

# Hoff Brothers, LLC d/b/a Hoff Private Wealth Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Hoff Brothers, LLC. If you have any questions about the contents of this brochure, please contact us at (715) 841-0405 or by email at: [alexandriafehlandt@hoffwealth.com](mailto:alexandriafehlandt@hoffwealth.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.*

*Additional information about Hoff Brothers, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Hoff Brothers, LLC's CRD number is: 301001.*

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*Registration as an investment adviser does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

Hoff Brothers, LLC has filed an annual updating amendment using the Form ADV Part 2A and has the following changes to report. Changes since Hoff Private Wealth was established in May 2019 are:

- As of December 2021, Alexandria Bakka is the firm's Chief Compliance Officer. (Item 13)
- The firm has updated their Discretionary and Non-Discretionary Assets Under Management (Item 4.E)
- Reduction of fees 12/31/2021. (Item 5)
- The account minimum: \$500,000. Exceptions in specific instances. (Item 7)
- All client accounts are reviewed at least annually by Daniel Hoff, and that review is reviewed by Alexandria Bakka (CCO). (Item 13)
- Reduction of fees 12/31/2022. (Item 5)

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Hoff Brothers, LLC doing business as Hoff Private Wealth (hereinafter “HPW”) is a Limited Liability Company organized in the State of Wisconsin. The firm was formed in November 2016, and the principal owners are Daniel Robert Hoff and Derek Mitchell Taylor Hoff.

### B. Types of Advisory Services

#### *Financial Planning*

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; business transitions; college planning; and debt/credit planning.

#### *Portfolio Management Services*

HPW offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. HPW creates a financial evaluation for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- |                       |                                |
|-----------------------|--------------------------------|
| • Investment strategy | • Personal investment policy   |
| • Asset allocation    | • Asset selection              |
| • Risk tolerance      | • Regular portfolio monitoring |

HPW evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. HPW will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investor Profile, which is revisited periodically for changes.

HPW seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of HPW’s economic, investment or other financial interests. To meet its fiduciary obligations, HPW attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, HPW’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is HPW’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent,

including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

### ***Pension Consulting Services***

HPW offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- identifying investment objectives and restrictions
- providing guidance on various assets classes and investment options
- recommending money managers to manage plan assets in ways designed to achieve objectives
- monitoring performance of money managers and investment options and making recommendations for changes
- recommending other service providers, such as custodians, administrators and broker-dealers
- creating a written pension consulting plan

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

### ***Services Limited to Specific Types of Investments***

HPW generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds, commodities and non-U.S. securities. Although HPW primarily recommends ETFs, HPW may use other securities as well to help diversify a portfolio when applicable.

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

HPW will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by HPW on behalf of the client. HPW may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent HPW from properly servicing the client account, or if the restrictions would require HPW to deviate from its suite of services, HPW reserves the right to end the relationship.

## **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. HPW does not participate in wrap fee programs.

## E. Assets Under Management

HPW has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$106,990,980	\$123,459	December 2023

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Portfolio Management Fees*

Assets Under Management	Annual Fees
\$0 - \$1,000,000	1.00%
\$1,000,001 - \$2,000,000	0.80%
\$2,000,001 - \$5,000,000	0.60%
\$5,000,001 - \$10,000,000	0.40%
\$10,000,001 - \$25,000,000	0.25%
\$25,000,001 +	0.15%

The advisory fee is calculated using the value of the assets in the Account on the last business day of the prior billing period.

Upon termination, if there are any unearned asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

These fees are generally negotiable, and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of HPW's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

## ***Pension Consulting Services Fees***

### **Asset-Based Fees for Pension Consulting**

<b>Assets Under Management</b>	<b>Annual Fee</b>
\$0 - \$2,000,000	0.50%
\$2,000,001 - \$10,000,000	0.25%
\$10,000,001 - \$25,000,000	0.15%
\$25,000,001 +	0.10%

The advisory fee is calculated using the average daily account value of the assets from the most recent period. The one exception is Cash Balance Plans custodied at Schwab, which are calculated using the account value of the assets from the last day of the most recent quarter.

Upon termination, if there are any unearned asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

*\*This fee structure does not include SEP IRA and Solo 401(k) Plans. For SEP IRA and Solo 401(k) Plans, please see "Investment Advisory Contract" for individual accounts.*

These fees are generally negotiable, and the final fee schedule will be memorialized in the client's advisory agreement.

Clients may terminate the agreement without penalty for a full refund of HPW's fees within five business days of signing the pension consulting agreement. Thereafter, clients may terminate the pension consulting agreement generally with 30 days' written notice.

### ***Financial Planning Fees***

Clients paying Portfolio Management Fees may receive Financial Planning at no additional charge. Clients who do not want ongoing Portfolio Management Fees and services may pay for Financial Planning through Fixed Fees or Hourly Fees.

#### **Fixed Fees**

The negotiated fixed rate for creating client financial plans is between \$2,000 and \$10,000.

#### **Hourly Fees**

The negotiated hourly fee for these services is between \$200 and \$500.

Clients may terminate the agreement without penalty, for full refund of HPW's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

## **B. Payment of Fees**

### ***Payment of Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance.

### ***Payment of Pension Consulting Fees***

Asset-based pension consulting fees are withdrawn directly from the client's accounts with client's written authorization on a monthly or quarterly basis. Fees may be billed directly to the Plan Sponsor upon special request from the Plan Sponsor. Fees are paid in advance or in arrears.

### ***Payment of Financial Planning Fees***

Financial planning fees are paid via check and wire.

Fixed financial planning fees are paid 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

Hourly financial planning fees are paid in arrears upon completion.

## **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by HPW. Specifically, the SEC and FINRA each have a small fee per security sale, and some mutual fund share classes that were purchased elsewhere may charge \$25 or \$45 to exit a position. Please see Item 12 of this brochure regarding broker-dealer/custodian.

## **D. Prepayment of Fees**

HPW generally collects fees in advance. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in



the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

### **E. Outside Compensation For the Sale of Securities to Clients**

Neither HPW nor its supervised persons accept any compensation for the sale of 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**

HPW does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

HPW generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Corporations or Business Entities
- ❖ Foundations and other Charitable Entities

The account minimum for HPW services is \$500,000. HPW reserves the right to make exceptions.

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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

HPW's primary method of analysis is Modern Portfolio Theory. HPW's secondary methods include Cyclical analysis, Fundamental analysis, & Technical analysis.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset classes.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

### *Investment Strategies*

HPW uses long term trading, rebalancing, and tilting of the Asset Allocation toward certain sectors or styles. HPW will do options trading (including covered options, uncovered options, or spreading strategies) upon request.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### *Methods of Analysis*

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable expected risk-return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

### ***Investment Strategies***

HPW's use of short sales and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Short sales** entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

HPW's use of short sales and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government

debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Non-U.S.** securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither HPW nor its representatives are registered as, or have pending applications to become a broker/dealer or a representative of a broker/dealer.

## **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither HPW nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

## **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Daniel Robert Hoff is an independent licensed insurance agent, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a Registered Investment Adviser. HPW always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of HPW in connection with such individual's activities outside of HPW.

Daniel Robert Hoff is owner of Mann Labs, LLC which provides substance testing services in Green Bay, WI under the name FasTest Labs - Green Bay.

Derek Mitchell Taylor Hoff is owner of T&D Residential Developments, LLC, which owns several residential parcels in Weston, WI.

## **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

HPW does not utilize nor select third-party investment advisers.

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

## **A. Code of Ethics**

HPW has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. HPW's Code of Ethics is available free upon request to any client or prospective client.

## **B. Recommendations Involving Material Financial Interests**

HPW does not recommend that clients buy or sell any security in which a related person to HPW or HPW has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of HPW may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of HPW to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. HPW will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of HPW may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of HPW to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, HPW will never engage in trading that operates to the client's disadvantage if representatives of HPW buy or sell securities at or around the same time as clients.

# **Item 12: Brokerage Practices**

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

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

HPW will require clients to use Schwab Institutional, a division of Charles Schwab & Co., Inc..

### ***1. Research and Other Soft-Dollar Benefits***

While HPW has no formal soft dollars program in which soft dollars are used to pay for third party services, HPW may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). HPW may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and HPW does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. HPW benefits by not having to produce or pay for the research, products or services, and HPW will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that HPW's acceptance of soft dollar benefits may result in higher costs experienced by their clients; however, we will evaluate whether our receipt of the economic benefits is in the best interest of our clients and we will disclose our receipt of these benefits to our clients.

### ***2. Brokerage for Client Referrals***

HPW receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

HPW will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

Should HPW decide that aggregating client orders (block trading) for more than one client is in the best interests of those clients, then HPW will effect the transaction and allocate shares from the block trade in a fair and equitable manner.

HPW will follow custodial or broker-dealer instructions for a block trade, including but not limited to:

- Indicating the number of shares to be allocated to each account;
- Having shares allocated on a pro-rata basis based upon the size of the client's account;
- Distributing custodian or broker-dealer charges for the block trade on a pro-rata basis to each client account; and
- Ensuring each account receives the average execution price of the trade(s).
- There may be certain circumstances associated with a block trade that may prevent a pro-rata distribution to client accounts and require the CCO to make a determination in the best interests of the clients involved in the transaction.



In cases where the entire block trade cannot be affected:

- Some clients may be excluded from the allocation process if their allocation would result in a de minimis allocation;
- Clients with low cash positions could be considered first in the allocation process;
- Client accounts requiring the smallest number of shares could be allocated shares over accounts with larger requirements;
- The CCO may devise a system that does not favor one client account or household over another; and/or
- Allocations will be made each day should the block trade take more than one day, and best efforts will be made by HPW to ensure one account is not favored over another.

While block trading may benefit clients by purchasing or selling larger blocks in groups, HPW does not feel that the clients are at a disadvantage due to the best execution practices of its custodian. Under certain circumstances, even though HPW maintains the ability to block trade, HPW may not choose this method of transaction.

Circumstances when block trading will not be used:

- The size of the order in dollars may affect the market in the security;
- The volume of the order in shares may affect the market in the security;
- The number of client accounts of ABBREV involved in the order;
- Models and strategies of the firm affect the custom component of a client's account.

Under certain circumstances, employees of HPW may participate in the aggregated trade of securities alongside clients of HPW. This will be covered in the Code of Ethics section of the manual. Employees of HPW will not be favored as far as price or allocations in this type of transaction are concerned.

Records associated with block trades will be kept by HPW as part of its books and records requirements.

HPW will make the appropriate ADV filings and disclosures in reference to block trades.

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

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for HPW's advisory services provided on an ongoing basis are reviewed at least annually by Daniel Robert Hoff, and that review is reviewed by Alexandria Bakka, CCO, with regard to clients' respective investment policies and risk tolerance levels. All accounts at HPW are assigned to this reviewer. These advisory

services clients may have their Financial Plan updated as often as annually at no additional charge if they are able to keep their Private Client Site current.

All clients who chose Fixed Fees or Hourly Fees for Financial Planning are reviewed upon financial plan creation and plan delivery by Derek Hoff, and that review is reviewed by Alexandria Bakka, CCO. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, HPW's services will generally conclude upon delivery of the financial plan.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of HPW's advisory services provided on an ongoing basis will receive a monthly statement detailing the client's account, including assets held, asset value, trade confirmations, and calculation of fees from their Custodian. In addition, each client will receive a quarterly written market brief from HPW. HPW will also provide a quarterly statement of Assets Under Management and a statement of fees.

Each financial planning client will receive the financial plan electronically upon completion.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

HPW does not receive any economic benefit, directly or indirectly from any third party for advice rendered to HPW's clients.

With respect to Schwab, HPW receives access to Schwab's institutional trading and custody services, which are typically not available to Schwab 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 Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, performance analysis

tools, 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 HPW client accounts maintained in its custody, Schwab 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 Schwab or that settle into Schwab accounts.

Schwab also makes available to HPW other products and services that benefit HPW but may not benefit its clients' accounts. These benefits may include national, regional or HPW specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of HPW by Schwab 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 products and services assist HPW 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 HPW's fees from its clients' accounts (if applicable), 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 HPW's accounts. Schwab Advisor Services also makes available to HPW other services intended to help HPW manage and further develop its 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, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to HPW by independent third parties. Schwab 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 HPW. HPW is independently owned and operated and not affiliated with Schwab.

## **B. Compensation to Non - Advisory Personnel for Client Referrals**

HPW does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, HPW will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

HPW provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, HPW generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, HPW's discretionary authority in making these determinations may be limited by "special circumstances" or conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to HPW).

## **Item 17: Voting Client Securities (Proxy Voting)**

HPW will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

HPW neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither HPW nor its management has any financial condition that is likely to reasonably impair HPW's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

HPW has not been the subject of a bankruptcy petition in the last ten years.

## **Item 19: Requirements For State Registered Advisers**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

The education and business backgrounds of HPW's current management persons, Daniel Robert Hoff, Derek Mitchell Taylor Hoff, and Alexandria Lee Bakka can be found on the Form ADV Part 2B brochure supplements for those individuals.

### **B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

### **C. Calculation of Performance-Based Fees and Degree of Risk to Clients**

HPW does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **D. Material Disciplinary Disclosures for Management Persons of this Firm**

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

### **E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

See Item 10.C and 11.B.