

# PEAK FINANCIAL ADVISORS, LLC

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## WEALTH MANAGEMENT

### **Form ADV Part 2A & 2B Disclosure Brochure December 2023**

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This brochure provides information about the qualifications and investment advisory business practices of Peak Financial Advisors, LLC. If you have questions about the contents of this brochure, please contact us at (303) 316-2799 or [lorrie@peakfinancial.net](mailto:lorrie@peakfinancial.net). The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (SEC) or by any state securities authority.

## Material Changes

1. This section is intended to discuss material changes to our Disclosure Brochure since our 2024 Annual Amendment filing dated February 14, 2024. If any material changes are made during the year pertaining to Peak Financial Advisors we will notify you directly via email with an attachment of our new ADV Part 2 Disclosure Brochure.

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## Item 4 – Advisory Business

Peak Financial Advisors, LLC founded in 1997, (referred to throughout as we, us, our or the firm) is owned by Brian T. Sells and Debbie J. Freeman.

Peak Financial Advisors has been registered as an investment advisor with the United States Securities and Exchange Commission (“SEC”) since September 4, 2001.

The team at Peak Financial Advisors:

- Brian T. Sells, Managing Partner & Chief Investment Officer
- Debbie J. Freeman, Partner & Director of Financial Planning
- Lorraine E. Haverley, Chief Compliance Officer & Director of Client Service

**Portfolio Management Services** – Portfolio Management Services involves providing clients with continuous and on-going supervision over their accounts. This means we will continuously manage a client’s account and place trades in client accounts when necessary.

We provide investment advice on a large variety of investment types. When providing portfolio management services we will typically consider a variety of vehicles including exchange traded equities, no-load mutual funds, exchange traded funds (ETFs), exchange traded notes (ETNs), preferred stocks, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal bonds, convertible bonds, publically traded partnerships, U. S. government securities and options contracts.

We build diversified portfolios to meet each respective client’s financial goals and objectives; however, we are not limited to those investments. It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings as deemed appropriate based on your risk tolerance and short and long-term goals.

Our services are provided based on the specific needs of each client. This means, for example, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with each client on a one-on-one basis through interviews and questionnaires to determine the client’s investment objectives and suitability information. We will not necessarily verify any information received from the client or from the client’s other professionals, and we are authorized to rely on the information provided. It is each client’s responsibility to promptly notify us if there is ever any change in their financial or personal situation or investment objectives for the purpose of reviewing our previous recommendations. Clients should be aware there will be periods of time when the firm determines changes to a client’s portfolio are neither necessary nor prudent, but clients will still be subject to the fees described in their client agreement. We do not participate in a wrap fee program.

If a client decides to affect an IRA Rollover from a plan to an account managed by us, or if we make a recommendation to affect a rollover, we could have a conflict of interest given that our IRA advisory fees can be higher than those within an employer retirement plan. To mitigate such conflicts, we will disclose relevant information about the applicable fees we charge for advising or managing an IRA prior to opening an account to receive the IRA rollover. The decision as to whether to take a distribution from any retirement account rests solely with the individual participant.

**Department of Labor Acknowledgement of Fiduciary Duty** - When we provide investment advice to you we are fiduciaries. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule’s provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);

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

**Financial Planning Services** – We offer advisory services in the form of financial planning services. Financial planning services do not involve the on-going management of client accounts, but instead focuses on a client's overall financial situation.

Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning and other areas. The role of a financial planner is to find ways to help the client understand his/her overall financial situation and help the client set financial objectives.

Our financial planning process is based on understanding each client's personal financial situation and objectives. We analyze the client's financial documentation. As applicable, we then review the client's assets and liabilities, investment portfolio, retirement plan, education plan, risk management plan, insurance plan, risk tolerance and estate plan as well as other areas relevant to the client's financial health. We will provide an executive summary highlighting our recommendation and plan of action. We are available to assist with implementation of the plan and to answer any client questions, but the client is ultimately responsible for the implementation or rejection of our recommendations. You are never obligated or required to implement our recommendations. We are available to work with the client throughout the year to implement the plan. It remains the client's responsibility to promptly notify us if there are any changes in their financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations.

### **Tax Return Preparation**

We offer tax preparation and planning services. You are not obligated to use our tax services in any way. Tax preparation work is not included in the financial planning or asset management fees, unless negotiated.

### **Persons Residing Outside of the United States**

Services for client's residing outside of the United States may be restricted or limited due to custodial rules or other factors. Investment options and strategies may differ from our typical recommendations, including but not limited to, foreign tax treatment of investment transactions in the United States. In addition, foreign laws or requirements may also impact our ability to service accounts or require additional disclosure as determined on an individual country basis. The client will be responsible for satisfying all legal and tax reporting requirements of both the United States and all applicable foreign governments.

Any person located outside of the United States who wishes to open an account, or existing client who re-locates outside of the United States, will be subject to Charles Schwab & Co., Inc.'s policy regarding that country (including their right to decline to open or maintain the account), and all applicable customer identification and anti-money laundering regulations. We reserve the right, in our sole discretion, to decline an engagement with any prospective client outside the United States, or terminate an engagement with an existing client, if they move outside of the United States.

### **Client Assets Managed by Peak Financial Advisors**

As of December 31, 2023, Peak Financial Advisors managed \$230,298,334 in assets for 125 clients - \$226,813,250 is managed on a discretionary basis and \$3,485,084 is managed on a non-discretionary basis.

## Item 5 – Fees and Compensation

Peak Financial Advisors is a fee only financial planning and asset management firm. Fee only means we are compensated by the client. We do not sell any commissioned products. We are not affiliated with entities that sell financial products or securities. No commissions or finder's fees are accepted. We do not act as a custodian of client assets. Custody of client assets is maintained by a third-party custodian. We place trades for clients under a limited power of attorney granted by the client.

All fee arrangements are made in writing. We charge an annual percentage-based fee for portfolio management services. The annual fee is based on the fair market value of the client's account assets determined as of the last day of each calendar quarter. Advisory fees are annualized and applied quarterly in advance, based on the number of calendar days in a quarter. If you terminate services with us, a prorated fee will be due for the number of days you were a client in the quarter. Unless negotiated in writing, the annual fee schedule is as follows:

### Annual Fee Calculation

1.00% on the first \$1,000,000  
.75% on assets of \$1,000,001 – \$3,000,000, then  
.65% on assets above \$3,000,001

We calculate our management fee against all assets in the investment account, unless specifically excluded. Our fee calculations include cash balances invested in money market funds, short-term investment funds, ETFs, mutual funds, the entire market value of margined assets and short positions (if any) and all other investment holdings.

The account values used to calculate your management fee are obtained from pricing services we believe are reliable. However, we cannot guarantee their accuracy or that securities may be bought or sold at those prices. We rely on the most recent holding information made available through our aggregation software in relation to reporting, trading and billing calculations. This may include pricing data gathered from third-party sources other than the custodian of your account(s). Therefore, there may be differences in the values used by us in reporting, trading and billing calculations. Any security(ies) that are excluded from billing will not be included in assets under management for purpose of determining our investment management fee.

At our discretion, we may agree to 'household' certain client accounts for purposes of fee calculation depending on the client relationship and overall services provided. The exact services and fees will be agreed upon and disclosed prior to services being provided. Fees and how they are charged are negotiable. At our discretion, we can charge a lesser investment advisory fee, charge a flat fee, or waive a fee entirely based upon certain criteria, including but not limited to: the client's financial situation and circumstances, the amount of assets under management and anticipated to be under management, account householding arrangements, the complexity of the services provided, related accounts, account composition, grandfathered fee schedules, employees and family members, courtesy accounts and negotiations with the client, etc. In some cases where the advisory relationship changes and the scope of services rendered materially expands, fees may be adjusted as mutually agreed to and as evidenced by a signed supplemental agreement.

To the extent margin is employed in the management of the client's investment portfolio, the market value of the client's account will be increased. Therefore, the corresponding fee payable by the client to us will increase

because we include the margin balance in the client's overall management fee calculation. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the conflict of interest between us and the client whereby we may recommend the use of margin which will also increase the management fee payable to us. This affects those clients that have a margin balance at the time of billing. If you have a concern about margin and its implications on your account, please contact us to discuss.

### **Deduction of Client Fees**

Fees are generally deducted directly from the client's account(s). When clients sign, initial and date their account applications they are providing Charles Schwab & Co., Inc. with written authorization to have fees deducted from their account(s) and paid to us. Charles Schwab & Co., Inc. sends our clients monthly statements showing all disbursements for the account including the amount of the advisory fee, if deducted directly from the account. Transaction fees charged by Charles Schwab & Co., Inc. will be charged directly to each client's account. We do not receive any portion of such commissions or fees from the custodian or from clients. Management fees charged by us are separate and distinct from the fees and expenses charged by mutual funds, exchange traded funds, annuities, private investments or investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus.

The length of service is at the client's discretion. The engagements outlined above can be cancelled by either party *in writing with 30 days notice*. Any unused portion of fees collected in advance will be refunded within ten (10) business days via bank check written directly to the client as outlined in the investment management agreement. Upon termination we will have no obligation to recommend or take any action with regard to the securities, cash or other investments in your accounts.

All contractual relationships entered into between Peak Financial Advisors and its clients are terminable at will without penalty within the first five (5) business days of signing the Client Investment Management Agreement.

In addition, we reserve the right to terminate any engagement immediately where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in our judgment, to providing proper financial advice.

### **Other Types of Fees/Expenses**

Domestic equity and ETF purchases through Charles Schwab & Co., Inc. are free. There could be transaction fees for any foreign investments. As mentioned above, Charles Schwab & Co., Inc. charges transaction fees on purchases or sales of certain mutual funds. Mutual funds can have a \$0-\$65 transaction fee depending on the share class of the fund. Clients are responsible for paying these fees. *These transaction fees are paid to Charles Schwab & Co., Inc., not Peak Financial Advisors.*

For individual bonds purchased, we could use a different bond dealer in place of Charles Schwab & Co., Inc., at our discretion, in order to obtain the best execution. Any bonds purchased from a different broker than Charles Schwab & Co., Inc. will be charged a \$15 trade away fee. *These trade away fees are paid to Charles Schwab & Co., Inc., not Peak Financial Advisors.*

### **Financial Planning**

We provide financial planning services to our clients under several formats which could include a financial planning fee. For clients that have at least \$1,000,000 under our management, we offer comprehensive financial planning included as part of the annual percentage-based fee for Portfolio Management Services. We will consider waiving the \$1,000,000 minimum on a case-by-case basis. We also enter into an engagement with a client to create a one-time, customized financial plan on a fee basis. Fees for such a plan are determined on a case-by-case basis, based on the level of expertise and sophistication required to deliver such a plan. However, fees are generally charged on a fixed fee

basis ranging between \$2,500 and \$25,000 depending on the breadth of services provided and the complexity of the client's situation. Prior to commencing financial planning services, the client will be required to enter into an agreement that outlines the fees that will be charged.

### **Tax Return Preparation Services**

Tax preparation work is not included in the financial planning or asset management scope of work, unless negotiated. Tax return preparation work is performed separately and is billed at a rate of \$250 per hour.

## **Item 6 – Performance-Based Fees**

Peak Financial Advisors *does not use a performance-based fee structure.*

## **Item 7 – Types of Clients**

We generally provide investment advice to the following types of clients:

- Individuals
- Trusts, estates or charitable organizations
- Small business entities

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

### **Methods of Analysis**

**Cyclical** - Analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

**Fundamental** - A method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the

security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy,



overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

### **Investment Strategies**

A critical component of our investment philosophy is the perspective that wealth management and investing should be financial planning led disciplines. Accordingly, the specific strategy we recommend and/or implement is based on each client's specific situation. As part of our fiduciary duty to clients, we endeavor at all times to put the interests of our clients first. Brian Sells reviews both quantitative and qualitative factors including internal costs, expense ratios and diversification, among other factors.

We create and actively manage our portfolios. We focus on areas of the market we believe are undervalued or will outperform on a relative or absolute basis. Portfolios are allocated across equity, fixed income, cash and alternative asset classes. Our process focuses on fundamental, technical and macroeconomic indicators.

We implement several strategies based on the client's requirements and risk tolerance ranging from aggressive growth to more conservative income and lower volatility strategies. We discuss the differences between strategies with clients and recommend the appropriate strategy based on the clients goals, risk tolerance and time horizon. At the client's request we can develop a client specific strategy. It is possible a security is bought in one strategy while being sold in another.

### **Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Depending on the different types of investments there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Due to the inherent risk of loss associated with investing, we are unable to represent, guarantee or even imply our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities.

- **Market Risk** – Either the stock market as a whole or the value of an individual company as a result of moves in the overall market goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- **Equity (stock) market risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers

change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the

issuer.

- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is a risk the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk. During rising rate environments, the value of bonds could fall.
- Options Risk. We may engage in options transactions for the purpose of hedging risk and/or generating portfolio income. The use of options transactions as an investment strategy can involve a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security, depending upon the nature of the option contract. Generally, the purchase or sale of an option contract is with the intent of "hedging" a market risk in a client's portfolio and/or generating income for a client's portfolio. There can be no guarantee that an options strategy will achieve its objective or prove successful. No client is under any obligation to enter into any option transactions. However, if the client does so, they must be prepared to accept the potential for unintended or undesired consequences, such as losing ownership of the security, incurring taxes on capital gains, etc.
- Margin Risk. When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intend to borrow funds in connection with your account, you will be required to open a margin account, which will be carried by the qualified custodian. The securities purchased in such an account are the qualified custodian's collateral for its loan to you.

If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

Some of the risks involved in margin trading include the following:

- You can lose more funds than you deposit in your margin account.
- The account custodian or clearing firm can force the sale of securities or other assets in your account.
  - The account custodian or clearing firm can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call.
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities.

- The account custodian or clearing firm can increase its “house” maintenance margin requirements at any time and they are not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.
- Master Limited Partnership (MLP) Risk – MLPs are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. MLPs also face unique risks specific to energy prices, inflation/deflation, regulatory action, interest rate fluctuations and ease of access to capital markets.
- ETF and Mutual Fund Risk – When we invest in an ETF or mutual fund for a client, the client will bear additional expenses based on its pro rata share of the ETFs or mutual fund’s operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds.
- Tax Harvesting Risk – One trading strategy employed in client accounts is tax harvesting. The intent of this strategy is to sell an ETF or mutual fund at a taxable loss and replace those positions with a holding whose historical performance and expected future performance are similar, thereby having little impact on the overall strategic allocation, but capturing the tax loss. Because past performance is no indication of future performance, there is potential for the future performance of the replacement position to deviate from that of the initial holding. This type of strategy may also incur an increase in the frequency of trading and amount of transaction costs.
- Alternative Investment Risk – Alternative investments may be recommended in specific circumstances. These investments are susceptible to many of the same risks as other securities, but also include characteristics and risks related to liquidity, transparency, taxes and fund valuation.
- Management Risk – Your investment with Peak Financial Advisors can vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Values-based or Environmental, Social and Governance Fund (“ESG”) Based Investing Risk – When directed by the client, ESG investments may be included in the client’s portfolio. It is important to note that fund managers consider ESG factors to varying degrees and not every fund incorporates ESG factors in the same manner or degree which can cause difficulty in comparing different funds. As such, there is no particular standard matrix or benchmark upon which ESG factors affecting performance can be compared. ESG funds may include or exclude securities based on ESG practices vs other investment methodologies which can impact performance, fund expenses and investment risk. We base our ESG recommendations on the information provided to us by the issuers.
- Digital Assets Risk – Digital assets represent an emerging asset class that has not been fully defined. There remains an overwhelming lack of clarity regarding the regulatory framework that will ultimately govern this sector of investing. Additionally, there is a considerable list of risk factors that carry their own range of probability and impact possibilities. Those risks include but are not limited to, valuation risk; liquidity risk; volatility risks; technology risk; and legal, tax and regulatory risk.

## Item 9 – Disciplinary Information

Peak Financial Advisors and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## Item 10 – Other Financial Industry Activities and Affiliations

Peak Financial Advisors is independent and does not have arrangements or affiliations with any other financial industry participants other than those described in this Disclosure Brochure.

## Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

### Code of Ethics Summary

Peak Financial Advisors has established a Code of Ethics (“Code”) that applies to all employees and is designed to, among other things; govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that Peak Financial Advisors and its employees owe a fiduciary duty to our clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure the high ethical standards long maintained by Peak Financial Advisors continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. Our excellent name and reputation continue to be a direct reflection of the conduct of each employee. Clients may receive a complete copy of the Code upon request.

### Participation or Interest in Client Transactions

We may buy or sell securities that we have also recommended to clients. Securities we have recommended are publicly traded. In addition, in accordance with our fiduciary duty to clients, we always place client interests ahead of our own interests. Finally, we have developed policies and procedures under our Code of Ethics requiring our employees to submit personal securities holdings and transactions to our firm. This is done so we can monitor their investments to ensure compliance with our Code of Ethics and our general fiduciary duty to clients.

### Principal Transactions

It is Peak Financial Advisors policy that we will not affect any principal or agency cross securities transactions for client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction can also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions can arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## Item 12 – Custodial Practices

### Recommendation of Custodians

Custodians/broker-dealers will be recommended based on our duty to seek “best execution,” which is the obligation to seek to execute securities transactions for a client on terms that are the most favorable to the client under the

circumstances. The client will not necessarily pay the lowest commission or commission equivalent, and Peak Financial may also consider the market expertise and research access provided by the payment of commissions, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers to aid in our research efforts. We will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

Peak Financial Advisors recommends Charles Schwab & Co., Inc. Advisor Services.

Charles Schwab & Co., Inc. Advisor Services provides Peak Financial Advisors with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For our client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to Peak other products and services that benefit us but may not benefit our clients' accounts. These benefits may include national, regional or company specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of Peak Financial Advisors by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist us in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of our fees from client accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of our accounts. Charles Schwab & Co., Inc. Advisor Services also makes available other services intended to help us manage and further develop our business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to us by independent third parties. Charles Schwab & Co., Inc. Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Peak. Peak Financial Advisors is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

### **Trading Away**

We may purchase individual fixed income securities from brokers other than Charles Schwab & Co., Inc. The determination to use third- party brokers is based on the size of trade, lot type (i.e., odd lots versus even lots), bond issuer, highest bid received from broker versus current market value. Third-party fixed income brokers will be evaluated through a review of pricing schedule for trade commissions, services provided to both client and us, accuracy of execution and delivery of securities and highest bid received for similar issues. Clients will incur trade-away fees in this situation. We review reasonableness for compensation of fixed income brokers by comparing not only the fees charged by third-party brokers to determine whether specific pricing is reasonable

compared to the market for particular fixed income transactions but also additional factors such as likelihood of execution, liquidity, speed and accuracy.

### **Block Trading Policy**

We generally need to implement buys or sells of the same security for numerous accounts and purchase or sell such securities at approximately the same time. This process is also referred to as aggregating orders and batch trading and is used by our firm when we believe such action may prove advantageous to clients.

When buying securities for more than one client, we will aggregate orders. This allows the clients to receive the average share price for all the transactions in that security on the same trading day. We will not aggregate transactions unless it coincides with our duty to seek best execution. No one client will be favored over another client.

Aggregating orders will help clients obtain the best overall price but can be more costly if the size of our purchase drives the stock price higher. This can occur with thinly traded issues. Before aggregating an order, we will prepare an allocation statement specifying the client accounts and the shares to allocate among those clients. If the order is filled,

it will be allocated based on the allocation statement. If the order is partially filled, the allocation will be distributed on a pro rata basis based on the allocation statement. Depending on the specific situation, the order can be allocated on a basis which differs from the allocation statement if all client accounts receive fair and equitable treatment and the reason for the difference in shares allocated is explained in writing and approved by the compliance officer on the same trading day. We do not receive additional compensation as a result of aggregated or blocked orders.

### **Trade Errors**

On occasion, an error may be made by Peak Financial Advisors or the custodian in a client's account. For example, a security may be erroneously purchased for a client account instead of sold. In these situations, we seek to correct the error by placing the client account in a similar position as it would have been had there been no error, at no cost to the client. Depending on the circumstances, corrective steps may be taken, including but not limited to, cancelling the trade, adjusting an allocation and/or crediting the client's account. In the event the trading error results in a profit, the profit is retained by the client.

### **Best Execution**

We are required to seek the best execution available with each transaction. Best execution is not limited to obtaining the lowest transaction fees but involves seeking the most favorable terms for a transaction under the circumstances.

## **Item 13 – Review of Accounts**

Brian Sells continuously monitors investments on a regular basis. Account reviews will occur more frequently on an as needed basis or if changes in the clients' investment objectives warrant a review.

If a financial plan exists, we are available for a review at least annually or more frequently as needed. Our clients are contacted each year via email asking if they would like to schedule an annual review with Brian and/or Debbie. We will discuss client goals and objectives and any other matters new to the client's financial picture. If the client chooses to not take advantage of this offer there is no change in our fee schedule.

*All clients are advised it remains their responsibility to promptly notify us of any changes in their investment objectives and/or financial situation, or if the client wishes to impose any reasonable restrictions upon our asset management services. All clients are encouraged to review financial planning issues, investment objectives and account performance with us on an annual basis.*



## **Statements and Reports**

Peak Financial Advisors provides quarterly reports prepared and distributed by ORION Advisor Services, LLC.

The reports include current holdings, current asset allocations, performance and other relevant information. In addition, clients receive monthly account statements directly from Charles Schwab & Co., Inc. Clients are urged to compare the reports and statements provided by us against the account statements delivered directly from Charles Schwab & Co., Inc.

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

We do not compensate any business or person for referrals. We do not accept referral fees from other professionals when a prospect or client is referred to them.

Custodians/broker-dealers will be recommended based on our duty to seek “best execution,” which is the obligation to seek to execute securities transactions for a client on terms that are the most favorable to the client under the circumstances. The client will not necessarily pay the lowest commission or commission equivalent, and Peak Financial may also consider the market expertise and research access provided by the payment of commissions, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers to aid in our research efforts. We will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

Peak Financial Advisors recommends Charles Schwab & Co., Inc. Advisor Services.

Charles Schwab & Co., Inc. Advisor Services provides Peak Financial Advisors with access to Charles Schwab & Co., Inc. Advisor Services’ institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser’s clients’ assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For our client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to Peak other products and services that benefit us but may not benefit our clients’ accounts. These benefits may include national, regional or company specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of Peak Financial Advisors by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist us in managing and administering clients’ accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of our fees from client accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of our accounts. Charles Schwab & Co., Inc. Advisor Services also makes available other services intended to help us manage and further develop our business enterprise. These services may include professional compliance, legal and business consulting, publications and

conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to us by independent third parties. Charles Schwab & Co., Inc. Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Peak. Peak Financial Advisors is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

## **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

Peak Financial Advisors is deemed to have custody of client funds and securities whenever the firm is given the authority to have fees deducted directly from client accounts. We have the ability to deduct our advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices and monthly account statements directly from Charles Schwab & Co., Inc.

## **Item 16 – Investment Discretion**

Peak Financial Advisors has discretionary authority to manage accounts on behalf of our clients. This allows us to trade the account without obtaining specific client consent regarding the securities to be bought or sold. We do not consult with the client prior to any trades placed, however if a client wishes to impose any trading restrictions on the account they can do so.

If a client imposes a limit on our discretionary authority, such as requiring we obtain approval for trades or use a specific broker, such actions can result in the client having a higher overall cost on the purchase of securities and thus will forego any benefit we are able to obtain without such limitations.

## **Item 17 – Voting Client Securities**

We do not vote shares of stock held in client accounts and therefore, do not provide proxy voting services for any established or new accounts held by clients. All of our clients are expected to vote their own proxies.

Clients should receive proxy notices directly from their custodian, as they are not delivered by Peak Financial Advisors. Although we do not vote client proxies if you have a question about these items feel free to contact us.

## **Item 18 – Financial Information**

This item is not applicable to this brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for my most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.



# Brochure Supplement (Part 2B of Form ADV)

## Education and Business Standards

All advisors employed by Peak Financial Advisors are required to have a bachelor's degree, pass the NASD Series 65 exam and work towards earning additional credentials. These can include an advanced degree, CFP® certification or becoming licensed as a CPA.

## Professional Certifications

Certified Financial Planners are licensed by the CFP Board to use the CFP® mark. The CFP® certification requirements are as follows:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP® Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Certified Public Accountants in Colorado are licensed by The Colorado State Board of Accountancy. The CPA certification requirements are as follows:

- Meet the education requirements to qualify to take the Uniform CPA Examination.
- Successfully pass the Uniform CPA Examination.
- Take and successfully pass the AICPA Ethics examination or its equivalent.
- Must have one year of experience in public accounting, under the direct supervision of an actively licensed Certified Public Accountant, or experience the Board deems to be equivalent. The experience must be gained five years before or after passing the Uniform CPA Examination.

Certified Divorce Financial Analysts are licensed to use the CDFA® mark. The CDFA® certification requirements are as follows:

- Bachelor's degree from an accredited college or university.
- Successful completion of the CFDA® Certification Exam.
- Three-years of professional experience in finance.

Chartered Financial Analysts are licensed by the CFA Institute to use the CFA Charterholder designation. The CFA charter requirements are as follows:

- Bachelor's degree from an accredited college or university.
- Successful completion of the 3 Levels of the CFA Exam plus applicable practical skills modules.
- Three-year qualifying full-time work experience that must be directly involved with the investment decision-making process.

- Required to follow the Code of Ethics and Standards of Professional Conduct and certify annually to be in compliance with the Code and Standards.

Series 65 is an exam administered by the Financial Industry Regulatory Authority (FINRA). Completion of the Series 65 exam will qualify an investment professional to operate as an Investment Advisor Representative. The exam focuses on topic areas that are important for an investment advisor to know when providing investment advice. These areas include topics such as retirement planning, portfolio management strategies and fiduciary obligations.

## **BRIAN TIMOTHY SELLS**

- Date of birth: June 11, 1965
- Education: B.S.B.A. in Accounting - University of Denver, 1989

### Business Experience:

- Peak Financial Advisors    1997 – Present
- Sterling Limited                1995 – 1997
- Arthur Andersen & Co.    1990 – 1995

### Professional Designations:

- Certified Financial Planner – CFP®, 1997
- Certified Public Accountant – CPA, 1994

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Brian founded Peak Financial Advisors in 1997 after gaining valuable experience working as a senior advisor at the family office of Sterling Limited and Sterling Asset Management Co. During his tenure in the Denver office of Arthur Andersen & Co., he completed the Arthur Anderson Investment Advisory Services Masters Program. Brian has over 30 years of experience in the financial services industry. He has been a Certified Public Accountant since 1994 and a Certified Financial Planner since 1997.

## **DEBBIE JOYCLYN FREEMAN**

- Date of birth: January 5, 1982
- Education: Masters of Accountancy – University of Montana, 2005
- B.S.B.A. in Accounting – University of Montana, 2004

### Business Experience:

- Peak Financial Advisors      2005 - Present
- Deloitte Tax, LLP              2005

### Professional Designations:

- Certified Financial Planner - CFP®
- Certified Public Accountant – CPA
- Certified Divorce Financial Analyst – CDFA®

Disciplinary Information:   None

Other Business Activities: None

Additional Compensation: None

Debbie is a Partner at Peak Financial Advisors. She was licensed as a Certified Public Accountant on May 12, 2006, received her Certified Financial Planner designation on August 26, 2008 and became a licensed Certified Divorce Financial Analyst on April 24, 2019.

Debbie manages all of our financial planning projects as well as all tax preparation and planning engagements. She assists with portfolio management as well. Prior to joining Peak Financial Advisors she worked with Deloitte Tax, LLP as a staff accountant.

**STEPHEN LEROY KETTERLING**

- Date of birth: December 10, 1970
- Education: B.S.B.A. in Finance – Montana State University Billings, 1993

### Business Experience:

- 406 PM LLC 2021 – Present
- Morgan Stanley 2019 – 2021
- First Interstate Bank 2012 – 2019

## Professional Designations:

- Chartered Financial Analyst – CFA, 2003

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Steve founded 406 PM LLC in 2021 to serve as a consultant for Registered Investment Advisors to help manage their investment portfolios. Prior to that, he was a Branch Manager for Morgan Stanley. Most of his career has been spent as a Portfolio Manager, last serving as a Senior Portfolio Manager in the First Interstate Bank Asset Management Group. Steve is a Chartered Financial Analyst (CFA) and a member of the CFA Society Colorado.