold through deposits or market movement, Crestmont Private Wealth will transition the accounts to the standard models on a discretionary basis. Crestmont Private Wealth may manage non-model accounts for a variety of reasons such as tax-loss harvesting, concentrated positions, and/or municipal bonds. Clients in non-model accounts are advised that the trades placed in these accounts may not receive the same execution price/trade date as clients whose accounts are managed in Crestmont Private Wealth's models. All of the above options are discussed in depth with each client.

Crestmont Private Wealth will manage money actively and rebalance dynamically when prudent to do so, utilizing mutual funds, exchange-traded funds (ETFs), and exchange listed stocks and Dimensional Funds Advisors Mutual Funds. However, in rare instances, Crestmont Private Wealth invests in individual bonds, common stocks, closed-end funds, stock options, Personal Retirement Annuities, alternative investments, private placements, or separately managed accounts internally or on the SMA platform. Clients may be offered or may select an all Dimensional Model where appropriate for their situation.

Given that the market will affect the value of these securities, Crestmont Private Wealth will provide ongoing monitoring of client accounts.

	<b>Asset Allocation Ranges*</b>							
	Near Term Need	Conservative	Moderate	Balanced	Moderate Growth	Growth	Aggressive	Ultra-Aggressive
Equity Range	15-25%	25-35%	35-45%	45-55%	55-65%	65-75%	85-95%	95-99%
Bonds Range	75-85%	63-75%	53-65%	43-55%	33-45%	23-35%	3-15%	0%
Cash Range	0.5-5%	0.5-5%	0.5-5%	0.5-5%	0.5-5%	0.5-5%	0.5-5%	0.5-5%

\*Note that ranges may go out of tolerance for market movement before rebalances, settlement, or implementation.

\*\*CPW Focus is a specialized portfolio and is generally an all-equity portfolio but has the flexibility to not be 100% invested at all times. CPW selects the corporate actions on behalf of CPW Focus accounts, but not proxy voting.

\*\*\*CPW Equity Income is a specialized portfolio and is generally an all-equity portfolio that focuses on dividend paying companies. CPW selects the corporate actions on behalf of CPW Equity Income accounts, but not proxy voting.

\*\*\*\* CPW typically does not reinvest dividends in discretionary accounts in order to minimize trading and the likelihood of wash sales for tax purposes, especially for those accounts with periodic withdrawals. Discretionary account cash levels are monitored for reasonableness and any excess cash may be rebalanced and reinvested.

In addition, clients may opt to have alternative investments in their portfolios. These investments generally are only available to clients who meet certain legal requirements. Crestmont Private Wealth performs research and due diligence on alternative investments, and they are approved by the Investment Committee before implementation. Research and due diligence including, among other things, a review of relevant documents, calls and meetings with the subject investment's team, and an analysis of investment performance.

## **GENERAL RISKS**

Accounts may maintain significant cash positions from time to time and the client will pay the Investment Management Fee based on the net asset value of the Account, including cash and cash equivalents. In addition, when necessary, Crestmont Private Wealth may place trades to generate cash to be deducted for management fees. Furthermore, the Account may forego investment opportunities to hold cash positions if we consider it in the best interests of the Accounts.

At a client's request, Crestmont Private Wealth can use leverage in investing. Such leverage can be obtained through various means. The use of margin borrowings may result in certain additional risks to Accounts. For example, should the securities pledged to a broker to secure a margin account decline in value, a "margin call" may be issued pursuant to which additional accounts would be required to be deposited with the broker or the broker would effect a mandatory liquidation of the pledged securities to compensate for the decline in value. Crestmont Private Wealth might not be able to liquidate assets quickly enough to pay off the margin debt and the Accounts can suffer additional significant losses as a result of such default. Although borrowing money increases returns if returns on the incremental investments purchased with the borrowed accounts exceed the borrowing costs for such accounts, the use of leverage decreases returns if returns earned on such incremental investments are less than the costs of such borrowings.

The prices of securities in which Crestmont Private Wealth invests can be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long

and short portions of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs of borrowed securities and leveraged investments.

There are risks involved in trading securities. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.

Alternative investments have different features and risks from other types of investment products. As further described in the offering documents of any particular alternative investment, an investment in alternative investments can be highly illiquid, is speculative and not suitable for all investors. Investing in alternative investments is intended for experienced and sophisticated investors only who are willing to bear the high economic risks of the investment. Investors should carefully review and consider potential risks before investing. Alternative investment products may also have higher fees (including multiple layers of fees) compared to other types of investments.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with their Advisor.

## **ITEM 9: DISCIPLINARY INFORMATION**

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the registered investment Adviser or the integrity of its management. Neither Crestmont Private Wealth, its principals, nor its employees have a history of any legal or disciplinary action.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### ***INSURANCE COMPANY OR AGENCY***

While Crestmont Private Wealth is not an insurance agency, some IA Reps of Crestmont Private Wealth are licensed as independent insurance agents and have affiliations with Ash Brokerage and various insurance companies to obtain insurance and risk management solutions for CPW clients. As noted in OTHER COMPENSATION, Crestmont Private Wealth requires that all IA Reps disclose this potential conflict of interest when such recommendations are made. Also, Crestmont Private Wealth requires IA Reps to disclose that Clients may purchase recommended insurance products from other insurance agents not affiliated with Crestmont Private Wealth.



## **ITEM 11: CODE OF ETHICS, PARTICIPATION, OR INTEREST IN CLIENT TRADING**

### ***CODE OF ETHICS***

Pursuant to SEC Rule 204A-1, Crestmont Private Wealth has a Code of Ethics that promotes the fiduciary duty of Crestmont Private Wealth and its IA Reps. The Code of Ethics articulates the importance of trust as a foundation to the relationship between an investment adviser and its Clients and establishes policies and procedures to ensure that Crestmont Private Wealth and its IA Reps place the interests of the Clients first. The Code of Ethics requires that Crestmont Private Wealth and its IA Reps adhere to all applicable securities and related laws and regulations. The Code of Ethics also requires Crestmont Private Wealth and its IA Reps to follow industry “best practices” involving confidential information, suitability of investments, personal trading on the part of Crestmont Private Wealth and its IA Reps, outside business activities of IA Reps, and the disclosure of conflicts of interest.

A copy of the Adviser’s Code of Ethics is available upon request for any Client or prospective Client, free of charge.

### ***PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING***

While Crestmont Private Wealth has no proprietary interest in Client transactions, its IA Reps have a financial interest in those recommended transactions that involve the purchase of an insurance and/or securities product. As explained in the “OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS” section, IA Reps of Crestmont Private Wealth are licensed as independent insurance agents in Texas. As IA Reps of Crestmont Private Wealth, they recommend insurance products and also, as independent insurance agents, sell those recommended insurance products to Advisory Clients. When such recommendations or sales are made, a conflict of interest exists as the Insurance Licensed IA Reps will earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. Crestmont Private Wealth requires that all IA Reps disclose this conflict of interest when such recommendations are made. Also, Crestmont Private Wealth requires IA Reps to disclose that Advisory Clients may purchase recommended insurance products from other insurance agents not affiliated with Crestmont Private Wealth.

IA Reps of Crestmont Private Wealth may have an interest in Client transactions insofar as they may personally invest in the same securities recommended to Advisory Clients. These transactions involve a conflict of interest as Crestmont Private Wealth or IA Reps may benefit from an increase in price from subsequent purchases by Advisory Clients. To address this conflict of interest, Crestmont Private Wealth and its IA Reps will adhere to the following procedures regarding their personal trading:

1. Crestmont Private Wealth and its IA reps can trade in the same securities with client accounts on an aggregated basis when consistent with Crestmont Private Wealth’s obligation of best execution. A variety of methods will be used, and diligence will be maintained to ensure that any trades made in an employee account does not receive preferential treatment over trades made in client accounts;
2. Crestmont Private Wealth and its IA Reps will mostly recommend investments that are widely traded;
3. In the rare instance where private placement offerings are recommended to Clients and an IA Rep also has an ownership interest in the private offering, full disclosure will be given so the Client fully understands that conflict of interest; and



4. All Crestmont Private Wealth and employee trades will be reviewed by the Chief Compliance Officer or designee.

## **ITEM 12: BROKERAGE PRACTICES**

### **The Custodian and Brokers We Use**

Crestmont Private Wealth does not maintain custody of your assets that we manage/on which we advise (although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank.

We require that our clients use Charles Schwab & Co., Inc. (*Schwab*), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with *Schwab*. *Schwab* will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we require that you use *Schwab* as custodian/broker, you will decide whether to do so and open your account with *Schwab* by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client referrals and other compensation). You should consider these conflicts of interest when selecting your custodian. We do not open the account for you, although we may assist you in doing so. Not all advisors require their clients to use a particular broker dealer or other custodian selected by the advisor. Even though your account is maintained at *Schwab*, and we anticipate that most trades will be executed through *Schwab*, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

### **How We Select Brokers/Custodians**

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Capability to execute, clear and settle trades (buy and sell securities for your account)
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability of the provider
- Their prior service to us and our other clients
- Services delivered or paid for by Schwab
- Availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us from *Schwab*”)

Crestmont Private Wealth does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services or the administrator for defined contribution accounts. The Client will select the broker-dealer or custodian (herein the “custodian”) to safeguard Client assets and authorize

Crestmont Private Wealth to direct trades to this custodian as agreed in the *Financial Planning and Portfolio Management Agreement*. Further, Crestmont Private Wealth may attempt to negotiate custodial trading costs on behalf of our Clients on a trade-by-trade basis.

Factors which Crestmont Private Wealth considers in recommending *Schwab* or any other broker-dealer to Clients include their respective financial strength, reputation, execution, pricing, research, and service. *Schwab* enables Crestmont Private Wealth to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. Clients can be charged up to a \$35.00 per trade transaction fee when investing in certain mutual funds. Crestmont Private Wealth seeks to minimize trading costs wherever possible.

The transaction fees charged by *Schwab* may be higher or lower than those charged by other broker-dealers. The transaction fees paid by Crestmont Private Wealth's Clients shall comply with Crestmont Private Wealth's duty to obtain "best execution". However, a Client may pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where Crestmont Private Wealth determines, in good faith, that the transaction fee is reasonable in relation to the value of the brokerage and research services received.

### **Your Brokerage and Custody Costs**

For our clients' accounts it maintains, *Schwab* generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your *Schwab* account.

Certain trades (for example, stocks and ETFs) do not incur *Schwab* commissions or transaction fees. *Schwab* is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. This commitment benefits you because the overall asset-based fees you pay are lower than they would be otherwise. In addition to asset-based fees, *Schwab* charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your *Schwab* account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have *Schwab* execute most trades for your account. We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through *Schwab*, we have determined that having *Schwab* execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians"). By using another broker or dealer you may pay lower transaction costs.

### **Products and Services Available to Us from Schwab**

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide our clients and us with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we do not have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

Services that Benefit You. *Schwab*'s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through *Schwab* include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. *Schwab* may also provide optional services such banking, debit card, credit card, line of credit, trust services, which are meant to complement the service offering available to Crestmont Private Wealth clients. *Schwab*'s services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You. *Schwab* also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both *Schwab*'s own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at *Schwab*. In addition to investment research, *Schwab* also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Us. *Schwab* also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Publications and conferences on practice management and business succession
- Marketing consulting and support

*Schwab* may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. *Schwab* may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. If you did not maintain your account with *Schwab*, we would be required to pay for those services from our own resources.

Our interest in *Schwab*'s services. The availability of these services from *Schwab* benefits us because we do not have to produce or purchase them. We do not have to pay for *Schwab*'s services. *Schwab* has also agreed to pay for certain technology, research, marketing, and compliance consulting products and services on our behalf once the value of our clients' assets in accounts at *Schwab* reaches certain thresholds. The fact that we receive these benefits from *Schwab* is an incentive for us to require the use of *Schwab* rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our selection of *Schwab* as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of *Schwab*'s services (see "How we select brokers/ custodians") and not *Schwab*'s services that benefit only us.

Crestmont Private Wealth receives from *Schwab*, without cost to Crestmont Private Wealth, computer software and related systems support, which allow Crestmont Private Wealth to better monitor Client accounts maintained at *Schwab*. Crestmont Private Wealth receives the software and related support

without cost because Crestmont Private Wealth renders *Financial Planning and Portfolio Management Services* to Clients that maintain assets at *Schwab*. The software and related systems support may benefit Crestmont Private Wealth, but not its Clients directly.

Additionally, Crestmont Private Wealth receives the following benefits from *Schwab*: receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and access to an electronic communication network for Client order entry and account information.

Whenever possible and appropriate, Crestmont Private Wealth will attempt to batch trades for clients in order to create a “block transaction.” The actual prices applicable to the block transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. Due to each client’s portfolio size, investment objectives, equity exposure and instructions given to Crestmont Private Wealth, in some circumstances, block transactions will not be possible. If Crestmont Private Wealth does not batch trades, some clients purchasing securities around the same time may receive a less favorable price than other clients.

In addition, Crestmont Private Wealth receives, directly or indirectly, from third party vendors, the following benefits and services intended to educate and help the firm manage and further develop its business enterprise. These services include:

- Educational conferences and events
- Sponsorship for marketing, podcasts and events
- Education and Marketing of Financial Services
- Financial literacy and Empowerment
- Appreciation / Social / Charitable events

Third-party vendors will sponsor, assist or provide services for the events.

### ***CONFLICT OF INTEREST***

In fulfilling its duties to its Clients, Crestmont Private Wealth endeavors at all times to put the interests of its Clients first. Clients should be aware however, that Crestmont Private Wealth’s receipt of economic benefits from a broker-dealer/custodian creates a conflict of interest since these benefits may influence Crestmont Private Wealth’s choice of broker-dealer/custodian over another broker-dealer/custodian that does not furnish similar software, systems support, or services. We believe the value of these services is common in the industry. We have policies and procedures to review the benefits for, quality of and services intended for our clients.

### ***BEST EXECUTION***

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 among others, the value of research provided, execution capability, transaction fee rates, and responsiveness. Consistent with the foregoing, while Crestmont Private Wealth will seek competitive rates, it may not necessarily obtain the lowest possible transaction fee rates for Client transactions.

## ITEM 13: REVIEW OF ACCOUNTS

For *Financial Planning and Portfolio Management* Clients, their respective financial advisor or a member of the Crestmont Private Wealth team will be available to meet them on a regular and consistent basis. During these client reviews, relevant *Financial Planning* matters and investment performance will be reviewed and discussed. Investment objectives and corresponding risk tolerance will be assessed, discussed, and potentially modified to adhere to clients' present condition. Depending on circumstances, these reviews could take place in person, via video conferencing, or by teleconference. Clients may receive a reduced version of these account reviews for a lower, more competitive fee structure. In addition, investment performance reports are generated quarterly and made available by Orion. As well, daily access to individualized Orion portals are available to all clients. Contained in the quarterly reports are historical performance numbers, money flow records, and a transparent record of advisory fees paid to Crestmont Private Wealth.

Client accounts are reviewed by at least one of the following, Samuel McGee, CEO and CIO, Alec Walker, Executive Vice President, Financial Planning, or Hannah Perry, CCO, COO and Director of Client Experience. There is not a limitation on the number of client accounts assigned to any particular officer, nor is there a precise sequence or review schedule. All portfolios are reviewed periodically throughout the year. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances or the market economic or political environment. Crestmont Private Wealth will conduct asset allocation drift reports, cash balance reports, and keep records of the reviews and internal audits on a routine basis.

Clients will also receive statements from the custodian at least quarterly, detailing their individual assets, positions, and all activity in the client's account(s). Less active accounts may only receive quarterly statements from the custodian. We urge you to carefully review such statements and compare such custodial records to the performance reports that we may provide to you. Our performance reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Crestmont Private Wealth does not use or employ the services of a promoter or solicitor, nor does it directly compensate an individual or entity for these services.

We receive an economic benefit from *Schwab* in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at *Schwab*. In addition, *Schwab* has also agreed to pay for certain products and services for which we would otherwise have to pay once the value of our clients' assets in accounts at *Schwab* reaches a certain size. You do not pay more for assets maintained at *Schwab* as a result of these arrangements. However, we benefit from the arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by *Schwab*, how they benefit us, and the related conflicts of interest are described above (see Item 12 - Brokerage Practices).

## ITEM 15: CUSTODY

Clients will engage an independent broker-dealer and custodian to maintain their accounts and so Crestmont Private Wealth will not have *physical* custody of Clients' assets, monies, or securities. However, since Crestmont Private Wealth directs the custodian to withdraw advisory fees directly from Clients' accounts (as described in the "FEES AND COMPENSATION" section of this Brochure), under government regulations, Crestmont Private Wealth is deemed to have custody of your assets if, for example, you authorize us to instruct *Schwab* to deduct our advisory fees directly from your account or if you grant us authority to move your money to another person's account. *Schwab* maintains actual custody of your assets. You will receive account statements directly from *Schwab* at least quarterly. They will be sent to the email or postal mailing address you provided to *Schwab*. You should carefully review those statements promptly when you receive them. Crestmont Private Wealth also urges you to compare *Schwab* account statements with the periodic account statements/portfolio reports you will receive from us. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Standing Letters of Authorization: Crestmont Private Wealth is relying on the conditions set forth in the No-Action letter issued by the Securities and Exchange Commission on February 21, 2017. Pursuant to the conditions set forth in the No-Action Letter, Crestmont Private Wealth confirms that (1) the Client provides an instruction to the qualified custodian, in writing, that includes the Client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed; (2) the Client authorizes us, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time; (3) the Custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the Client's authorization, and the Custodian provides a transfer of funds notice to the Client promptly after each transfer; (4) the Client has the ability to terminate or change the instruction to the Custodian; (5) Crestmont Private Wealth has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the Client's instruction; (6) we maintain records showing that the third party is not a related party of Crestmont Private Wealth or located at the same address as Crestmont Private Wealth; and (7) the Custodian sends the Client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## **ITEM 16: INVESTMENT DISCRETION**

As described in the "ADVISORY BUSINESS" section, Crestmont Private Wealth will have investment discretion for those Advisory Clients that elect *Financial Planning and Portfolio Management Services*. Clients will select this option specifically in Crestmont Private Wealth's *Financial Planning and Portfolio Management Agreement* and will sign a trading authorization form with their broker-dealer/custodian.

When Advisory Clients grant discretionary authority to Crestmont Private Wealth, Clients may still place restrictions on the advisor, such as a prohibition on investing in specific securities, industries, or markets that the Client chooses. Crestmont Private Wealth may utilize their custodian trade execution desk to carry out the execution of shares subject to SEC rule 144 for officers, directors, and 10% shareholders of stock. Additionally, unless specifically instructed otherwise by the Client, Crestmont Private Wealth seeks to maintain diversified investment portfolios for its *Financial Planning and Portfolio Management* Clients. Crestmont Private Wealth executes an *Agreement* with each Client, which sets forth the authority to buy and sell securities in whatever amounts are determined to be appropriate for the account and whether such transactions are with, or without, prior approval by the Client. In certain circumstances



there may be client-imposed restrictions, or biases, and Crestmont Private Wealth will seek to educate on diversification to reduce that bias or restriction over time.

## **ITEM 17: VOTING CLIENT SECURITIES**

Crestmont Private Wealth will not have or accept authority to vote Client proxies. All voting issues, proxies, and solicitations will be communicated to Advisory Clients through the Client's custodian. Any proxy solicitations received at Crestmont Private Wealth's place of business will be immediately forwarded to the Client for their evaluation and decision. Clients that participate in the CPW Focus and CPW Equity Income portfolios authorize Crestmont to decision Voluntary Corporate Actions. Crestmont is aware that a potential conflict of interest could exist when voting Voluntary Corporate Actions and will not typically make any voting decisions on particular Corporate Actions that will lead to a material conflict of interest situation. All material conflict of interest situations will be brought to the attention of the CCO who will document all material facts, and any findings made. Clients may obtain a copy of our Voluntary Corporate Actions policies and procedures upon request.

## **ITEM 18: FINANCIAL INFORMATION**

Registered Investment Advisers are required to provide you with certain financial information or disclosures regarding their financial condition. Crestmont Private Wealth has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of any bankruptcy proceedings. We do not require or solicit prepayment of more than \$1200 in fees per client and six months or more in advance.

## **ITEM 19: REQUIREMENTS FOR STATE REGISTERED ADVISORS**

N/A

### ***BUSINESS CONTINUITY PLAN***

We have a Business Continuity Plan that addresses how the Firm will respond to events that may disrupt its business. We will resume operations as quickly as possible (preferably within twenty-four hours) depending on the severity of the business disruption. Our Business Continuity Plan covers data backup and recovery, mission critical systems financial and operational assessments, alternative communications, alternate business locations, regulatory reporting, and the assurance of prompt access to funds and securities for our customers. Additional details regarding the firm's Business Continuity Plan are available upon request.