

Zoe Financial, Inc.  
Appendix 1 of Form ADV Part 2A  
The Wrap Brochure

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Zoe Financial, Inc. (“Zoe”, “we,” “us,” or “our”) is an investment advisor that is registered with the United States Securities and Exchange Commission (“SEC”). Registration with the SEC does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Zoe. For more information about the brochure and the type of information that is required to be disclosed, see the “General Instructions for Part 2 of Form ADV” by visiting <https://www.sec.gov/rules/final/2010/ia-3060.pdf>. If you have any questions about the contents of this Brochure, please contact us at 800-379-2513 or 859-426-2000. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Zoe is also available on the SEC’s website at: <https://adviserinfo.sec.gov/firm/summary/285158>.

## **Item 2 - Material Changes**

Zoe Financial moved its primary office location.

Zoe has added information about new investors in Item 9.

## **Item 3 - Table of Contents**

Item 2 - Material Changes	2
Item 3 - Table of Contents	2
Item 4 - Services, Fees and Compensation	3
Item 5 - Account Requirements and Types of Clients	7
Item 6 - Portfolio Manager Selection and Evaluation	7
Item 7 - Client Information Provided to Advisors	9
Item 8 - Client Contact with the Advisors	9
Item 9 - Additional Information	9

## **Item 4 - Services, Fees and Compensation**

### **Advisory Services**

Zoe is a corporation organized in the State of Delaware and was formed in June 2016. Andres Garcia is the principal owner. Zoe sponsors the Zoe Financial, Inc. Wrap Program (the “Program”) described in this Brochure that is offered through investment advisor representatives (“IARs”) affiliated with third party registered investment advisory firms (“Advisors” or “Investment Advisors”) to their clients.

The Program provides reporting, administrative services, and other services relating to the administration of client accounts managed by the Advisors. Advisors engage Zoe for the provision of such administrative, management, and support services on behalf of their clients. The Investment Advisors offer investment advice to clients and manage assets through the Program.

To participate in the Program, a client will enter into an advisory agreement with his/her Investment Advisor that outlines the services to be performed by the Investment Advisor, the authority of the Investment Advisor and/or the client over transactions in the client’s account, the compensation to be paid by the client to the Investment Advisor, and agreement to terms governing participation in the Program. A client also will open a custodial account with Apex Clearing Corp. (“Apex”), who is the sole approved custodian for the Program and will hold client investments. ZOEFIN is not affiliated with Apex Clearing Corp.

It is the responsibility of the Investment Advisor to gather sufficient information from the client to evaluate the client’s financial situation, investment objectives, financial goals, tolerance for risk, and investment time horizon. Because the management of a client’s investments is based on the client’s financial circumstances, it is important that the client provides complete and accurate information to your Investment Advisor. The Investment Advisor is also responsible for determining whether the client’s participation in the Program is appropriate for the client, and for selecting the appropriate investment strategy.

The Program has a wrap fee structure that provides an Investment Advisor’s clients with advisory and other services for a bundled fee with no additional account activity charges or transaction costs. The single bundled fee covers the administration fees, account maintenance fees, and trading and custody fees. The wrap fee is not based directly upon the actual transaction or execution costs for the transactions within a client’s account. Under a typical wrap fee program, you pay a higher advisory fee and transaction costs are billed to your Investment Advisor. Please see below for additional detail regarding wrap fees and other fees you will be charged.

You may receive comparable services from other broker-dealers or Investment Advisors and pay fees that are higher or lower than those charged under the Program. Fees may be more or less than you would have paid if the services (account management, custody, and brokerage transactions) were purchased separately outside of the wrap fee program.

ZOEFIN is not a current client of any investment adviser included on the Zoe Advisor Network. ZOEFIN reserves the right to require advisors to use the Zoe Wealth Platform, and maintain a cumulative minimum account value at the platform, in order to also be included in the adviser referral program.

### *Managed Account Program*

Investment Advisors are responsible for assisting clients in selecting an investment strategy and completing a suitability review. Pursuant to your investment management agreement with your Advisor, the Advisor has discretionary authority to buy, sell, or otherwise effect transactions in stocks, options, bonds, mutual funds, money market funds, exchange traded funds ("ETFs"), and any other securities in your account.

Advisors will submit trade instructions directly to Apex for execution. Advisors also may grant Zoe the authority to submit trades per their instructions to Apex for implementation. This authorization may also include the ability to rebalance or reallocate the account, in which case Zoe will do so in accordance with the Investment Advisor's pre-determined investment criteria for the client. The rebalancing or asset reallocations may result in transactions in your account. At no time is Zoe responsible for providing investment advice to any Advisor's client or through its ability to submit trades and/or rebalance a client's account in accordance with the Investment Advisor's pre-determined investment criteria.

Your Advisor will manage minimum cash in the account and can also define the minimum cash percentage as rebalancing account defaults. All stock and ETF dividends will be paid to cash unless requested otherwise at the time of onboarding. Your Advisor will have the ability to select the appropriate setting as part of the onboarding process.

Client trades are sent to Apex. Apex aggregates client trades for execution, and allocates securities among client accounts on a pro-rata basis based on the average price of all securities that were block traded. Although stocks and ETFs may be traded throughout the day at market prices, the last trade instructions will be sent to Apex at or around 3 pm eastern standard time.

You will receive notification of all transactions in your account in the form of a monthly account statement provided by Apex every month. You will remain the owner of all securities held in your account and have all ownership rights associated with these securities.

## **ERISA Accounts**

Zoe currently does not offer the wrap fee program to ERISA covered retirement plans.

## **Wrap Fees**

Zoe's wrap fee includes account management, trading execution, clearance, custody and reporting fees. Zoe's wrap fee is separate from the fees embedded in the securities purchased on your behalf and Zoe does not receive any portion of these fees.

Zoe's wrap fee will generally vary from 0.00% to 1.00% and is based on the client assets. Certain Investment Advisors may offer some or all of their clients discounted fees based on the amount of assets an individual client or the Investment Advisor has in the Program, the efficiencies gained by managing multiple clients for the same Investment Advisor, and our relationship with the Investment Advisor. Please refer to your investment management agreement for the exact fees you will be charged.

Zoe will deduct the wrap fee from your account pursuant to your investment management agreement with your Investment Advisor. Unless indicated below, the wrap fee is based on the average daily account balance for the previous month. If your account was not open for the entire month, then the wrap fee will be prorated. Zoe's wrap fee is generally not negotiable, although we reserve the right to offer discounted fees, promotions, or waiver of fees under certain circumstances. Zoe may from time to time waive the service fees charged to the Investment Advisor which may reduce the fee charged to your account.

You should carefully review all fees charged by us, your Investment Advisor, and any funds or ETFs you are invested in to fully understand the total amount of fees that are paid. It is your responsibility to verify the accuracy of the fee we charge to your account. The fee we collect will appear on your custodial statement, though Apex does not determine whether the fee has been properly calculated.

Fees charged by us are separate and distinct from fees and expenses charged by mutual funds or ETFs traded within the Portfolio Program.

## **Advisory Fees**

Your Advisor will charge you an advisory fee for the services it provides to you. Zoe is paid a wrap fee based on the client assets and has a financial incentive when your Investment Advisor recommends that you contribute more money to your account. Zoe receives a portion of the revenue from the advisory fee you pay to the Investment Advisor. You may be responsible for additional fees, including but not limited to, services fees relating to the Program and

miscellaneous fees Apex may charge. Your advisory fee will be authorized by you during the account opening process and may only be increased by your written approval. Based on the schedule of advisory fees provided to Zoe, Zoe will calculate and deduct the advisory fees from your account in the manner specified in the agreement with your Investment Advisor. You should review the fees charged by your Investment Advisor which are outlined in your Investment Advisor's Form ADV Part 2A. Fees paid to your Investment Advisor may include Zoe's wrap fee.

Because Zoe Financial's contractual relationship with Advisors includes compensation from Advisors for their participation on the Zoe Advisor Network, Zoe Financial may have a material conflict of interest in referring Advisors to prospective clients.

### **Mutual Fund and ETF Expenses**

Mutual funds and ETFs held in your account can incur additional administrative charges and/or fees or expenses, which may include management and administrative fees, 12b-1 fees and related servicing or marketing expenses, sub-transfer agent fees, deferred sales charges and other fees or expenses. Please consult the applicable prospectus or statement of additional information relating to your investments for more information.

When investing in mutual funds, Apex charges Zoe an asset based fee when clients invest in certain funds and share classes. Zoe requires Investment Advisors to select mutual funds that are available on Apex's platform. However, in certain cases when certain mutual funds are not available via Apex, it is possible that you may incur transaction fees in addition to fees charged by the mutual fund.

### **Cost of Program Compared to Separate Purchase of Services**

If the investment advisory services, brokerage, and custody services are paid separately, it is possible the cost of those services may be less than the wrap fees you pay for participating in the Program. We urge you to evaluate the costs relative to your unique personal circumstance.

### **Fees for Additional Services**

The fees discussed above do not cover certain charges associated with securities transactions in clients' accounts, including: (a) dealer markups, markdowns or spreads charged on transactions in over-the-counter securities; (b) costs relating to trading in certain foreign securities; (c) the internal charges and fees that may be imposed by any funds, (such as fund operating expenses, management fees, redemption fees, 12b-1 fees and other fees and expenses); (d) brokerage commissions or other charges imposed by broker-dealers or entities other than Apex if and when trades are cleared by another broker-dealer; and (e) the charge to carry tax lot information on transferred mutual

funds or other investment vehicles, postage and handling charges, returned check charges, transfer taxes; stock exchange fees or other fees mandated by law.

Trading and custody fees do not cover certain custodial fees that may be charged for specific account services, such as ACAT transfers, electronic fund and wire transfer charges, and for other optional services elected by clients.

## **Item 5 - Account Requirements and Types of Clients**

### **Minimum Account Size**

Zoe currently does not impose any minimum or maximum account size or value requirements. However, Zoe reserves the right to impose a minimum or maximum account size or value in the future at its discretion.

### **Types of Clients**

Zoe makes this program available to Investment Advisors that provide services to individuals and high net-worth individuals, corporations and other business entities, trusts, foundations, and endowments. This Program is not available to qualified retirement plan clients including 401(k), 457, and 403(b) plans.

### **Funding Your Account**

You may fund your account by cash transfers using ACH (Automated Clearing House). Clients should consult with their Advisors to fund their accounts.

### **Withdrawal from the Program**

You may terminate the Program at any time by providing written notice to Zoe and by contacting your Investment Advisor. We require that you have an Investment Advisor to participate in the Program. If your Investment Advisor leaves the Program and you are unable to find a replacement, Zoe has the right to terminate your participation in the Program.

## **Item 6 - Portfolio Manager Selection and Evaluation**

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

Zoe currently does not offer any investment models or perform due diligence on any investment products offered by third parties.

### **Risk of Loss**

The description contained herein is an overview of the risks entailed in our Program and generally trading in, but not limited to, single stock securities, ETFs, mutual funds and/or money market funds. This list is not intended to be complete. All investing involves a risk of loss.

Investing in securities is inherently risky. An investment in money market funds, mutual funds, exchange-traded funds, or stocks could lose money. Zoe and the Advisors cannot give any guarantee that they will achieve their investment objectives or that any client will receive a return of its investment. Although money market funds are considered low risk, they are affected by other types of risk, mainly interest-rate risk and inflation risk. The underlying value of the instruments within the money market fund may change depending on the direction of interest rates.

No Guarantees. The value of your investment could decline and be worth less than the principal initially invested. And while a money market fund seeks a stable share price, its yield fluctuates. In addition, mutual funds are not insured or guaranteed by an agency of the U.S. government. Bond funds, unlike purchasing a bond directly, will not re-pay the principal at a set point in time.

### **Performance-Based Fees and Side-by-Side Management**

Performance based fees are based on a share of capital gains on, or capital appreciation of, client assets. Your Investment Advisor may charge performance based fees. An advisor charging performance fees to some accounts face a variety of conflicts because the advisor can potentially receive greater fees from its accounts having a performance based compensation structure than from those accounts it charges a fee unrelated to performance (*e.g.*, an asset-based fee). As a result, the Investment Advisor may have an incentive to direct the best investment approach, or to allocate or sequence trades in favor of the account that pays a performance fee. You should consult your investment management agreement for additional information regarding any performance based fees your Investment Advisor may charge.

Zoe does not charge performance based fees.

### **Proxy Voting**

Zoe will not exercise proxy voting authority. The obligation to vote proxies shall at all times remain your or your Advisor's responsibility. Apex will send all proxy information directly to you. You should contact your IAR if you have questions about voting proxies.



## **Item 7 - Client Information Provided to Advisors**

The Advisors remain responsible for managing client accounts in accordance with incorporating your individual information or investment goals and objectives and have a direct relationship with you.

It remains the responsibility of each client to advise its Investment Advisor if there is ever any change in their financial situation or investment objectives.

Clients participating in the Program generally grant their IARs the authority to provide certain non-public information to Zoe in order to administer their accounts. This information is communicated as necessary in order for Zoe to provide Program services.

## **Item 8 - Client Contact with the Advisors**

Any questions regarding the management of your account should be directed to your Investment Advisor. Zoe may answer technical questions regarding your ability to access the Program's website.

## **Item 9 - Additional Information**

### **Disciplinary Information**

Zoe, including all officers, directors, or employees, has not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

### **Other Financial Industry Affiliations**

As of May 2022, Creative Planning, LLC, and affiliates from CapFinancial, LLC, Mariner, LLC dba Mariner Wealth Advisors, Sequoia Financial Advisors, LLC, Perigon Wealth Management, LLC, and Falcon Wealth Planning, Inc., now have vested ownership interest in Zoe Financial. These RIA's and RIA affiliates are also on the Zoe platform and may have clients referred to them by Zoe through their matching system. As a result, a conflict of interest exists among the RIA, RIA affiliates and Zoe in the form of increased financial incentives by being referred clients. To mitigate this conflict of interest, Zoe continues to refer potential clients to advisors solely based on that individual's answers to questions during the potential client's onboarding process, and does not give preferential treatment on the number of referrals sent to these new owners.

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

We have adopted a Code of Ethics ("Code") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940. The Code establishes rules of conduct for all of our partners, officers, directors (or other person occupying a similar status or performing similar functions), or employee of Zoe, or other person who provides investment advice on behalf of Zoe and is subject to the supervision and control of Zoe ("Supervised Persons") and is designed to, among other things, govern personal securities trading activities in the accounts of our employees. The Code contains general ethical principles and personal securities reporting provisions for our employees. In summary, the Code prohibits Supervised Persons from taking inappropriate advantage of their positions and the access to information concerning the investments or our investment intentions for our clients, or our ability to influence such investment intentions, for personal gain or in a manner detrimental to the interests of our clients. A copy of the Code is available upon request by contacting us at (646) 847-2106.

We and our Supervised Persons occasionally buy or sell securities identical to those recommended to you. It is our express policy that any person employed by us is prohibited from profiting at the expense of our clients and from competing with our clients.

The Code and other procedures adopted by us contain the following provisions to handle conflicts of interest:

1. All Supervised Persons are required to certify in writing that they have received a copy of Zoe's code, have read and understand the Code, and agree to comply with the Code.
2. Any Supervised Persons who have access to nonpublic information regarding any client's purchase or sale of securities, is involved in making securities recommendations to clients, who have access to such recommendations that are nonpublic ("Access Persons") must submit for Zoe's review a report of his/her personal securities transactions and securities holdings periodically.
3. Each of our Access Persons must submit an initial and annual holdings report of the Access Person's current covered securities holdings.
4. Each Access Person's initial and annual holdings reports are reviewed by Zoe's Chief Compliance Officer.
5. Any Supervised Person not in observance of the above will be subject to disciplinary action, and possible termination.

### **Review of Accounts**

It is you or your Investment Advisor's responsibility to review your account. Please review your Investment Advisor's Form ADV Part 2A to understand how and when the Investment Advisor monitors and reviews your account.

### **Client Referrals and Other Compensation**

We receive compensation for referring potential clients to Investment Advisors. In order for us to receive compensation for the referral a potential client must engage the Investment Advisor. Zoe receives a percentage of the Investment Advisor's management fee. Information about this relationship is disclosed to the referred clients prior to or at the time of entering into any investment management agreement with the Investment Advisor. Zoe does not compensate any person for client referrals.

### **Financial Information**

We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet our contractual commitments to Advisors. Zoe has never filed for bankruptcy at any time during the past ten years.