
Item 1 – Cover Page

Boston Mountain Money Management, Inc.

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www.bostonmmm.com

February 2024

This Brochure provides information about the qualifications and business practices of Boston Mountain Money Management, Inc., “BMMM.” If you have any questions about the contents of this Brochure, please contact us at 479-657-6940 or scott@bostonmmm.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

BMMM is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about BMMM also is available on the SEC’s website at www.adviserinfo.sec.gov. The SEC’s website also provides information about any persons affiliated with BMMM who are registered, or are required to be registered, as investment adviser representatives of BMMM.

Item 2 – Material Changes

This item discusses specific material changes that have been made to the Brochure and provides clients with a summary of such changes since our last annual amendment Brochure, prepared in March 2023.

Since the last annual amendment, no material changes have been made to this brochure.

We will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Scott Alaniz, President at 479-657-6940 or scott@bostonmmm.com.

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Item 4 – Advisory Business

A.) **Description of the Advisory Firm.** Boston Mountain Money Management, Inc. was incorporated in 2007. Since inception we have operated in one and only one business - providing personalized financial advice and investment management services to individuals. The firm is majority owned by its founder, Scott Alaniz.

B.) **Types of Advisory Services.** We provide advisory services in two areas: financial planning and discretionary investment management. Mr. Alaniz, with the support and supervision of the firm's employees, performs all planning and investment services to clients. Mr. Alaniz possesses thirty-one years of investment experience, has earned the Chartered Financial Analyst designation and is able to advise clients regarding a broad range of investment scenarios.

Our financial planning advice and investment management counsel are integrated as we believe that integration of these responsibilities is the most effective approach to helping our clients achieve their financial objectives. Our approach to investment management is best described as classical. Each client's portfolio is comprised of individual stocks and bonds and low-cost exchange-traded funds that we have carefully evaluated as to quality and price. Our approach encompasses both top-down and bottom-up analysis. We believe in the financial tenets of diversification and compounding. As such, we seek to identify and own investments for long periods of time. Our top-down analysis includes seeking to understand key investment trends and themes across asset classes, styles, and sectors and incorporates both qualitative and quantitative methods. Additionally, our individual stock analysis consists primarily of fundamental analysis, and we may rely on ratings and reviews from third parties.

We target low-turnover and seek to minimize taxes and transaction costs. Further, we do not "sell" any financial products.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the "Account"). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to

consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

C.) **Client Tailored Services and Client Imposed Restrictions.** Our financial advisory services are tailored to each individual and/or their family. Our financial planning advice is based on in-depth interviews with our clients and prospective clients where we seek to learn as much as possible about their needs and resources. Based on the clients' income, expense, asset and liability information and goals, we develop individualized, detailed projections of future income and obligations under various scenarios to show clients their options and related risk for achieving their goals. We develop a long-term investment strategy to achieve their objectives.

Our approach to investment management is best described as classical. Each client portfolio is created and managed for that client based upon their individual goals and risk tolerance. We offer our clients the choice of excluding from their portfolios certain securities to meet diversification, socially responsible or other concerns.

D.) **Wrap Fee Programs.** We do not offer or participate in wrap fee programs.

E.) **Assets under Management.** As of February 27, 2024, we manage \$196,444,181 in client assets on a discretionary basis. We do not manage any assets on a non-discretionary basis.

Item 5 – Fees and Compensation

A.) **Fee Schedule.** Our only form of compensation is fees paid directly to us by our clients for the advice and investment management services we render. We are not compensated by any third-parties such as mutual fund companies, custodians, brokerage firms, or insurance companies. Our fees are based on the assets under management within each client’s household, and the schedule, subject to adjustments for certain client circumstances, is as follows:

	<u>Incremental Fee</u>
up to \$500,000	1.00%
\$500,000 to \$1,000,000	0.80%
\$1,000,000 to \$3,000,000	0.60%
\$3,000,000 to \$10,000,000	0.40%

At our discretion, long-term clients may continue with their legacy fee arrangement, which excludes fees on cash and “Company Stock,” which are shares that are earned by our executive clients and expected to be diversified or gifted at the appropriate time. For clients who only desire a financial plan, our fee for preparation of such plan is \$5,000.

The minimum fee per household is \$2,500 per year but certain account fees are negotiated based on the nature, size, and extent of the investment advisory services provided.

B.) **Payment of Fees.** Advisory fees are billed quarterly and in arrears and are deducted from client accounts upon written approval by the client.

C.) **Clients are Responsible for Third-Party Fees.** Clients are responsible for payment of all fees to third parties. Clients will incur a brokerage charge or commission, paid directly to their custodian/discount brokerage firm as we execute transactions in their accounts. BMMM does not receive any commission or portion of fees paid to custodians or fund managers.

D.) **Fees are not prepaid.** Upon termination or non-performance of the agreement BMMM may, at its discretion waive a fee for the final billing period. If the final fee is not waived, it will be pro-rated based on the number of days remaining in the final billing period and billed to the client.

E.) **Outside Compensation for the Sale of Securities to Clients.** Neither our firm, nor any employee of our firm accepts compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

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

BMMM does not accept performance-based fees or other fees based on a share of the capital gains or appreciation of client assets or change in value of client accounts.

Item 7 – Types of Clients

Our clients consist of individuals and families, typically professionals such as executives earning high incomes. Types of accounts include taxable and tax-deferred accounts such as trust accounts and IRAs. We evaluate each client for fit with our long-term investment approach and do not have minimum account size requirements, though it is generally our expectation that a new client will have at least \$300,000 - \$500,000 in managed assets within 3-5 years of beginning a relationship with us.

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

A.) **Methods of Analysis and investment Strategies.** Our primary method of analysis encompasses both top-down and bottom-up approach. We seek to identify and own investments for long periods of time. Our top-down analysis includes seeking to understand key investment trends and themes across asset classes, styles, and sectors and incorporates both qualitative and quantitative methods. We review and rely on a large volume of third-party research and analysis of individual stocks, sectors and themes to arrive at our portfolio decisions. Risk of loss is involved when investing in securities and is a risk that clients should understand clearly and be prepared to accept. Before investment decisions are instituted, we seek to understand our clients risk tolerance, return objectives and time horizon in order to formulate an appropriate investment strategy.

We seek preservation and appreciation of client financial assets over the long-term and seek to hold individual investments for 3-5 years or more. For clients desiring income from their portfolios, we seek to generate a level of income commensurate with their risk profile.

We evaluate economic, industry and company-specific factors when selecting investments on behalf of our clients. As well, each portfolio is evaluated for risk in terms of suitable portfolio diversification and industry-specific factors including business and execution risks, competitive risks, inflation risk, raw material and commodity risks, pricing risk, and financial leverage, among others. We utilize a variety of investment vehicles including individual stocks, ETFs and mutual funds to achieve client objectives. These funds are evaluated based on investment objective, fees, liquidity and performance. Ultimately, each security is chosen or avoided depending upon the price relative to risk and return potential.

B.) **Material Risks Involved.** There are five primary risks involved in managing portfolios of individual securities. The first risk is failure to properly identify the business risk inherent of each individual company stock or bond. Second, is overpaying or overestimating the worth of the security. The third risk is failure to properly diversify the portfolio. The fourth risk is to own too many securities to adequately monitor

and oversee the conditions of the individual securities within client portfolios. Finally, the fifth risk is overtrading in these securities, resulting in short-term taxable gains and losses and unnecessary and excessive commissions.

C.) **Risks of Specific Securities Utilized.** The primary securities utilized in client portfolios are common stocks, mutual funds and ETFs, and corporate, government and municipal bonds. The material risk involved with common stocks includes market risk, or the fact that stock prices will fluctuate with the overall market. In addition, each of these common stocks bears business risk, which is the risk that these companies may not perform or execute their plans or may be adversely affected by competitive factors or a decline in demand for their products.

Mutual funds and ETFs bear other risks including market, liquidity, industry concentration, index, equity, market trading, non-correlation, operational and portfolio turnover risks.

Risk factors for fixed income securities include credit risk, or the ability of the issuer to repay the interest and principal portion of the issued debt, and interest rate risk, which is the risk that the price of the bond will decline if interest rates rise.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Boston Mountain Money Management, Inc. or the integrity of BMMM's management. BMMM has no disclosures applicable to this Item. No owners or employees of BMMM have been involved in any legal or disciplinary actions, events or investigations.

Item 10 – Other Financial Industry Activities and Affiliations

A.) **Registration as a Broker/Dealer or Broker/Dealer Representative.** Neither BMMM nor its representatives are registered or are seeking registration as a broker/dealer or as a representative of a broker/dealer.

B.) **Registration as a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor.** Neither BMMM nor its representatives are registered or seeking registration as a Futures Commission Merchant, Commodity Pool Operator, a Commodity Trading Advisor, or an associated person of any of these types of entities.

C.) **Material Relationships with Related Persons.** Neither BMMM nor its representatives have any material relationships with other potentially related entities such as broker-dealers, securities dealers, mutual or hedge funds, commodities advisors, other investment advisers, banks, accountants, lawyers, insurance companies, pension consultants, real estate broker or sponsor of limited partnerships.

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- D.) **Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections.** All assets are managed by BMMM. BMMM does not select or utilize outside advisors or third-party managers.

Item 11 – Code of Ethics

- A.) **Code of Ethics.** An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. BMMM has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. BMMM Code of Ethics covers all individuals that are classified as “supervised persons”. All employees, officers, directors and investment adviser representatives are classified as supervised persons. BMMM requires its supervised persons to consistently act in your best interest in all advisory activities. BMMM imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm’s fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of BMMM. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

- B.) **Recommendations Involving Material Interests.** BMMM does not recommend any security in which BMMM or a related person has a material financial interest.
- C.) **Investing Personal Money in the Same Securities as Clients.** Our practice is to invest alongside our clients because we believe that this aligns our interests. Therefore, employees of BMMM can own, purchase or sell the same securities that our clients’ own, which creates a conflict of interest because representatives of BMMM could potentially buy or sell securities in advance of client transactions, possibly profiting from the client transactions. BMMM has policies and procedures to avoid whenever possible and mitigate when conflicts cannot be completely avoided. Our policy is to always conduct trades for clients before conducting trades for its representatives. In addition, all securities trades by representatives of BMMM are reviewed no less than quarterly by BMMM’s compliance committee to ensure compliance with the firm’s policies.
- D.) **Trading Securities At/Around the Same Time as Clients’ Securities.** Because our philosophy is to invest alongside our clients, trading securities at or around the same time as our clients presents conflict of interest. Representatives of BMMM can purchase or sell securities along with clients in “block trades,” during which all client trades in a particular security are executed simultaneously with employee trades. As well, individual employee transactions are subject to a 3 day “blackout” period

during which no employee is permitted to buy the same security that has been sold for a client, and no employee can sell the same security that has been purchased for a client, the exception being a block trade.

Item 12 – Brokerage Practices

A.) **Factors Used to Select Custodians and/or Broker/Dealers.** The Custodian, Charles Schwab & Company, was selected based on its low transaction fees, client interface, access to a wide range of fixed income securities, reporting capabilities, and trading functionality.

1.) Research and Other Soft-Dollar Benefits.

BMMM actively recommends, and in some cases requires, that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Company, Inc. ("Schwab"), a FINRA-registered broker-dealer, Member SIPC, to maintain custody of clients' assets and to effect trades for their accounts.

Although BMMM recommends clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. BMMM is independently owned and operated and not affiliated with Schwab. BMMM can recommend additional unaffiliated broker-dealers to affect fixed income transactions.

Schwab provides BMMM with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained at Schwab Institutional. These services are not contingent upon BMMM committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require significantly higher minimum initial investment.

Schwab Institutional also makes available to BMMM other products and services that benefit BMMM but may not directly benefit clients' accounts. Many of these products and services can be used to service all or some substantial number of BMMM' accounts, including accounts not maintained Schwab.

Schwab's products and services that assist BMMM in managing and administering clients' accounts include software and other technology that (i) provides access to client account data

(such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of BMMM' fees from some of its accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help BMMM manage and further develop its business enterprise. These services include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab Institutional will discount or waive fees it would otherwise charge for some of these services or pay all or part of the fees of a third-party providing these services to BMMM. Schwab Institutional will also offer other benefits such as educational events or occasional business entertainment of BMMM personnel. While as a fiduciary, BMMM endeavors to act in its clients' best interests, BMMM' recommendation that clients maintain their assets in accounts at Schwab will take into account availability of some of the foregoing products and services and other arrangements not solely on the nature of cost or quality of custody and brokerage services provided by Schwab, which creates a conflict of interest.

When appropriate and in the client's interest, we will recommend the Schwab Charitable Account. Clients opening a Schwab Charitable Account will pay a fee directly to Schwab for the account. BMMM does not receive any portion of the account fee charged by Schwab and we are not incentivized by Schwab to recommend clients open charitable accounts.

- 2.) Brokerage for Client Referral.** BMMM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third-party.
- 3.) Directed Brokerage.** We recommend that our clients use large, established third-party discount brokerage firms with healthy balance sheets and capital levels. We believe that these independent third-parties provide clients with the best combination of trade execution, custodial services, technology, resources and low cost. In addition, their open platforms may offer our clients broader, rather than limited, investment options and unencumbered access to their funds.

Clients can direct us to execute transactions through specific brokerage firms if appropriate limited authorization is granted to us. Transactions directed through banks or full-service brokerage firms may cost clients more in commissions than those executed through the large, established discount brokerage firms we recommend.

4.) Aggregating Orders. We do aggregate orders for client purchase and sale transactions. We do not believe that there is a significant commission or trade execution benefit to aggregating orders, though it is possible in certain instances or market conditions that clients could receive better execution of trades through an aggregated order. Our practice is to invest in securities which are publicly traded on major domestic stock exchanges; these are evaluated for liquidity as part of our due diligence process.

When we enter client trades on an individual basis, there is no predetermined order as to execution, so as not to advantage or disadvantage any clients. As described in the Code of Ethics section, all client trades in a particular security are executed before employee trades are executed.

Item 13 – Review of Accounts

- A.) **Frequency and Nature of Periodic Reviews and Who Makes Those Reviews.** Each client account is formally reviewed by a supervised person of BMMM on a quarterly basis to ensure compliance with the client's stated goals. For clients whom we have prepared financial plans, a review is conducted every other year by a supervised person of BMMM.
- B.) **Factors That Will Trigger a Non-Periodic Review.** We review client accounts and financial plans when we become aware that a material change to our client's circumstances has, or will, occur, such as a change in income, expense or significant asset purchase or sale, receipt or withdrawal of significant levels of cash, or a material change in market conditions.
- C.) **Content and Frequency of Regular Reports Provided to Clients.** In addition to the monthly statements our clients receive from their custodians, we prepare and send to clients a quarterly account statement, which we believe provides clear and useful information to help them understand and evaluate their portfolios and our services. Included with our quarterly account statement is a written letter which reviews market conditions and certain financial topics of interest to our client base.

Item 14 – Client Referrals and Other Compensation

- A.) **Economic Benefits Provided by Third Parties for Advice Rendered to Clients.** BMMM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to BMMM clients.

B.) Compensation to Non-Advisory Personnel for Client Referrals. BMMM does not compensate directly or indirectly any person who is not advisory personnel for client referrals.

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.

BMMM is deemed to have custody of client funds and securities whenever it is given the authority to have fees deducted directly from client accounts.

We have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client (other than the BMMM affiliated trustee) are also notified, in writing of the qualified custodian's name, address and the manner in which the funds or securities are maintained, promptly when the account is opened and following any changes. Account statements are delivered directly from the qualified custodian to each client, or the client's independent representative (other than the BMMM affiliated trustee), at least quarterly.

Under no circumstances do we seek or accept "full discretionary" authority over any client account, which is the ability to transfer funds freely to third-party accounts. However, we do accept authorization from clients to move funds between their own accounts at the client's request. For example, clients may grant us authority to transfer funds from their trust account to their IRA account in order to make annual contributions. We accept this limited authority upon review of client for fit with our firm's practices and execution of a contract for our services.

Item 16 – Investment Discretion

When providing asset management services, BMMM maintains trading authorization over your Account and will provide management services on a discretionary basis. When discretionary authority is granted, we have the authority to determine the type of securities, the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted

to BMMM so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Item 17 – Voting Client Securities

It is the policy of BMMM to vote proxies on behalf of all clients. However, you can choose to retain proxy voting responsibilities on your account(s) and are not required to have us vote proxies.

Proxies will be voted in the overall best interests of our collective client-base. The proxy voting policy of BMMM is to cast proxy voting in favor of proposals that are anticipated to enhance the long-term value for the shareholders and the company. Generally, this will mean voting “for” proposals that are to improve the management of a company, increase the rights or preferences of the voted securities, and/or increase the chance that a premium offer would be made for the company or for the voted securities. The decision by BMMM to vote in support or opposition of a proposal will always depend on the specific circumstances described in the proxy statement and other available information.

You can request a complete copy of the proxy voting policies and procedures of BMMM as well as information on how your proxies were voted by contacting BMMM at the address or phone number indicated on Form ADV Part 2A, Page 1 of this disclosure document.

Item 18 – Financial Information

- A.) **Balance Sheet Required If Fees Prepaid.** BMMM does not solicit or require prepayment of more than \$1,200 in fees per client, six months or more in advance, therefore, we do not include a balance sheet with this brochure.
- B.) **Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients.** We do have limited discretionary authority over our clients' accounts as described in the Investment Discretion section. We are not aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.
- C.) **Bankruptcy Petitions in the Previous Ten Years.** BMMM has not been the subject of a bankruptcy petition in the previous ten years.