

**FORM ADV PART 2A  
FIRM BROCHURE**

**REAP Financial Group, LLC**

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This brochure provides information about the qualifications and business practices of REAP Financial Group, LLC. Being registered as a registered investment advisor does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 512-249-7300. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC"), or by any state securities authority.

Additional information about REAP Financial Group, LLC (CRD #144560) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

February 8, 2024

## **Item 2: Material Changes**

### **Annual Update**

The material changes section of this brochure will be updated annually or when material changes occur since the previous release of the firm's brochure.

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### **Material Changes since the Last Update**

Since the filing of the firm's last annual update brochure on March 21, 2023, we have the following material changes to disclose:

- Sandra Newman is no longer a principal and minority owner of the firm. She continues to remain licensed as an investment advisor representative of the firm.

We have made other non-material adjustments to the disclosures found throughout this brochure to clarify the nature of our services and fees.

We will update this brochure and disclose in this Item 2 the occurrence of any material changes with respect to our business in accordance with applicable law. All current clients will receive a Summary of Material Changes to this and subsequent brochures within 120 days of the close of our fiscal year and certain additional updates regarding changes with respect to our firm and our business practices as they may occur. Updated information concerning these changes will be provided to you free of charge. A Summary of Material Changes is also included within our brochure found on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can obtain additional information about our firm by searching for us on the foregoing website by our firm name or by our unique IARD/CRD number (144560).

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### **Full Brochure Available**

A copy of this brochure will be provided to you free of charge by contacting us by phone at (512) 249-7300 or by e-mail at [admin@reapfinancial.com](mailto:admin@reapfinancial.com).

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## **Item 4: Advisory Business**

### **Firm Description**

REAP Financial Group, LLC (“REAP,” “firm,” “we,” “our,” and “us”) is an SEC registered investment adviser located in Texas. The firm was formed in 2008. In 2018, REAP reorganized by splitting its insurance business into a separate entity, REAP Insurance Group, LLC, with both entities being owned by a holding company, REAP Group, LLC. Currently, REAP is owned by the holding company, REAP Group, LLC, which is owned by Hannah Heerlein and Christopher Heerlein.

REAP provides investment management, financial planning, and consulting services primarily to individuals and trusts. Our services to clients (“client,” “you,” and “your”) may include some or all of the following: identification and assessment of your unique financial objectives and concerns, assistance with cash flow management, tax planning advice, insurance review, ongoing portfolio management services, education funding, retirement planning, and estate planning advice.

REAP is a fee-based financial planning and investment management firm. The firm’s affiliate, REAP Insurance Group, LLC sells annuities, insurance, and other commissioned products.

As part of REAP’s comprehensive approach to assisting our clients to achieve their financial goals and objectives, upon your request, we will attempt to coordinate our services with your trusted third-party legal, tax, and insurance advisors. Where you have not previously engaged a trusted third-party professional for any of these roles (e.g., attorney, certified public accountant, insurance agent, etc.), we may recommend a provider to you, but only where we believe such recommendations to be in your best interests. We do not receive referral fees of any kind in connection with these recommendations. You are never obligated to engage any third-party professionals we recommend and do so at your sole discretion and risk. REAP does not provide legal, tax or insurance advice, and clients are encouraged to consult their own legal, tax, insurance or other advisors for information concerning their individual situation.

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### **Types of Advisory Services**

#### **ASSET MANAGEMENT**

REAP offers ongoing discretionary asset management services which are typically coordinated with various sub-advisor firms. Clients are typically required to grant REAP full discretionary authority to implement investments within the client’s designated investment account(s) and to appoint one or more sub-advisors to provide investment advisory services to the account without obtaining the client’s consent for each specific transaction. Sub-advisors shall have all of the same authority relating to the management of the client’s investment accounts as REAP. REAP may grant the selected sub-advisors full authority to further delegate such discretionary investment authority to additional sub-advisors. We will only exercise our investment discretion in a manner which comports with our understanding of your unique investment objectives, needs, and limitations.

Irrespective of the sub-advisor(s) chosen for your account, REAP maintains the primary advisory relationship with you and will provide ongoing monitoring of your assets. We will hire, fire, and recommend adjustments to the allocation of your assets between and among sub-advisors and/or sub-advisor-managed models or investment strategies as we believe

to be in your best interests. Details regarding each of the sub-advisory programs we utilize to manage client assets are described below.

#### AE Wealth Management

REAP offers asset management services utilizing AE Wealth Management, LLC (“AE Wealth”) as a sub-advisor. AE Wealth is a registered investment advisor registered with the SEC.

AE Wealth primarily utilizes model portfolios managed by AE Wealth as well as other model managers, portfolio managers, strategists, and third-party money managers that are available through AE Wealth’s wealth management platform. REAP will select the specific model portfolio(s) to be implemented in your account by the sub-advisor.

For engagements where AE Wealth functions as sub-advisor, AE Wealth will have the ability to select, hire, and fire model managers without the prior consent of REAP or the client.

Additional information about AE Wealth can be found in AE Wealth’s Form ADV Part 2 Disclosure Brochure which is available upon request.

#### Bison Advisors, LLC

REAP also offers asset management services utilizing Bison Advisors, LLC (“Bison”) as a sub-advisor. Bison is a registered investment advisor registered with the SEC.

Bison offers our clients access to an actively managed program of model portfolios. REAP will determine the specific model portfolio(s) to be implemented in the client’s account and Bison will manage the day-to-day trading of the account in a manner meeting with the selected models. REAP will monitor your investments on an ongoing basis and instruct Bison as to any changes in the model portfolio(s) to be implemented in your account.

Additional information about Bison can be found in the Bison Form ADV Part 2 Disclosure Brochure which is available upon request.

#### Signal Advisors Wealth, LLC

REAP Financial Group, LLC also offers asset management services utilizing Signal Advisors Wealth, LLC (“Signal Wealth”) as a sub-advisor. Signal Wealth is a registered investment advisor registered with the SEC.

Signal Wealth offers our clients access to an actively managed program of model portfolios. REAP will determine the specific model portfolio(s) to be implemented in the client’s account and Signal Wealth will manage the day-to-day trading of the account in a manner meeting with the selected models. REAP will monitor your investments on an ongoing basis and instruct Signal Wealth as to any changes in the model portfolio(s) to be implemented in your account.

Additional information about Signal Wealth can be found in the Signal Wealth Form ADV Part 2 Disclosure Brochure which is available upon request.

#### ALTERNATIVE INVESTMENT DUE DILIGENCE AND MANAGEMENT

REAP offers investment advice and due diligence with respect to certain privately-issued securities for those clients who are accredited investors and who otherwise meet certain additional investor standards. (To qualify as an accredited investor, you must have a net worth, not including your primary residence of at least \$1 million; or have an income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level

in the current year). REAP will collect information such as marketing materials, audited reports, balance sheets, private offering memoranda, subscription agreements, historical records, etc. in order to assist the client in accessing alternative investment opportunities and their related risks. Clients make the final investment decision. We further assist our clients on an ongoing basis with managing distributions and additional contributions to and from their alternative investment holdings and by providing periodic reporting to clients based on our consultations with issuers of their alternative investments.

The fees for these services will be based on a percentage of the value of the investments as detailed in Item 5 of this brochure.

#### **FINANCIAL PLANNING AND CONSULTING**

REAP offers non-management financial planning and consulting services customized to the needs of the client. Services include but are not limited to a review of applicable topics including wills, legacy plans, trusts, investments, taxes, and insurance. Based on the scope of the client's financial planning and consulting needs, REAP's advice may be provided through the delivery of a written financial plan or other written report(s). For the most basic engagements, REAP's advice may be delivered solely through in-person, telephonic, and/or in person consultation(s) with the client. The client will compensate REAP for these services by payment of hourly or fixed fees as described in detail in Item 5 of this Brochure. The scope of the engagement, nature of the deliverables to the client, and the fees to be paid by the client will be set forth in a written financial planning agreement the client will enter with REAP at the inception of our services.

Clients are under no obligation to act upon the firm's financial planning and consulting recommendations. Furthermore, if a client elects to act on any of the recommendations made by the firm, the client is under no obligation to effect the transaction through REAP, its affiliates, or its related persons. Clients are responsible for the monitoring and implementation of investments. Financial plans will typically be completed and delivered inside within six (6) months of the inception of the relationship, at which time the engagement is concluded. Subsequent reviews and updates of financial plans and financial consulting advice are subject to a new engagement and the payment of additional fees. Clients may terminate REAP's financial planning and consulting services with five (5) days written notice.

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#### **Client Tailored Services and Client Imposed Restrictions**

The goals and objectives for each client are documented in our client files. Investment strategies are created to reflect the stated goals and objectives of the client. Clients may impose reasonable restrictions on REAP's ability to invest in certain securities or types of securities. We will advise you promptly if we are ever unable to honor any of your requested investment restrictions.

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#### **Wrap Fee Programs**

REAP does not sponsor or recommend any wrap fee programs but some sub-advisors used by the firm may do so. For additional information about wrap fee programs offered or used by sub-advisors, please refer to the applicable sub-advisor's Form ADV Part 2 Disclosure Brochure which is available upon request.

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## **Client Assets under Management**

As of February 8, 2024, REAP manages approximately \$443,510,504.85 of client assets under management on a discretionary basis and \$0 on a non-discretionary basis.

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## **Item 5: Fees and Compensation**

### **Method of Compensation and Fee Schedule**

#### ASSET MANAGEMENT

Irrespective of the sub-advisor selected for management of the client's account, clients pay REAP an annual asset-based fee for these services which is calculated as a percentage of the value of their assets under management up to a maximum rate of 2.00% per annum. These fees are negotiable, may vary based upon the specific sub-advisor, investment model(s), strategy(ies), and manager(s) chosen for the account, and other factors, and will be documented in a written investment advisory agreement executed with the client at the inception of our services. The annual advisory fee paid to REAP includes the costs of the selected sub-advisor's services to the client's account. Details regarding the manner of billing and collecting advisory fees with respect to each of the sub-advisory programs we utilize are described below.

#### AE Wealth Management

Where AE Wealth is selected as the sub-advisor for the client, REAP's advisory fees are assessed monthly in arrears based on the average daily balance of the assets managed during the billing period. All such fees are directly withdrawn from the client's account by AE Wealth on behalf of REAP, unless otherwise agreed with the client. REAP will receive written authorization from the client for the foregoing direct fee deduction arrangement. Typically, AE Wealth will calculate the advisory fees due, deduct the fees from the client's account, retain the AE Wealth portion of the total fee collected, and remit to REAP the remaining balance of the fees. Clients may terminate their account within five (5) business days of signing the investment advisory agreement with no obligation and no advisory fee will be charged. Thereafter, either party may terminate the engagement on ten (10) days' advance written notice. A pro-rated fee shall be charged for the final billing period based on the number of days services are provided.

#### Bison

Where Bison is selected as the sub-advisor for the client, REAP's advisory fees are assessed quarterly in advance based on the amount of the assets managed as of the last business day of the previous quarter. All such fees are directly withdrawn from the client's account by Bison on behalf of REAP, unless otherwise agreed with the client. REAP will receive written authorization from the client for the foregoing direct fee deduction arrangement. Typically, Bison will calculate the advisory fees due, deduct the fees from the client's account, retain the Bison portion of the total fee collected, and remit to REAP the remaining balance of the fees. Clients may terminate their account within five (5) business days of signing the investment advisory agreement with no obligation and no advisory fee will be charged. Thereafter, either party may terminate the engagement on ten (10) days' advance written notice. The client will be entitled to a pro-rata refund for the days service was not provided in the final quarter.

### Signal Advisors Wealth

Where Signal Wealth is selected as the sub-advisor for the client, REAP's fees are assessed quarterly in advance based on the amount of the assets managed as of the last business day of the previous quarter. All such fees are directly withdrawn from the client's account by Signal Wealth on behalf of REAP, unless otherwise agreed with the client. REAP will receive written authorization from the client for the foregoing direct fee deduction arrangement. Typically, Signal Wealth will calculate the advisory fees due, deduct the fees from the client's account, retain the Signal Wealth portion of the total fee collected, and remit to REAP the remaining balances of the fees. Clients may terminate their account within five (5) business days of signing the investment advisory agreement with no obligation and no advisory fee will be charged. Thereafter, either party may terminate the engagement on ten (10) days' advance written notice. The client will be entitled to a pro-rata refund for the days service was not provided in the final quarter.

### ALTERNATIVE INVESTMENT DUE DILIGENCE

REAP will charge clients a fixed fee up to 1.00% of the value of the investible asset for the due diligence work on certain private placements. The fees are billed quarterly either in arrears or in advance depending on the platform. The sponsor of the investment will transfer the fee from the client's private placement account to an account held at a qualified custodian. REAP will then directly deduct the fee from the client's account (with the client's prior written authorization).

### FINANCIAL PLANNING AND CONSULTING

Financial planning services are offered either on a fixed fee basis or based on a maximum hourly rate of \$400 per hour, depending on complexity of the client's planning needs. Prior to the planning process, the client will be required to execute a written financial planning agreement detailing either a fixed or estimated plan fee as applicable. REAP may require an initial payment of up to 50.00% of the estimated fee at the time of engagement. The balance of the fee is due upon delivery of services or delivery of a written financial plan or report(s) (where applicable) to client. Financial planning engagements are typically completed within six (6) months of inception, assuming the client promptly provides all requested documentation to REAP.

Clients may terminate our financial planning and consulting services within five (5) business days of signing the financial planning agreement with no obligation and a full refund of any fees paid in advance. Thereafter, either party may terminate the engagement on ten (10) days' advance written notice. If the client cancels after five (5) business days but before the delivery of the plan, the client will either pay any earned fees to REAP for the work completed prior to termination or receive a pro-rated refund for any unearned fees paid in advance. For fixed fee arrangements, REAP reserves the right to determine the value of its services prior to termination. REAP reserves the right to waive or offset its financial planning and consulting fees if the client decides to implement the plan with REAP. Clients are never obligated to engage REAP or its associated persons for the implementation of any recommended investments or the purchase of any insurance products.

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### **Client Payment of Fees**

As described above, advisory fees charged in connection with our rendering of ongoing asset management services are directly deducted from the client's account by the selected sub-advisor. Specific terms and conditions related to our practice of directly deducting fees



from the client's account are described above in this Item 5.

Fees for financial planning and consulting services are payable by check or other form of payment deemed acceptable to REAP. Up to 50% of the estimated fee may be due to REAP upfront, with the balance due upon completion of our services (e.g., delivery of a written financial plan or other report(s) to the client).

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**Additional Costs and Expenses**

Separate and in addition to our advisory fees, you will also pay (i) all internal fees, costs, and expenses (e.g., expense ratios, management fees redemption fees, deferred sales charges, surrender charges, and administrative fees) associated with any mutual funds, exchange traded funds ("ETFs"), insurance products, and/or other pooled investment vehicles held in your account and (ii) all usual and customary transaction-based fees (brokerage fees and commissions), custodial charges, wire transfer fees, and other fees and taxes associated with activity and holdings in your account in accordance with the terms of the account opening documentation of the custodian of your assets. We do not share in any portion of the foregoing additional fees and expenses. To fully understand the total costs you will incur when engaging our services, you should review the disclosure brochure, account opening documentation, and/or prospectus of each mutual fund, ETF, insurance product, and/or other pooled investment vehicle held in your account and the contractual arrangement entered with your custodian.

For more details on our brokerage practices, see Item 12 of this brochure.

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**External Compensation for the Sale of Securities and Insurance Products to Clients**

REAP and its associated persons do not receive any external compensation for the sale of securities to clients. REAP and/or its associated persons receive commissions on the sales of certain insurance products to clients. Important disclosures regarding the conflicts of interest created by this arrangement are discussed in Item 10 of this brochure.

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**Educational Approach to Rollovers**

As a firm policy, REAP does not provide recommendations to clients with respect to the rollover of assets between employer sponsored retirements accounts (e.g., 401(k), 457 plans, and 403(b) accounts) and individual retirement accounts (e.g., Roth IRAs, Traditional IRAs, SIMPLE IRAs, and SEP IRAs). Instead, the firm takes an educational approach in accordance with the U.S. Department of Labor's Interpretive Bulletin 96-1. Under this approach, REAP's role will be strictly limited to providing clients with general educational information regarding the nature and potential consequences of rollover transactions. The information will not be tailored to the investment needs of any particular retirement plan participant or beneficiary. No recommendation will be made to clients regarding the prospective rollover of assets and we advise clients to speak with their trusted tax and legal advisors with respect to all rollover decisions. To assist clients' independent decision-making process, REAP may provide clients with information discussing some or all of the following topics: the benefits of retirement plan participation; the benefits of increasing plan contributions; the general pros and cons of rollover transactions; the impact of pre-retirement withdrawals on retirement income; the terms or operation of the client's existing plan; and a discussion regarding the investment options available inside clients' retirement plan account;(e.g., risk versus return, the benefits of diversification and asset

allocation, historical returns of certain asset classes). REAP may also provide a high level discussion that informs a participant or beneficiary about: (i) general financial and investment concepts, such as dollar cost averaging, compounded return, and tax deferred investment; (ii) effects of inflation; (iii) estimating future retirement income needs; (iv) determining investment time horizons; and (v) assessing risk tolerance. None of this information may refer to the appropriateness of any individual investment option for a particular participant or beneficiary under a plan or in general. In providing such information to clients, REAP may also provide questionnaires and/or interactive investment materials that may provide a means for clients to independently determine future retirement income needs and to assess the impact of different asset allocations on retirement income. Clients will make the final rollover decision.

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## **Item 6: Performance-Based Fees and Side-by-Side Management**

### **Sharing of Capital Gains**

REAP does not charge clients any fees that are based on a share of the capital gains or capital appreciation of managed securities and does not engage in the side-by-side management of client accounts.

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## **Item 7: Types of Clients**

### **Description**

REAP provides investment advice primarily to individuals, high net worth individuals, and trusts. Client relationships vary in scope and length of service.

### **Account Minimums**

Although REAP does not impose account minimums, some sub-advisors utilized by REAP may have a minimum to open an account on their platform. Client are advised to review the Form ADV Part 2A brochure of the selected sub-advisor for details.

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

### **Methods of Analysis**

Security analysis methods used by the firm may include fundamental analysis, technical analysis, and cyclical analysis. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns.

Fundamental analysis involves evaluating a stock using real data such as company revenues, earnings, return on equity, and profits margins to determine underlying value and potential growth. Technical analysis involves evaluating securities based on past prices and volume. Cyclical analysis involves analyzing the cycles of the market.

For information about methods of analysis used by sub-advisors, please refer to the applicable sub-advisor's Form ADV Part 2 Brochure which is available upon request.

When creating a financial plan, REAP utilizes fundamental analysis to provide review of insurance policies for economic value and income replacement. Technical analysis is used to review mutual funds and individual stocks.

In developing a financial plan for a client, REAP's analysis may include cash flow analysis, investment planning, risk management, tax planning and estate planning. Based on the

information gathered, a detailed strategy is tailored to the client's specific situation.

The main sources of information utilized by REAP in preparing investment recommendations and financial planning advice for clients include Morningstar reports, financial newspapers and magazines, annual reports, prospectuses, SEC filings and client documents, such as client tax returns and insurance policies.

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### **Investment Strategy**

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes a written investment advisory agreement and a risk tolerance or similar questionnaire that documents their objectives and their desired investment strategy.

Investment strategies typically recommended by the firm may include long-term purchases (i.e., the purchase of securities with the intention of holding them for a period of one year or more), short-term purchases (i.e., the purchase of securities with the intention of holding them for a period of less than one year), trading (i.e., the purchase of securities with the intention of holding them for periods of thirty days or less), and option writing (including covered options, uncovered options or spreading strategies).

For information about investment strategies used by sub-advisors, please refer to the applicable sub-advisor's Form ADV Part 2 Brochure which is available upon request.

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### **Security Specific Material Risks**

All investment programs have certain risks that are borne by the investor. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. Risks involved in technical analysis are inflation risk, reinvestment risk, and market risk. Cyclical analysis involves inflation risk, market risk, and currency risk.

The specific risks associated with financial planning include:

- Risk of Loss
  - Client fails to follow recommendations resulting in market loss.
  - Client has changes in financial status or lifestyle and therefore rendering earlier plan recommendations no longer valid.

The risks associated with utilizing sub-advisors include:

- Manager Risk
  - the sub-advisor fails to execute the desired investment strategy.
- Business Risk
  - the Sub-Advisor has financial or regulatory problems.
- Other Specific Risks
  - The specific risks associated with the portfolios of the Sub-Advisor which are disclosed in the sub-advisor's Form ADV Part 2.

Investors face the following investment risks and are encouraged to discuss these risks with REAP:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
  - *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
  - *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
  - *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
  - *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
  - *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
  - *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
  - *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
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## **Item 9: Disciplinary Information**

### **Criminal or Civil Actions**

The firm and its management have not been involved in any criminal or civil action.

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### **Administrative Enforcement Proceedings**

The firm and its management have not been involved in administrative enforcement proceedings.

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### **Self-Regulatory Organization Enforcement Proceedings**

The firm and its management have not been involved in legal or disciplinary events that are material to a client's or prospective client's evaluation of REAP Financial Group, LLC or the integrity of its management.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **Broker-Dealer or Representative Registration**

Neither REAP nor any of its associated persons are registered representatives of a broker-dealer.

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### **Futures or Commodity Registration**

Neither REAP nor its associated persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of any of the foregoing.

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### **Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

In some instances, REAP may refer clients to its insurance affiliate, REAP Insurance Group, LLC for the sale of insurance products and services. REAP Insurance Group, LLC and REAP are affiliates that are under common ownership and control. REAP Insurance Group, LLC offers various types of insurance products to its customers and collects commissions in connection with the sale of insurance products to clients that is separate and in addition to the advisory fees paid to REAP.

The foregoing arrangement represents a conflict of interest between REAP and its advisory clients insofar as it creates a financial incentive for REAP and its associated persons to recommend insurance products to clients based on the commission received, rather than the client's best interests. This conflict is mitigated by the fact that REAP has a fiduciary duty to place the best interests of its clients first, the fact that clients are informed of conflicts in advance, and the fact that clients are not required to act upon any of REAP's recommendations. Clients are encouraged to inquire with REAP regarding the nature and amount of any additional compensation they may receive as a result of a client's decision to purchase insurance products through our affiliate. REAP Insurance Group, LLC.

As disclosed in Item 4 of this brochure, we may recommend that you engage the services of certain third-party professionals, including attorneys and/or CPAs for tax planning, trust and estate planning, asset protection, legal, and other services. The costs of certain tax planning fees, estate planning fees, and other legal expenses charged by a recommended third-party professional may be paid by REAP and/or its financial professionals on the client's behalf. While we do not receive any referral fees or other monetary compensation of any kind from the third-party professionals to which we refer our clients, we may from time to time receive referrals of prospective advisory clients as a result of these arrangements. This creates a conflict of interest, insofar as it creates an incentive for us to continue to recommend certain third-party professionals to our clients. Clients are never obligated to engage any third-party professionals recommended by our firm and may engage any third-party professional of their desire. We will only recommend a third-party professional to you when we believe such a recommendation to be in your best interests.

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### **Recommendation or Selection of Other Investment Advisors and Conflicts of Interest**

As described in Item 4 of this brochure, clients are typically required to grant REAP discretionary authority to engage one or more sub-advisors to manage their investment portfolios. As of the date of this brochure, the sub-advisors REAP utilizes are AE Wealth, Bison, and Signal Wealth. We may engage other sub-advisor firms in the future. The sub-advisor's role in such relationships is to maintain the client's account within the investment

models or strategies selected for the account by REAP. Sub-advisors will execute all trades on behalf of REAP within the subject client accounts. REAP remains responsible as the primary advisor to the client by providing ongoing monitoring of the assets managed by the selected sub-advisor, maintaining the discretion to hire and fire sub-advisors and the authority to reallocate the client's assets among the selected sub-advisors, models, or strategies, and maintaining the direct relationship with the client.

REAP's advisory fees cover the costs of the advisory services provided by the sub-advisors selected by REAP to assist in the management of the client's accounts. This practice represents a conflict of interest insofar as it creates a financial incentive for REAP to select sub-advisors who charge a lower fee for their services relative to other available providers, resulting in REAP retaining a larger portion of the total advisory fees paid by the client. This conflict is mitigated by disclosures, procedures, and by the fact that REAP honors its fiduciary duty to only recommend sub-advisors that are in the client's best interests.

In view of the foregoing conflict of interest, clients are further advised that REAP's principal, Chris Heerlein, holds a minority ownership interest in TruAdvice, LLC ("TruAdvice"), the predecessor-in-interest to client accounts now sub-advised by Bison (collectively, the "Transferred Accounts"). Mr. Heerlein has no role in the management or operations of TruAdvice or Bison and does not act a solicitor for either firm, through REAP or otherwise. However, as a result of the terms and conditions of the business transaction pursuant to which Bison took over the role of sub-advisor to the Transferred Accounts, the value of Mr. Heerlein's minority ownership interest in TruAdvice stands to increase based on REAP's decision to engage Bison as the sub-advisor to additional client accounts. This conflict is mitigated by disclosures, procedures, and by the fact that REAP and Mr. Heerlein honor their fiduciary duty to only recommend sub-advisors that are in the client's best interests.

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

### **Code of Ethics Description**

REAP's associated persons have committed to abiding by the firm's Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of REAP employees and addresses conflicts that may arise. The Code reflects REAP's its associated persons' commitment to act in the best interest of the firm's advisory clients at all times.

One area the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

REAP's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer, or director of REAP may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non- public information regarding the security.

REAP's Code is based on the guiding principle that the interests of the client are our top priority. REAP's officers, directors, advisors, and other employees have a fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and

confidence of our clients. When a conflict arises, it is our obligation to put the client's interests over the interests of either employees or the company.

The Code applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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### **Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

REAP and its employees do not recommend to clients securities in which we have a material financial interest.

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### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

REAP and its employees may buy or sell securities that are also held by clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as to provide REAP with copies of their brokerage statements.

REAP's Chief Compliance Officer is Jessica Hinson. Ms. Hinson reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

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### **Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

REAP does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, employees may buy or sell securities at the same time they buy or sell securities for clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide REAP with copies of their brokerage statements.

REAP's Chief Compliance Officer is Jessica Hinson. Ms. Hinson reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

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## **Item 12: Brokerage Practices**

### **Factors Used to Select Broker-Dealers for Client Transactions**

REAP typically does not recommend a specific broker-dealer to clients for custodial and trade execution services. Instead, clients are typically required to use the broker-dealer preferred or required by the applicable sub-advisor to the client's account. In doing so, REAP honors its duty to seek "best execution" of client transactions. The duty of best

execution means that REAP has an obligation to obtain the most favorable terms for trade execution for the client under the circumstances. Clients are advised that lower fees for comparable services may be available from broker-dealers other than those recommended by the sub-advisor.

- *Directed Brokerage*

REAP does not allow client directed brokerage. Not all investment advisors require clients to engage a specific broker-dealer for trade execution. This could result in clients not receiving the lowest possible cost for specific transactions.

- *Best Execution*

Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. REAP does not receive any portion of the trading fees.

- *Soft Dollar Arrangements*

The SEC defines soft dollar practices as arrangement under which products or services other than execution services are obtained by REAP from or through a broker-dealer in exchange for directing client transactions to the broker-dealer. As permitted by Section 28(e) of the Securities Exchange Act of 1934, REAP has no soft dollar arrangements.

### **Aggregating Securities Transactions for Client Accounts**

REAP is not authorized to aggregate purchases and sales and other transactions.

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## **Item 13: Review of Accounts**

### **Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Asset management accounts are generally reviewed quarterly, but such reviews may be performed more frequently when market conditions dictate. Financial plans are considered complete when recommendations are delivered to the client and a review is done only upon request of client. Additional fees apply to such subsequent reviews.

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### **Review of Client Accounts on Non-Periodic Basis**

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information, and changes in a client's financial situation.

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### **Content of Client Provided Reports and Frequency**

Asset management clients receive standard account statements from the custodian of their account no less than quarterly. Clients may receive additional reports from the sub-advisor to their account as disclosed in their respective Form ADV Part 2 brochures. Clients will also



receive confirmations of each transaction in their account from custodian and an additional statement during any month in which a transaction occurs.

Financial planning clients receive a one-time written financial plan or other report(s) as agreed, and no other reports.

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

### **Client Referrals**

REAP may enter into promoter agreements pursuant to which it pays cash compensation to existing clients in exchange for their promotion, referral, and endorsement of REAP's advisory services to prospective clients. The cash compensation paid to such promoters may take the form of an advisory fee rebate to the referring client accounts. These fees may be paid to the promoter on a one-time basis per referral up to four times per year. Unless otherwise explicitly disclosed in writing to the client, the cash compensation paid to a promoter will be borne entirely by REAP and referred clients do not pay any additional or increased advisory fees as a result of having been referred to our firm by a paid third-party promoter. These arrangements may create an incentive for an existing client to refer prospective clients to REAP, even if the client would otherwise not make the referral.

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### **Other Compensation**

Except as disclosed about, REAP does not pay or receive any additional compensation to or from any third parties.

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## **Item 15: Custody**

### **Account Statements**

All client funds and securities on which we advise are held in accounts titled in the client's name maintained by an independent qualified custodian. For asset management clients, the custodian will be authorized to execute trades within the client's account upon our instructions (or the instructions of the sub-advisor we select), acting within the scope of the authority granted to us in our written advisory agreement with the client and the custodian's account opening documentation.

Where we directly debit our advisory fees from your account held at the custodian, the custodian will independently send you an account statement at least quarterly identifying the amount of funds and each security in your account at the end of the period and setting forth all transactions in your account during the period, including the amount of any fees paid to us. Your custodian is not responsible for verifying the accuracy of our fee calculations. Therefore, we encourage you to review the custodian's account statements carefully upon receipt. If you believe our fees have been miscalculated or if you have any other questions related to your account, you should contact us immediately at the phone number listed on the cover page of this brochure.

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## **Item 16: Investment Discretion**

### **Discretionary Authority for Trading**

Asset management clients are typically required to grant our firm ongoing and continuous

discretionary authority to execute our investment recommendations within their account(s) held at the independent qualified custodian *without* obtaining their prior approval for each specific transaction. In a discretionary arrangement, you authorize us to purchase and sell securities and instruments in your account(s), arrange for delivery and payment in connection with the foregoing, and act on your behalf in all matters necessary or incidental to the handling of the account, including monitoring of your assets and the engagement and disengagement of sub-advisors. Occasionally, we will agree to manage a client account on a non-discretionary basis. In these circumstances, we are required to obtain your consent prior to implementing any securities transactions within your account. Under either arrangement, we will act in strict accordance with your stated investment needs, objectives, and restrictions when exercising trading authority over your designated account(s).

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## **Item 17: Voting Client Securities**

### **Proxy Votes**

REAP does not vote proxies on securities held in client accounts. Clients are exclusively responsible for the voting of all proxies related to the securities held in their account(s). The client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, REAP will provide recommendations to the client, but the client is ultimately responsible for deciding how to vote and for voting their proxies. If a conflict of interest exists with respect to the voting of any proxies, it will be disclosed to the client.

For information about the proxy voting policies of sub-advisors, please refer to the sub-advisor's Form ADV Part 2 Brochure which is available upon request.

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## **Item 18: Financial Information**

### **Balance Sheet**

A balance sheet is not required to be provided because REAP does not serve as a custodian for client funds or securities and REAP does not require prepayment of fees of more than \$1,200 per client and six months or more in advance.

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### **Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

REAP has no condition that is reasonably likely to impair its ability to meet contractual commitments to our clients.

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### **Bankruptcy Petitions during the Past Ten Years**

Neither REAP nor its management personnel have been the subject of a bankruptcy petitions in the last ten years.