



## **Brochure (Form ADV, Part 2)**

3175 Sienna Dr S Ste 100  
Fargo, ND 58104  
(701) 234-0521  
[www.pw-wm.com](http://www.pw-wm.com)

Date of Brochure: October 11, 2024

---

*This brochure provides information about the qualifications and business practices of PrairieWood Capital, LLC DBA PrairieWood Wealth Management. It also describes the services PrairieWood Wealth Management provides as well as background information on those individuals who provide investment advisory services on behalf of PrairieWood Wealth Management. If you have any questions about the contents of this brochure, please contact Nathan Anderson, Chief Compliance Officer of PrairieWood Wealth Management at 701-234-0521 or at [nathan@pw-wm.com](mailto:nathan@pw-wm.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. Registration as an investment advisor does not imply that PrairieWood Wealth Management or any individual providing investment advisory services on behalf of PrairieWood Wealth Management possess a certain level of skill or training.*

*Additional information about PrairieWood Wealth Management is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view PrairieWood Wealth Management's information on this website by searching for PrairieWood Wealth Management's name or by using their CRD number of 149007.*

## **Item 2 Material Changes**

There have been material changes since the January 20, 2024, Form ADV filed on the IARD system as follows:

Effective October 11, 2024, we changed our office address to 3175 Sienna Dr S Ste 100, Fargo, ND 58104.

### Item 3 Table of Contents

|   |    |
|---|----|
| Item 2 Material Changes .....   | 2  |
| Item 3 Table of Contents .....  | 3  |
| Item 4 Advisory Business.....   | 4  |
| Item 5 Fees and Compensation .....  | 6  |
| Item 6 Performance-Based Fees and Side-By-Side Management.....                                  | 7  |
| Item 7 Types of Clients .....   | 7  |
| Item 8 Methods of Analysis, Investment Strategies and Risk of Loss.....                         | 7  |
| Item 9 Disciplinary Information .....   | 9  |
| Item 10 Other Financial Industry Activities and Affiliations.....                               | 9  |
| Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.. | 9  |
| Item 12 Brokerage Practices.....  | 10 |
| Item 13 Review of Accounts .....  | 13 |
| Item 14 Client Referrals and Other Compensation.....  | 13 |
| Item 15 Custody .....   | 14 |
| Item 16 Investment Discretion .....   | 14 |
| Item 17 Voting Client Securities .....  | 14 |
| Item 18 Financial Information .....   | 15 |
| Privacy Policy .....  | 15 |

## **Item 4 Advisory Business**

### **A. Advisory Firm**

Prairiewood Capital, LLC DBA Prairiewood Wealth Management is a privately-held North Dakota limited liability company that has been providing investment advisory services as an investment adviser since January 2009. Throughout this disclosure brochure, Prairiewood Capital, LLC DBA Prairiewood Wealth Management is referred to as “we”, “our” or “Prairiewood.” Steven Nelson and Nathan Anderson are the principal owners of Prairiewood. Prairiewood is an independent, fee-only, fiduciary advisory firm and is required to act in its clients’ best interest at all times.

### **B. Advisory Services Offered**

Prairiewood offers wealth management services to clients which includes financial planning, tax planning, and investment management. The specific services provided to each client are determined based on the unique needs and preferences of each individual client. The services offered in each of these areas include:

- **Financial Planning:** Our financial planning services focus on identifying individual goals and creating an efficient strategy to reach those goals. Common areas of focus are on creating financial independence, generating retirement income, reviewing Social Security claiming strategies, selecting employee benefit options, establishing appropriate retirement savings plans, funding education for children or grandchildren, planning for large purchases, incorporating risk management reviews, and fulfilling charitable giving goals. The financial planning focus areas for each individual client are tailored to their unique needs and may differ from those listed above.
- **Tax Planning:** We believe that the best financial advice considers the tax impacts of the advice provided. Ultimately the client will experience the after-tax results of advice; so failing to consider the tax impacts of advice given often leads to unexpected consequences. Accordingly, we offer tax planning to our clients. Our tax planning is designed to consider efficient ways to reduce current and future income taxes that our clients will pay over their lifetime. We also consider tax efficient ways to build our clients’ investment portfolios with the goal of improving the tax efficiency of their investment growth over time.
- **Investment Management:** Our investment management services are designed to identify each client's investment needs and build a tax-efficient, diversified portfolio that will help them reach their goals while managing their exposure to risk. Our investment management services are provided on a discretionary basis. We are long-term investors, and our investment philosophy focuses on a fundamental and value-based approach to investing. Although we have access to a wide range of investments to build portfolios, we generally build our portfolios using individual equities, exchange traded funds (ETFs), and/or mutual funds. We believe in appropriate diversification, low-cost investment options, and long-term commitment to achieve results.

We are an independent investment advisor which means we are able to recommend the investment solutions and strategies that are appropriate for our clients without restriction or obligation to recommend the specific investments of a particular financial institution. Clients have the opportunity to place reasonable restrictions on the types of investments which are made on their behalf.

When applicable, we use a third-party platform to facilitate management of held away assets, which are primarily 401(k) accounts, HSAs, and other assets. The platform allows us to avoid having custody of client funds since we do not have direct access to client log-in credentials. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the client allowing them to connect an account(s) to the platform. Once client account(s) are connected to the platform, we regularly review the available investment options in these accounts, monitor them, and rebalance and implement our strategies.

Our role is to provide advice to our clients and allow them to make informed decisions. Each client has the right to choose which services we provide to them and whether or not to implement any specific recommendation. Generally, we do not provide financial planning or tax planning independently of investment management.

#### **C. Tailoring of Advice / Restrictions**

Clients have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. While we offer our full wealth management services to all clients, certain clients have chosen to use only our investment management services.

In addition to the advisory services offered, we also prepare tax returns and provide payroll support for a select group of individuals and businesses.

#### **D. Wrap Fee Programs**

We do not offer wrap fee programs.

#### **E. Assets Under Management**

As of December 31, 2023, the total amount of client assets managed by Prairiewood was \$216,828,298. All assets are managed on a discretionary basis.

## **Item 5 Fees and Compensation**

### **A. Compensation for Advisory Services**

#### **Investment Management Services**

Prairiewood is a fee-only investment advisor. Our compensation comes directly from our clients, and we are never compensated by financial institutions or third parties for specific recommendations made to clients.

Our fees are determined for each client based on our assessment of the client's complexity, the expected time, effort, and experience required to serve the client effectively, and the amount of assets to be managed.

Our fees are typically based on a tiered schedule where the average fee declines as the amount of assets managed increases. Our fees generally range between 0.5% and 1.5% of the assets under management and are determined based on our assessment of the facts and circumstances of each client relationship. In certain instances, we will implement a minimum fee if we do not believe the asset-based fee reflects an appropriate fee given the specific facts and circumstances.

### **B. How Fees are Charged**

Our investment management fees are billed quarterly in arrears. These fees are calculated based on the market value of the account on the last day of the quarter. For new accounts or additional investments made, the fee is pro-rated based on the number of days the funds are under our management. In most cases, these fees are automatically deducted directly from the client's account.

Tax preparation is provided on a flat fee basis ranging from negotiable to \$5,000 and payroll support services are provided at a fee up to \$500 per quarter. These fees are invoiced after the services have been performed.

### **C. Trading Costs and Other Fees**

The management fee does not cover any execution-related expenses, commissions or margin interest, if any, securities exchange or SEC fees, or other fees required by law or charged by the broker-dealer with custody of the account. The commission rate varies based on the custodian and financial products used. Charles Schwab does not charge a commission for online trades of U.S. exchange listed securities. Clients will incur brokerage and other transaction costs, including the expenses ratios of any Exchange Traded Funds (ETFs) or mutual funds used. Advisory clients should also note that fees for comparable services vary and lower fees may be available from other sources. Please see Item 12 – Brokerage Practices for more information on brokerage.

#### **D. Prepaid Fees and Refunds**

Our advisory fees are deducted quarterly in arrears. Accordingly, we do not collect fees in advance that could become unearned. In the event that you wish to terminate our investment advisory services, fees are generally prorated based on the length of time in the billing period in which services are provided.

#### **E. Commissionable Securities Sales**

We do not sell securities for a commission. In order to sell securities for a commission, we would need to have our associated persons registered with a broker-dealer. We have chosen not to do so.

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

We do not charge any performance-based fees.

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

Prairiewood generally provides investment advice and financial planning to individuals with a net worth of \$1,000,000 to \$50,000,000. We also work with families earning over \$300,000 annually who do not have a \$1,000,000 net worth yet, but are well on their way and are experiencing the same challenges around financial planning, tax strategy, and investment management. Although we do not have a minimum account size, we may implement a minimum fee.

Our clients generally are focused on creating a comprehensive strategy to reduce the taxes they pay over their lifetime, grow their wealth tax efficiently, and develop a long-term plan to leave a lasting legacy. Prairiewood has the ability to work with clients above and below our typical net worth thresholds at our sole discretion.

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

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

When selecting individual stocks, Prairiewood follows a value-based approach focused on fundamental analysis. The approach to fundamental analysis we utilize varies depending on the asset class we are analyzing. However, for a majority of our individual stock positions we use a quantitative approach to identify and rank stocks based on the underlying company's earnings yield and return on capital. We believe companies that are great businesses that are selling at attractive prices will outperform the market over long periods of time.

We define a great business as one that earns a high return on invested capital. A stock is trading at an attractive price if it is trading at a high earnings yield. We believe great businesses will create shareholder value over time because they will reinvest some or all of their profits at high rates of return. In addition, buying stocks with low valuations tends to limit our initial downside because investor expectations tend to be low for the company, which provides us with a margin of safety in our investment.

While we utilize individual stocks to build out portions of certain portfolios, we also use exchange traded funds (ETFs) and mutual funds to build out large portions of most portfolios and all of some portfolios. When using ETFs and mutual funds, we generally focus on low-cost index funds tracking fundamentally weighted indices when available. However, we also utilize low-cost market capitalization weighted index funds when appropriate at our discretion.

**Please note:**

Investing in securities involves risk of loss that clients should be prepared to bear. Prairiewood does not offer any products or services that guarantee rates of return on investments for any time period to any client. While the investment assets you hold may increase in value and your account(s) could enjoy a gain, it is also possible that their values may decline and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

**B. Material Risk Involved**

There are risks inherent to our investment strategy including:

**Value Investing Risk**

A value-oriented investment approach is subject to the risk that a security believed to be undervalued does not appreciate in value as anticipated. The returns on “value” equity securities may be less than returns on other styles of investing or the overall stock market. Value stocks also may decline in price, even though in theory they are already underpriced. Different types of stocks tend to shift in and out of favor depending on market and economic conditions and performance may sometimes be lower or higher than that of other types of investing strategies (such as those emphasizing growth stocks).

**Management Risk**

As with any managed account, we may not be successful in selecting the best-performing securities or funds, and the performance may lag behind that of similar strategies.

**Portfolio Turnover Risk**

For the US equity portion of a client’s portfolio, we generally use one of two approaches - exchange traded funds or a portfolio of approximately 25 individually selected stocks. When we build the portfolio using individual stocks, we rebalance the portfolio every quarter, by buying and selling multiple positions in the portfolio. Therefore, each account has a significant number of transactions per year. These transactions will result in higher brokerage costs, higher net taxable gain/loss for shareholders in taxable accounts, and may reduce the portfolio’s returns.

Effective October 7, 2019, Schwab does not charge transaction fees for online stock and ETF trades of US exchange listed securities but will still charge transaction fees on other types of security transactions. Schwab’s most recent pricing schedules are available at [schwab.com/aspricingguide](https://www.schwab.com/aspricingguide).

**C. Common Stock Risks****Market Risk**

Market risk is the risk that the market value of a security may fluctuate, sometimes rapidly and unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages



or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously.

#### Small Cap Risk

We invest in US securities with market capitalizations under \$1 billion. Investing in securities of small cap companies generally involves a higher degree of risk than investing in securities of larger companies. The prices of securities of smaller companies are generally more volatile than those of larger companies, and they generally will have less market liquidity. These risks generally increase as the size of the company decreases.

#### Recommending Securities

In certain situations, we recommend investments in selected private placements or hedge funds. These types of investments may present unique risks due to the use of leverage and potential lack of liquidity. In addition, such recommendations may be limited only to those clients that are termed as “Accredited Investors” as defined in Rule 205-3 of the Investment Advisers Act of 1940. These types of investments also have varied and unique fee structures of their own. Due to the unique and complex nature of these investments, clients will receive a separate disclosure prior to any investments being made.

### **Item 9 Disciplinary Information**

Neither Prairiewood nor any of its supervised persons have been involved in any legal or disciplinary events.

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

Steven Nelson, Managing Member of Prairiewood Wealth Management also owns a 50% interest in East Valley Capital, LLC, an Arizona limited liability company that provides freight bill factoring services for trucking companies and freight brokers.

Notwithstanding such economic benefit and conflicts of interest, as a fiduciary, Prairiewood always strives to serve the best interest of the client. *Please contact Nathan Anderson, the Chief Compliance Officer of Prairiewood, at (701)234- 0521 if you have additional questions about these conflicts of interest.*

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

#### **Code of Ethics**

The Advisor has a fiduciary responsibility to act in the best interest of the client and always place the client's interests first. We take compliance and regulatory obligations seriously and comply with such rules and regulations. Furthermore, we handle clients' non-public information with the highest level of privacy. Prairiewood has adopted a Code of Ethics, the full text of which is available to clients upon request. We have several goals in adopting this Code. First, we desire to comply with all applicable laws and regulations governing our practice, and the management of Prairiewood has determined to set forth guidelines for professional standards, under which all associated persons of Prairiewood are to conduct themselves. Prairiewood has set high standards, the intention of which is to protect client interests at all times and to demonstrate our commitment

to our fiduciary duties of honesty, good faith, and fair dealing with clients. All associated persons are expected to adhere strictly to these guidelines, as well as the procedures for approval and reporting established in the Code of Ethics primarily related to personal securities transactions, and violations of the Code. In addition, Prairiewood maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Prairiewood or any person associated with Prairiewood. Please contact Prairiewood's Chief Compliance Officer at (701) 234-0521 to obtain a complete copy of Prairiewood's Code of Ethics.

### **Participation or Interest in Client Transactions**

Prairiewood or individuals associated with Prairiewood may own an interest in or buy or sell for their personal accounts the same securities, which may be purchased or sold in the accounts of advisory clients. Associated persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to clients and their personal transactions are regularly monitored.

### **Personal Trading**

Prairiewood or individuals associated with Prairiewood are aware of the rules regarding material non-public information and insider trading. Associated persons may also buy or sell specific securities for their accounts based on personal investment considerations, which the Advisor does not deem appropriate to buy or sell for clients.

## **Item 12 Brokerage Practices**

### **The Custodian and Brokers We Use**

Prairiewood does not maintain custody of your assets that we manage (although we are deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 Custody, below)). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian.

We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client referrals and other compensation). You should consider these conflicts of interest when selecting your custodian.

We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account, as described in the next paragraph.

### **How We Select Brokers/Custodians**

We seek to recommend a custodian/broker who will hold your assets and execute transactions. When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, we consider a wide range of factors, including:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for your account)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds [ETFs] etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us from Schwab”)

### **Your Custody and Brokerage Costs**

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds, U.S. exchange-listed equities and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program.

In cases where we choose to execute a trade with different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, to minimize your trading costs, we have Schwab execute most trades for your account.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trade through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/ custodians”). By using another broker or dealer you may pay lower transaction costs

### **Products and Services Available to Us from Schwab**

Schwab Advisor Services is Schwab’s business serving independent investment advisory firms like ours. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services

from Schwab without going through our firm. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services generally are available at no charge to us. Following is a more detailed description of Schwab's support services:

Services that Benefit You. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- consulting on technology and business needs;
- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants, and insurance providers; and
- marketing consulting and support.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab also provides us with other benefits such as occasional business entertainment of our personnel. If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources.

### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate, our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/custodians") and not Schwab's services that benefit only us.

On occasions when Prairiewood deems the purchase and sale of a security to be in the best interests of more than one of its clients, Prairiewood may aggregate multiple contemporaneous client purchase or sell orders into a block order for execution. Executed orders are allocated among participating accounts according to each account's pre-determined participation in the transaction. Clients' accounts for which orders are aggregated receive the average price of such transaction, which could be higher or lower than the price that would otherwise be paid by a client absent the aggregation. Any transaction costs incurred in the transaction will be assessed to each client based on each client's level of participation in the transaction.

If we make a trade error that results in a loss to a client, we will make the client whole. If we make a trade error that results in a gain to a client, and the gain can be attributed to a client, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account and Charles Schwab & Co. Inc. ("Schwab") is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If the gain is less than \$100, Schwab will keep the gain to minimize and offset its administrative time and expense.

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

Client accounts are reviewed by Steven Nelson, Managing Member, or Nathan M. Anderson, Chief Compliance Officer, on not less than a quarterly basis. Account reviews are performed more frequently when market conditions dictate. Other conditions that may trigger a review are changes in tax laws, new investment information, and changes in a client's own situation.

Clients receive monthly statements directly from the custodian. Trade confirmation statements are issued by the custodian for all trading activity.

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

We do not accept/pay referral fees or any form of remuneration from/to other professionals when a prospect or client is referred.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. We benefit from the products and services provided because the cost of these

services would otherwise be borne directly by us, and this creates a conflict. You should consider these conflicts of interest when selecting a custodian. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to us of Schwab’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### **Item 15 Custody**

Under securities regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab to deduct our advisory fees directly from your account. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab, or, they may be delivered electronically to you provided that you have given your consent. You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab’s account statements to the periodic performance reports you will receive from us. Clients may have standing letters of authorization on their accounts. We have reviewed those relationships and determined that they meet the IAA no action letter seven conditions and do not trigger the surprise custody audit.

### **Item 16 Investment Discretion**

Prairiewood has discretionary authority to make the following determinations for its client’s investment accounts without obtaining their consent before the transactions are effected: (1) which securities are bought and sold; (2) the total amount of securities to be bought and sold.

Prairiewood’s authority in making investment related decisions may be limited by account guidelines, investment objectives and trading restrictions, as agreed between Prairiewood and the client and set forth in writing in the investment management agreement.

The client provides limited trading authorization so that Prairiewood may view account information, execute the trades, and deduct its quarterly fees from the account.

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

We are able to vote proxies if Schwab is your custodian and you give us permission on your account application to vote proxies on your behalf. We will determine how to vote proxies based on our reasonable judgment of the vote most likely to produce favorable financial results for you. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer’s board of directors and management, and maintain or increase the rights of shareholders. Generally, proxy votes will be cast against proposals having the opposite effect. However, we will consider both sides of each proxy issue. Unless we receive specific instructions from you, we will not base votes on social considerations.

Conflicts of interest between you and our firm, or a principal of our firm, regarding certain proxy issues could arise. If we determine that a material conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the proxies. For example, we may disclose the existence and nature of the conflict to you, and seek direction from you as to how to vote on a

particular issue; we may abstain from voting, particularly if there are conflicting interests for you (for example, where your account(s) hold different securities in a competitive merger situation); or, we will take other necessary steps designed to ensure that a decision to vote is in your best interest and was not the product of the conflict.

Prairiewood has adopted written proxy voting policies and procedures. Clients can get a copy of these policies and procedures and information about how Prairiewood has voted their securities in a particular proxy vote by calling Prairiewood at (701) 234-0521 or emailing [service@pw-wm.com](mailto:service@pw-wm.com). This information will be provided at no charge.

### **Item 18 Financial Information**

Prairiewood does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because Prairiewood does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance. In addition, Prairiewood has not been the subject of a bankruptcy petition at any time.

### **Privacy Policy**

Prairiewood Wealth Management values our relationship with you and considers your privacy an important part of that relationship. We are committed to protecting the security and confidentiality of your personal information and we hold all information provided to our firm in the strictest confidence.

#### **How We Gather Information**

We collect your personal information in the process of establishing and administering your accounts.

1. Application information. When you open an account, you provide information to us on your account application. This information may include your name, address, phone number, e-mail address, Social Security Number and information about your investment experience, objectives and current investments.
2. Transaction information. Any time we initiate a transaction in an account with us, we collect information about that transaction. We also keep information about your accounts with us, such as transaction history, current balance and current investments. These records also may include the application information listed above.
3. Information provided by advisors. If you have professional advisors, you may choose to have those advisors provide us with your personal information. This information may include other investment accounts you have or your tax or legal information.

#### **How We Use and Share Information**

We share your personal information only with those parties who assist us in establishing and administering your account or at your direction. We do not sell your personal information to anyone, and we make every effort to maintain confidentiality.

1. Use of information. We use your personal information to establish and administer your accounts, to alert you to securities and services we provide, and to fulfill our regulatory obligations.
2. Sharing information for the purpose of providing services. We disclose your personal information

to those parties who assist us in processing your transactions or otherwise providing service to your accounts. In order to improve the services we provide, we also may disclose personal information, such as transaction history and investment objectives, to our affiliates.

3. Sharing information as directed by you. You may choose to direct us to share your personal information with others, such as your professional advisors.
4. Sharing information for legal purposes. In certain circumstances, we may share personal information as required or permitted by law. We may do so, for example, to cooperate with regulators or law enforcement authorities, to resolve consumer disputes, or for institutional risk control.

### **How We Protect Information**

Even when we share your personal information, we remain committed to maintaining your privacy. We take steps to protect confidentiality of personal information whenever possible.

1. Policies and procedures. We have written policies and procedures in place that are designed to protect the security and confidentiality of your information.
2. Sharing with affiliates. We do not share personal information with affiliates unless it is necessary to service your accounts or otherwise permitted by law.
3. Physical and procedural safeguards. We maintain physical, electronic and procedural safeguards to protect the confidentiality of your personal information. We also restrict employee access to your personal information to those employees who need to know that information in the course of their job responsibilities.

### **Contact information**

If you have any questions, concerns, or comments about our privacy policy, you may contact us at 701-234-0521.





## **Brochure Supplement (Form ADV, Part 2-B)**

Steven Nelson, CPA, CFA  
3175 Sienna Dr S Ste 100  
Fargo, ND 58104  
(701) 234-0521

Date of Brochure: October 11, 2024

---

*This brochure supplement provides information about Steven Nelson that supplements the Prairiewood Wealth Management brochure. You should have received a copy of that brochure. Please contact Nathan Anderson, Chief Compliance Officer if you did not receive Prairiewood Wealth Management's brochure. If you have any questions about the contents of this supplemental brochure, please contact Nathan Anderson, Chief Compliance Officer of Prairiewood Wealth Management at 701-234-0521 or at [nathan@pw-wm.com](mailto:nathan@pw-wm.com).*

*Additional information about Steven Nelson (CRD# 5629434) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## **Item 2 Educational Background and Business Experience**

Steven Nelson, CPA, CFA was born in 1977. Steve is a 2005 graduate of Columbia University's Graduate School of Business, where his studies and apprenticeships focused on Value Investing. Steve has a Bachelor's of Science in Business degree from the University of Minnesota's Carlson School of Management. Steve graduated from the University of Minnesota in 1999 and worked in the Financial Services Risk Management group at Ernst & Young, LLP. While at Ernst & Young, he provided consulting services to banks, insurance companies, asset managers, and hedge funds from the firm's Minneapolis, MN, New York City, NY, and Zurich, Switzerland offices.

Steve is a Certified Public Accountant (CPA). He passed the Uniform Certified Public Accountant Examination in 1999 and has met additional state Continuing Professional Education (CPE) requirements. North Dakota CPAs are required to complete 120 hours of CPE every 3 years, with a minimum of 20 hours in any calendar year and are also required to pass a self-study Professional Ethics for CPAs CPE course every 3 years.

Steve has also been a Chartered Financial Analyst (CFA) charterholder since 2001. The CFA charter is a globally respected, graduate-level credential established in 1962 and awarded by CFA Institute – the largest global association of investment professionals.

There are currently more than 190,000 CFA charterholders across 160 markets. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience, 3) join CFA Institute as members, and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### **High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

### **Global Recognition**

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in at least 30 countries recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 300 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

### **Comprehensive and Current Knowledge**

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession. To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

### **Item 3 Disciplinary Information**

Steven Nelson has not been involved in any legal or disciplinary events.

### **Item 4 Other Business Activities**

Steven Nelson, Managing Member of Prairiewood Wealth Management, owns a 100% interest in Prairiewood Financial Group, LLC which is the majority owner of Prairiewood Wealth Management as well as a 50% owner of East Valley Capital, LLC, an Arizona limited liability company that provides freight bill factoring services for trucking companies and freight brokers.

### **Item 5 Additional Compensation**

Not applicable.

### **Item 6 Supervision**

Steven Nelson oversees and is responsible for all aspects of the business, pursuant to Prairiewood Wealth Management's written policies and code of ethics. Nathan Anderson, Chief Compliance Officer, is responsible for monitoring the activities of Prairiewood's supervised persons. Nathan Anderson's telephone number is (701) 234-0521.



## **Brochure Supplement (Form ADV, Part 2-B)**

Nathan Anderson, CPA, CFP®  
3175 Sienna Dr S Ste 100  
Fargo, ND 58104  
(701) 234-0521

Date of Brochure: October 11, 2024

---

*This brochure supplement provides information about Nathan Anderson that supplements the Prairiewood Wealth Management brochure. You should have received a copy of that brochure. Please contact Nathan Anderson, Chief Compliance Officer if you did not receive Prairiewood Wealth Management's brochure. If you have any questions about the contents of this supplemental brochure, please contact Nathan Anderson, Chief Compliance Officer of Prairiewood Wealth Management at 701-234-0521 or at [nathan@pw-wm.com](mailto:nathan@pw-wm.com).*

*Additional information about Nathan Anderson (CRD# 7112516) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## **Item 2 Educational Background and Business Experience**

Nathan Anderson, CPA, CFP® was born in 1990. Nathan graduated from North Dakota State University in 2013 where he earned his Bachelor of Science and Master's degrees in accounting. Nathan spent the first 4 ½ years of his career in the Minneapolis office of Deloitte & Touche, LLP. While at Deloitte, he was part of the Audit and Assurance group and served both public and private clients gaining experience in a variety of industries including retail, oil and gas, healthcare, education, and manufacturing.

Nathan is a Certified Public Accountant (CPA). He passed the Uniform Certified Public Accountant Examination in 2014 and has met additional state Continuing Professional Education (CPE) requirements. North Dakota CPAs are required to complete 120 hours of CPE every 3 years, with a minimum of 20 hours in any calendar year and are also required to pass a self-study Professional Ethics for CPAs CPE course every 3 years.

Recognition: In 2015, Nathan received the Elijah Watt Sells award from the American Institute of CPAs. The Elijah Watt Sells Award program was established by the AICPA in 1923 to recognize outstanding performance on the CPA Examination. The award is bestowed upon candidates who have obtained a cumulative average score above 95.50 across all four sections of the Uniform CPA Examination, passed all four sections on their first attempt, and completed testing in 2014. A total of 91,384 individuals sat for the Examination in 2014, with 60 candidates meeting the criteria to receive the Elijah Watt Sells Award.

In addition to his accounting degrees, Nathan's educational background has focused on finance and investing. Nathan has been a Certified Financial Planner (CFP®) since 2022. He has been an Investment Adviser Representative for Prairiewood Capital, LLC since April 2019.

In order to achieve and maintain certification, CFP® professionals must: 1) pass the comprehensive CFP® Certification Examination, 2) pass the CFP Board's Fitness Standards for Candidates and Registrants, 3) agree to abide by CFP Board's Code of Ethics and Professional Responsibility and Rules of Conduct which put clients' interests first, 4) comply with the Financial Planning Practice Standards which spell out what clients should be able to reasonably expect from the financial planning engagement, and 5) complete 30 hours of continuing education (including 2 hours of approved Ethics CE) every two years. - See more at: <http://www.cfp.net/become-a-cfp-professional/cfp-certification-requirements#sthash.qwXJz3yF.dpuf>.

## **Item 3 Disciplinary Information**

Nathan Anderson has not been involved in any legal or disciplinary events.

## **Item 4 Other Business Activities**

Nathan Anderson owns a 100% interest in NMA Holdings LLC which is a part owner of Prairiewood Wealth Management. Nathan Anderson is not engaged in any investment-related business or occupation (other than this advisory firm).

## **Item 5 Additional Compensation**

Not applicable.

## **Item 6 Supervision**

Steven Nelson oversees and is responsible for all aspects of the business, pursuant to Prairiewood Wealth Management's written policies and code of ethics. Nathan Anderson, Chief Compliance Officer, is responsible for monitoring the activities of Prairiewood's supervised persons. Nathan Anderson's telephone number is (701) 234-0521.



## Brochure Supplement (Form ADV, Part 2-B)

Parker Jacobs  
3175 Sienna Dr S Ste 100  
Fargo, ND 58104  
(701) 234-0521

Date of Brochure: October 11, 2024

---

*This brochure supplement provides information about Parker Jacobs that supplements the Prairiewood Wealth Management brochure. You should have received a copy of that brochure. Please contact Nathan Anderson, Chief Compliance Officer if you did not receive Prairiewood Wealth Management's brochure. If you have any questions about the contents of this supplemental brochure, please contact Nathan Anderson, Chief Compliance Officer of Prairiewood Wealth Management at 701-234-0521 or at [nathan@pw-wm.com](mailto:nathan@pw-wm.com).*

*Additional information about Parker Jacobs (CRD# 7784291) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## **Item 2 Educational Background and Business Experience**

Parker Jacobs was born in 2002. Parker graduated from Minnesota State University Moorehead in 2023, where he earned his Bachelor of Science degree in Finance. Parker serves as an assistant advisor to Prairiewood Wealth Management's Family CFOs and provides client support throughout the comprehensive wealth management process.

Parker passed the Series 65 - Uniform Investment Adviser Law Exam in 2023. This exam is a requirement for registration as an investment adviser representative.

## **Item 3 Disciplinary Information**

Parker Jacobs has not been involved in any legal or disciplinary events.

## **Item 4 Other Business Activities**

Parker Jacobs is not involved in any other business activities.

## **Item 5 Additional Compensation**

Not applicable.

## **Item 6 Supervision**

Steven Nelson oversees and is responsible for all aspects of the business, pursuant to Prairiewood Wealth Management's written policies and code of ethics. Nathan Anderson, Chief Compliance Officer, is responsible for monitoring the activities of Prairiewood's supervised persons. Nathan Anderson's telephone number is (701) 234-0521.