

Rezny Wealth Management, Inc.
A Fee-Only Registered Investment Advisor

OFFICE LOCATIONS:

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5237 Summerlin Commons Blvd., Suite 209, Fort Myers, FL 33907
75 Executive Drive, Suite 325, Aurora, IL 60504

ADDITIONAL MEETING LOCATIONS:

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February 21, 2024

**FORM ADV PART 2A
BROCHURE**

This brochure provides information about the qualifications and business practices of Rezny Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at telephone number 630.527.1897. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Rezny Wealth Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Rezny Wealth Management, Inc. is 109638.

Rezny Wealth Management, 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.

Item 2 Material Changes

As a registered investment adviser, we must ensure that our brochure is current and accurate and makes full disclosure of all material facts relating to the advisory relationship. If there have been any material changes to our business or advisory practices since our last annual update, we will provide a description of such material changes here.

Since the filing of our last annual updating amendment, dated January 23, 2023, we have the following material changes to report:

- In Item 12 and Item 14, we disclosed that we now solely recommend the brokerage and custodial services of Charles Schwab & Co., Inc. and have removed all references to our previous custodian, TD Ameritrade, Inc.

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Item 4 Advisory Business

Description of Services and Fees

Rezny Wealth Management, Inc., ("we", "us" "our" "RWM" or the "firm") is a Fee-Only Registered Investment Adviser based in Florida, with additional offices in Aurora, IL. We are organized as a corporation under the laws of the State of Florida. We have been providing Investment Advisory Services since 1992. Brian Charles Rezny is our principal owner and Chief Compliance Officer. Currently, our firm offers the following Investment Advisory Services, which are personalized to each individual client:

- Advisory Consultation Services (Financial Planning Services)
- Investment Advisory/Portfolio Management Services
- Pension or Retirement Plan Consulting Services
- Educational Workshops

The following paragraphs describe 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. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

General Consultation/Financial Planning Services

You may request limited financial advice from our firm. We will provide general consulting services that address only those specific areas of interest or concern to you. Consultation services are available to you regardless of whether you engage us for Investment Advisory Services. If you do engage us for consultation services you can also engage us for Investment Advisory/Portfolio Management Services. Consultation services can include, without limitation, retirement planning, estate planning review, investment reviews, insurance planning or recommendations, financing options, and any other financial situation a client requests. Fees will be billed at \$400.00 per hour and are due at delivery or conclusion of consultation.

An estimate of the total time/cost will be determined at the start of the general consulting relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you in advance and request that you approve the additional time/fee.

You are under no obligation to act on our general consultation recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement them through any of our other Investment Advisory Services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

Investment Advisory/ Portfolio Management Services

We also provide discretionary Investment Advisory/Portfolio Management Services where the investment advice provided is custom tailored to meet your needs and investment objectives. Our firm offers different investment management styles based on client goals, objectives and risk profile: COMBINATION OF MUTUAL FUNDS/EXCHANGE TRADED FUNDS (ETFs) OR NO-LOAD LOW-COST VARIABLE ANNUITIES. We require that you meet certain investment suitability requirements before being accepted for Investment Advisory Services. Suitability requirements include net worth, investment goals, income, financial condition, ability to accept financial risk, etc. Such suitability requirements vary according to your unique circumstances.

We will use the suitability information we gather from our initial meeting to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our investment advisory services, we may customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. We may also invest your assets using a predefined strategy, or we may invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will reallocate or rebalance the portfolio as required by changes in market conditions, investment conditions, economic conditions and in your financial circumstances.

You will grant us written authorization to manage your account on a discretionary basis and perform various functions, at your expense, without further approval from you. Such functions include making investment decisions regarding the securities to be purchased or sold, amount of securities to be purchased or sold, and the time at which to execute such transactions. Once the portfolio is constructed, we will provide continuous supervision and management of the portfolio to maintain alignment with your stated financial objectives as changes in market conditions, investment conditions and economic conditions occur.

The annual fee for Investment Advisory Services is billed quarterly in advance based on the market value of the assets on the last day of the previous quarter. The total portfolio value will be determined using the value of cash plus securities priced as of the last business day of the previous quarter. Fees will be assessed pro rata in the event the investment advisory services agreement is executed at any time other than the first day of the billing period. Fees can be negotiated downward at the sole discretion of our firm.

The annualized fee for Investment Advisory Account Services are as follows:

Mutual Fund and ETFs Accounts:

<u>Assets Under Management</u>	<u>Annualized Fee*</u>
First \$500,000	1.50%
Next \$500,000 & Over	1.00%

Variable Annuity Sub-Accounts:

<u>Assets Under Management</u>	<u>Annualized Fee*</u>
First \$500,000	1.50%
Next \$500,000 & Over	1.00%

No-Load, Low-Cost Variable Annuity Sub-Accounts:

Under limited circumstances we can utilize No-Load, Low-Cost Variable Annuities as a replacement for a client that has an existing variable annuity, in order to reduce high internal fees and expenses associated with an expensive variable annuity. Tax protection and expense reduction would be the principle criteria for this decision and would be discussed and agreed upon by the client first.

Break Points on advisory fees for the accounts at Jefferson National and Nationwide will not be combined for break point discounts on other Investment Advisory Accounts. Investment Advisory Accounts are managed separately from the sub-accounts in Variable Annuities.

*Note: Fee does not include transaction fees, or other fees/expenses charged by brokers, custodians, or mutual funds.

Payment of Investment Advisory fees will be made by the qualified custodian holding your funds and securities, provided that you grant written authorization permitting the fees to be paid directly from your account. We will not have access to your funds for payment of fees without your consent in writing. Further, the qualified custodian agrees to deliver an account statement, at least quarterly, directly to you showing all disbursements from your account. We encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian, please call our main office number located on the cover page of this brochure.

Our firm will have electronic access to account statements or it will receive duplicate copies of statements delivered to you.

The fees charged are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds of an advisory Client (15 U.S.C. §80b-5(a)(1)). In no circumstance will our firm require prepayment of a fee more than six months in advance and in excess of \$500.

We do not represent, warrant, or imply that the services or methods of analysis employed by the our firm can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

You may terminate the Investment Advisory Services Agreement by providing written notice to our firm. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Pension Plan or Employee Retirement Plan Consulting Services

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

Pension Consulting services will be provided pursuant to the agreement entered into and within the parameters set forth in the plan documents. Where the plan trustee or sponsor engages us to provide advice to participants, such advice will be limited to general retirement planning issues, investment fund selection, asset allocation of plan assets and model portfolios.

Plan participants who wish to engage us for individualized planning, consulting or review/advisory services outside the scope of the qualified plan, may do so by executing a separate agreement, including separate fees and fee payment arrangements, with our firm.

The scope of these services, the fees, and the terms of the agreement for these services will be negotiated on a case-by-case basis with each plan sponsor. We may be compensated based on an hourly fee, a flat fee, a fee based on percentage of assets, or a combination of fee arrangements based on the complexity of the plan and the agreement with the sponsor.

We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents. Our advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis.

Either party to the pension consulting agreement may terminate the agreement upon written notice to the other party. The pension consulting fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to the client.

All accounts are regulated under ERISA. We will provide consulting services to the sponsor and the participants as described above. The named sponsor must make the ultimate decision as to retaining us for pension consulting services. The sponsor is free to seek independent advice about the appropriateness of any recommended services for the plan.

In most cases, we will send you an invoice for the payment of our advisory fee. Please refer to the Investment Advisory Services Agreement for specific details on payment terms.

Regarding IRA direct transfers/rollovers, Qualified plan rollovers, including IRAs, 401k, 403B, pension plans and all other qualified plans not previously mentioned. Client(s) acknowledge(s) they have contacted RWM to engage our Advisory/Money Management services for all the above referenced Qualified plans/IRA rollovers. At no point, did RWM solicit or recommend to Client(s) to rollover Qualified plans/IRA rollovers from current Qualified plans/IRA accounts to RWM. The client acknowledges they fully understand "All" the positives or negatives, the expense structure whether higher or lower than they are currently paying, any tax consequences positive or negative incurred with the client(s) decision to solicit RWM for the Qualified plans/IRA rollovers to RWM Advisory/Money Management services. The Client(s) acknowledge(s) they are seeking active management of their respective Qualified plans/IRAs and want the professional services RWM provides as the Client does not want to self-manage above mentioned accounts or are not happy with the current advice they are receiving.

Workshops

We may conduct complimentary educational workshops in the coming year. The topics will include issues related to asset/wealth management services, such as financial planning, investment advisory/portfolio management planning, pension or retirement planning, and/or various other economic and investment topics.

The information covered in a workshop is not based on the individual needs of the attendees. We do not provide personalized investment advice to attendees unless engaged independently, and only where the attendee's individualized financial information, investment goals, and objectives are provided.

Types of Investments

We primarily offer advice on Equity and Debt securities, including Exchange Traded Funds (ETFs), Individual Stocks, Bonds and Mutual Funds.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Assets Under Management

As of February 5, 2024, we manage \$345,501,995 in client assets on a discretionary basis, and \$1,948,263 in client assets on a non-discretionary basis.

Item 5 Fees and Compensation

Please refer to the "Advisory Business" section in this Brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

Additional Fees and Expenses

As part of our Investment Advisory Services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Brochure.

Rezny Wealth Management, Inc. does not receive or share in any commission based compensation or 12b(1) fees. Rezny Wealth Management, Inc. and our associated persons' only compensation is the investment advisory fees paid by Client.

In Illinois, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees.

Any material conflicts of interest between you and our firm, or our employees, are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We offer Investment Advisory Services to individuals and pension and profit sharing plans.

In general, we require a minimum of \$1,000,000.00 to open and maintain an Investment Advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors.

Research and Analysis

We utilize various research materials in our investment and portfolio analysis and investment management, including but not limited to: Standard & Poor's, Morningstar, Seeking Alpha, Recession Alerts, IMarket Signal, No Spin Forecast, Stock Charts, ETF Replay, Securities and Exchange Commission Filings, Annual Reports, Investment Conferences, Conference Calls, and Various Independent Investment Research Reports.

Additionally, we may use one or more of the following methods of analysis when formulating investment advice:

- Charting Analysis - involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.
- Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- Relative Strength Analysis - is associated with technical analysis that helps evaluate the momentum of the investment or investment sectors being analyzed. Relative Strength measures a particular investment or investment sector price change over a given time frame and compares that change to the change in other investment sectors. Higher Relative Strength is used to determine investment sectors more suitable for investment.
- Technical Analysis - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- Cyclical Analysis - a type of technical analysis that involves evaluating recurring price patterns and trends.

Investment Strategy

Disciplined Investment Strategy, Disciplined Risk Management, Active Investment Management
Your Investment Portfolio with Rezny Wealth Management, Inc. is not Buy and Hold. It's Actively Managed for upside potential and current income with a disciplined risk management strategy in down markets "Recessions",, all based on your goals, objectives and risk profile.

Global Tactical Opportunity Portfolios (GTOP)

- A Quantitative and Fundamental Investment Strategy

- Detailed research on portfolio investments before and after implemented in portfolio
- Portfolio positions reviewed daily
- Investment and investment sector adjustments made when necessary based on fundamental, technical, economic, various investment strategies and relative strength indications

Market Trend Indicators (MTI)

- Disciplined Risk Reduction Strategy in Down Markets "Recessions"
- Market Trend Indicators reviewed daily
- Various independent recession research reviewed daily
- Investments and sectors adjustments are made when necessary based on investment strategy
- Increased cash or investment grade bond/Treasury bond investment exposure when necessary

Rezny Wealth Management utilizes **Low-Cost** Highly Researched ETFs (Exchange Traded Funds), No-Load, Load waived (NAV) and Institutional Class Mutual Funds, Stocks and Bonds, encompassing the major world asset classes including equities, bonds, real estate, commodities, currencies, energy and precious metals. Rezny Wealth Management will utilize **GTOP (Global Tactical Opportunity Portfolios)**, a Quantitative and Fundamental Best of Breed Investment Strategy with strict risk management controls, & **MTI (Market Trend Indicators)**, a Disciplined Risk Reduction Strategy in Down Markets.

Deploying prudent risk management will help reduce risk in down markets and allow all **GTOP** portfolios to better meet their investment objectives over various market cycles.

In addition to detailed monthly or quarterly statements direct from your account(s) custodian, Rezny Wealth Management will provide additional detailed quarterly reports to summarize your Investment Advisory Accounts.

We may use strategies that involve long-term purchases, where securities are purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year,. We may also use short-term purchases, where securities are purchased and sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy may be used on a limited basis when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Our firm will either instruct the custodian to use the first-in, first- out "FIFO" accounting method for calculating and reporting the cost basis of your investments or the custodian will default to the FIFO method where no instruction is given.

You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As disclosed under the "Advisory Business" section in this Brochure, we primarily offer advice on Equity and Debt securities including Exchange Traded Funds (ETFs), Individual Stocks, Bonds and Mutual Funds.

Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

You should be advised of the following risks when investing in these types of securities:

There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better-established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual funds and exchange traded funds (ETFs) are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the funds, other types of mutual funds do charge such fees, which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely, which can dilute other investors' interests.

Item 9 Disciplinary Information

Our firm has been registered and providing investment advisory services since 1992. Neither our firm, nor any of our Associated Persons has any reportable disciplinary information.

Item 10 Other Financial Industry Activities and Affiliations

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients.

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

Description of Our 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 Associated Persons and all of our employees. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons and employees are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

The employees of Rezny Wealth Management, Inc. have committed to a Code of Ethics and Fiduciary Oath as outlined by the National Association of Personal Financial Advisors (NAPFA). The key points are: putting the clients' interest first, objectivity, confidentiality, competence, fairness and suitability, integrity and honesty, regulatory compliance, full disclosure, and professionalism. CFP designees are also held to a Code of Ethics as outlined by the CFP Board of Standards.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Linda Rezny at telephone number located on the cover of this brochure.

Personal Trading Practices

From time to time, our firm or our Associated Persons may buy or sell securities that are recommended to you or securities in which you are invested. A conflict of interest exists in such cases because we have the ability to

trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

Generally, we require you to grant our firm discretionary authority over the selection and amount of securities to be bought and/or sold for your account without obtaining your prior consent or approval. The trading authority will allow us to take advantage of time-sensitive market conditions in securities, which are consistent with your prior stated investment objectives.

Our firm recommends the brokerage and custodial services of Charles Schwab & Co., Inc. ("Schwab"), a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

The custodian and brokers we use - Charles Schwab

We do not maintain custody of your assets that we manage or 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 registered broker-dealer, member SIPC, as the qualified custodian, when investing in the Adviser's model portfolios.

We are independently owned and operated and are 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 recommend that you use Schwab as custodian/broker, you will decide whether to do so and will 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 use Schwab, a custodian/broker that will hold your assets and execute transactions. When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, we take into account a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (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, security and stability
- Prior service to us and our 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")

Your brokerage and custody costs

For our clients' accounts that Schwab 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, many mutual funds and ETFs) may 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. 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 us and our clients 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 don't 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's services described in this paragraph generally benefit you and your account.

Services that do not directly benefit you. Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a 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
- 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
- Consulting on legal and related compliance needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab also provides us with other benefits, such as occasional business entertainment of our personnel. If you did not maintain your account with Schwab, we would be required to pay for these 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 don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The fact that we receive these benefits from Schwab is an incentive for us to recommend 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.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

We routinely suggest that you direct our firm to execute transactions through Schwab. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage to a particular custodian.

Block Trades

We combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment. It is our policy to rely on the custodian's batch order system with regards to price and account placement.

Mutual Fund Share Classes

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration cost, tax implications, and other factors. When the fund is available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges.

Item 13 Review of Accounts

We monitor accounts on a continuous basis to ensure the Investment Advisory Services provided to you are consistent with your investment needs and objectives. Securities held in your account are reviewed on a daily basis by Brian C. Rezny, President. Daily reviews focus on changes in the investment markets and changes in the economy. Reviews focus on measurements and assessments of investor sentiment/expectations by industry sector; the strength of the stock market in general; the fundamental and technical strength of those industry sectors held in client portfolios; emerging industry sectors which represent potential candidates for purchase; and the performance of individual securities, ETF's and mutual funds.

It is recommended that you meet with, or engage in a telephone review with, Mr. Rezny or our firm at least Semi-Annually to review your financial status, goals, objectives and investment portfolio. Triggering factors that may stimulate additional reviews and/or meetings include, but are not limited to, changes in market conditions, significant market corrections, large deposits or withdrawals from an account, changes in your objectives, and your request for an additional review. You are encouraged to contact our firm with any questions, or changes in your financial situation or investment guidelines.

In addition to detailed monthly or quarterly statements direct from your account(s) custodian, Rezny Wealth Management will also provide additional detailed quarterly reports to summarize your Investment Advisory Accounts.

Item 14 Client Referrals and Other Compensation

Our firm does not compensate any outside party for client referrals.

Charles Schwab & Co., Inc - Institutional

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. We benefit from the products and services provided because the cost of these services would otherwise be borne directly by us, and this creates a conflict. You should consider these conflicts of interest when selecting a custodian. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

Item 15 Custody

We 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. You will receive account statements from the independent, qualified custodian(s) holding your funds and

securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact Brian C. Rezny, President and Chief Compliance Officer, at the telephone number located on the cover of this brochure.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary Investment Advisory Services Agreement, a power of attorney, and/or trading authorization forms.

In doing so, you are granting our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary Investment Advisory Services.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your Investment Advisory Accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Item 18 Financial Information

Our firm does not have any financial conditions or impairments 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 fees six or more months in advance and in excess of \$1200. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.

Item 19 Requirements for State Registered Advisers

Our firm is a federally registered investment adviser; therefore, we are not required to respond to this section.

Item 20 Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an Investment Advisory Services Agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. If you have any questions regarding this policy, please contact us at the telephone number located on the cover of this brochure.

Trade Errors

On infrequent occasions, an error may be made in your account. For example, a security may be erroneously purchased for your account instead of sold. In such situations, we will seek to rectify the error by placing your account in a similar position as it would have been had there been no error. Depending on the circumstances, various corrective steps may be taken, including but not limited to, canceling the trade, adjusting an allocation, and/or reimbursing your account. For this purpose, our firm maintains an "error account" with Schwab. If a trade error results in a profit, it remains in the error account of the executing broker/dealer or account custodian and will not be allocated to your account.