

# **GBG WEALTH MANAGEMENT, LLC**

## **Form ADV Part 2A Firm Brochure October 3, 2024**

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**This Brochure provides information about the qualifications and business practices of GBG Wealth Management, LLC. (“GBG”). If you have any questions about the contents of this Brochure, please contact us at 480-820-9184 or [jturley@wealthgbg.com](mailto:jturley@wealthgbg.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 GBG also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). References herein to GBG as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

This section describes the material changes to this Form ADV Part 2A (“Brochure”). This is GBG Wealth Management, LLC’s initial Brochure. In the future, this section will describe material changes to the Brochure since its last annual updating amendment.

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## **Item 4            Advisory Business**

- A. GBG Wealth Management, LLC (“GBG”, the “Firm”, “we”, “our”, or “us”) is an Arizona LLC formed in September 2024, and is filing this Brochure as part of its application to register as an investment adviser with the SEC. The Firm’s principal owners are Michael Bosen and Marcos Goodman. The Firm is also partially owned by its affiliated registered investment adviser, Gallacher Capital Management, LLC. Jaron Turley is the Firm’s Chief Compliance Officer.
- B. As discussed below, GBG provides financial planning, discretionary investment management services, and retirement plan consulting services to individuals, high-net worth individuals, corporations, and other businesses. The specific services and the fees for those services are subject to an agreement between GBG and the client.

### **FINANCIAL PLANNING AND CONSULTING (STAND-ALONE)**

To the extent requested by a client, GBG may provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) either inclusive of the client’s discretionary investment management services or on a stand-alone separate fee basis. For investment management clients with extraordinary planning needs, to be determined at the sole discretion of the Firm, the Firm may elect to assess a separate, agreed upon fixed fee for such planning services. For standalone engagements, the Firm’s planning and consulting fees are negotiable, but generally start at \$2,500 on a fixed fee basis. The final fee will be agreed upon with the client at the time of engagement and will vary depending upon the level and scope of the service(s) required, the complexity of the client’s planning needs, and the professional(s) rendering the service(s). Prior to engaging the Firm to provide standalone planning or consulting services, clients are generally required to enter into an agreement with us setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to the Firm commencing services.

GBG is not a law firm or accounting firm. Its services should not be construed as legal or accounting services. We do not prepare estate planning documents or tax returns. We may recommend the services of other professionals, including our Firm’s affiliated firms and professionals. Please see Item 10 below for further discussion. The client is under no obligation to engage the services of any recommended firm or professional. The client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation from the Firm.

### **INVESTMENT MANAGEMENT SERVICES**

Clients can choose to engage GBG to provide discretionary investment management services. Client assets may be managed directly by GBG or may be allocated to one or more third-party managers (“TPMs”) for discretionary management.

To begin the process, an investment adviser representative will first meet with the client to develop investment objectives, risk tolerance and other relevant information to formulate an investment strategy. Then, GBG will allocate the client’s investment assets consistent with the designated investment strategy. These allocations may be made to one or more securities selected by GBG, to one or more investment models or strategies made available by GBG’s TPMs, or some combination thereof. Once GBG allocates client investment assets, it provides ongoing monitoring and review of account performance and asset

allocation as compared to client investment objectives and may periodically re-allocate the client's assets amongst different securities, TPMs, models, or strategies based on these reviews, market conditions, and client circumstances and objectives. GBG may also occasionally offer educational and informational workshops and seminars to its investment management clients regarding various financial and investment topics.

When advisory services are rendered on a discretionary basis, GBG and/or the TPM (as appropriate) is authorized to execute trades without obtaining the client's specific prior consent. Fees charged by TPMs generally are separate from, and in addition to, those fees charged by GBG, as discussed in Item 5 below.

Clients are advised that GBG may allocate assets to its affiliated TPM, Gallacher Capital Management, LLC, a registered investment adviser. Such practice constitutes a conflict of interest, as GBG is incentivized to allocate assets to its affiliate on the basis of additional compensation to be received by the affiliate. GBG seeks to mitigate this conflict of interest by enforcing written compliance policies and procedures that require that investment allocations be made solely in the client's best interest, notwithstanding the interests of the Firm, its representatives, or its affiliates.

#### **RETIREMENT CONSULTING SERVICES**

GBG also provides retirement plan consulting services, pursuant to which it assists employers with selecting appropriate plan types and general plan administration. GBG may also identify and recommend investment-related service providers for its retirement plan clients, such as investment fiduciaries and investment managers, as those terms are defined under Sections 3(21) and 3(38) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In addition, to the extent requested by the plan sponsor, GBG can also provide participant education and informational sessions, designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The terms and conditions of the engagement shall generally be set forth in a Retirement Plan Consulting Agreement between the Firm and the plan sponsor.

#### **ADDITIONAL INFORMATION ABOUT GBG'S ADVISORY SERVICES**

##### *ERISA/IRC Fiduciary Acknowledgement*

When GBG provides investment advice to a client regarding the client's retirement plan account or individual retirement account, it does so as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts. The way GBG makes money creates some conflicts with client interests, so GBG operates under a special rule that requires it to act in the client's best interest and not put its interests ahead of the client's.

Under this special rule's provisions, GBG must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put its financial interests ahead of the client's when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments; Follow policies and procedures designed to ensure that GBG gives advice that is in the best interest of the client;

- Charge no more fees than are reasonable for GBG's services; and
- Give the client basic information about conflicts of interest.

#### *Retirement Plan Rollovers – No Obligation/Conflict of Interest*

A client or prospective client leaving an employer has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If a client rolls over their retirement plan assets into an account to be managed by GBG, it could create a conflict of interest if GBG will earn a new (or increase its current) advisory fee as a result of the rollover. Accordingly, GBG does not recommend any particular option as it relates to client rollovers for new or existing clients, but rather, educates the client on the options available to them. No client is under any obligation to rollover retirement plan assets to an account managed by GBG.

#### *Cash Positions*

GBG considers cash and cash equivalents to be a material component of a client's asset allocation. Depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the Firm may maintain cash and cash equivalent positions (such as money market funds, etc.) for defensive, liquidity, or other purposes. Unless otherwise agreed in writing, all such cash positions are included as part of assets under management for purposes of calculating the Firm's advisory fee. Clients are advised that, at any given time, GBG's annual fee may exceed the yield earned on cash and cash equivalent positions.

#### *Periods of Portfolio Inactivity*

GBG has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment management services, GBG will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, mutual fund manager tenure, style drift, and/or a change in the client's investment objective. Based upon these and other factors, there may be extended periods of time when GBG determines that changes to a client's portfolio are neither necessary nor prudent. Of course, there can be no assurance that investment decisions made by GBG will be profitable or equal any specific performance level(s). Investment management clients remain subject to GBG's asset-based fees during such periods of account inactivity.

#### *Client Obligations*

In performing its services, GBG shall not be required to verify any information received from the client or from the client's other designated professionals and is expressly authorized to rely thereon. Clients are responsible for promptly notifying the Firm if there is ever any change in their financial situation or investment objectives so that we can review, and if necessary, revise our previous recommendations.

- C. GBG's investment advisory services are specifically tailored to the needs of each client. To begin the investment advisory process, an investment adviser representative will coordinate with each client to develop their investment objectives. Then, GBG allocates or recommends that the client allocate investment assets consistent with the designated

investment objectives. Clients may, at any time, impose restrictions in writing on investing in certain securities or types of securities.

- D. GBG does not participate in a wrap fee program.
- E. As of October 3, 2024, the Firm had \$0 in assets under management.

## **Item 5 Fees and Compensation**

### **A. INVESTMENT MANAGEMENT SERVICES**

GBG's annual investment advisory fee is paid quarterly in advance, under the terms and conditions of an Investment Management Agreement. The investment advisory fee is generally based on a percentage of the market value of client assets under management as of the close of business on the last day of the preceding quarter, as valued by an independent pricing service, where available, or otherwise in good faith as reflected on a client's quarterly portfolio evaluation report. Asset-based fee calculations include the value of any accrued interest (but not accrued dividends or other earnings or income). Additional deposits and withdrawals will be added or subtracted from portfolio assets which may lead to an adjustment of the advisory fee.

The fee for the first quarter of the client's engagement will be prorated from the inception date to the end of the first quarter. Unless GBG expressly agrees otherwise in writing, account assets consisting of cash and cash equivalent positions are included in the value of an account's assets for purpose of calculating this fee. Clients can advise GBG not to maintain (or to limit the amount of) cash or cash equivalent positions in their account.

GBG's investment advisory fee is negotiated on a case-by-case basis, with a maximum annual asset-based fee of 1.50%. The final negotiated fee will vary based upon objective and subjective factors including but not limited to: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professional rendering the service; prior, professional, or family relationships with GBG and its representatives; and negotiations with the client. As a result of these factors, similarly situated clients could pay different fees, which correspondingly impacts a client's net account performance. Moreover, the services to be provided by GBG to any particular client could be available from other advisers at lower fees.

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

GBG's financial planning and consulting fees are negotiable but start at \$2,500 on a fixed fee. The final fee will be set forth in a written agreement between GBG and the client, and will vary based on a variety of factors, including the scale and scope of the plan, complexity of the client's planning needs, and the professional(s) rendering planning services. Before engaging GBG to provide financial planning and consulting services on a stand-alone separate fee basis, clients are required to enter into a Financial Planning Agreement with GBG setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client before GBG will provide services.

### **RETIREMENT PLAN CONSULTING SERVICES**

The terms and conditions of the retirement plan consulting engagement will be set forth in a Pension Consulting Agreement between GBG and the plan sponsor. GBG's negotiable advisory fee for these services ranges between .25% and 1% of the value of retirement plan assets, depending upon the scope of the engagement.

- B. Clients will have GBG's advisory fees deducted from their custodial account. The applicable form of GBG's Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of GBG's investment advisory fees and to directly remit the fee to GBG in compliance with regulatory procedures. Alternatively, a TPM may be authorized to deduct the client's total fee from the custodial account (inclusive of GBG's fee, any fees charged by the TPM, and any other advisory service-related costs, like investment platform fees) and remit GBG's portion of this total fee to GBG. If GBG bills the client directly, payment is due by check upon receipt of GBG's invoice. For investment management and retirement plan consulting services, fees will be deducted quarterly advance, based upon the market value of the assets as of the close of business on the last day of the preceding quarter.
- C. As discussed in Item 12, we generally recommend Charles Schwab & Co., Inc., ("Schwab") or Fidelity Investments ("Fidelity") serve as the custodian for client accounts. Broker-dealers such as Schwab and Fidelity charge transaction fees for effecting certain securities transactions (*i.e.*, transaction fees are charged for certain no-load mutual funds and markups and mark downs may be charged for fixed income securities transactions). These fees will be assessed by the custodian, pursuant to the custodian's then-current fee schedule. Clients may also incur internal fees and expenses charged by pooled vehicles that they purchase, including mutual funds, ETFs, and private investment funds. Furthermore, to the extent engaged, TPM fees and associated investment platform fees (as applicable) are generally separate from, and in addition to, the advisory fees charged by GBG. The maximum annual TPM fee and investment platform fee charged by GBG affiliated investment adviser, Gallacher Capital Management, LLC are 1.50% and 0.25%, respectively.
- D. Asset-based fees are prorated and payable quarterly, in advance, based upon the market value of the assets under management as of the close of business on the last day of the preceding quarter. All other fees are due within 30 days' receipt of an invoice. Upon termination of any agreement, we will refund the client for prepaid advisory fees, prorated through the effective date of termination.
- E. **Insurance Commission Transactions.** Upon request, clients may engage representatives of GBG in their separate and individual capacities to purchase insurance products on a commission basis. The commissions charged may be higher or lower than those charged by other licensed insurance agencies.
  - Conflict of Interest: The recommendation that a client purchase an insurance product on a commission basis presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from GBG's representatives.
  - Clients may purchase insurance products recommended by GBG's representatives through other, unaffiliated agents.



- GBG does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of insurance commission products GBG recommends to its clients.
- When GBG's representatives sell an insurance product on a commission basis, GBG does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, GBG's representatives do not also receive commission compensation for such advisory services. However, a client may engage GBG to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from GBG's representatives on a separate commission basis.

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

Neither GBG nor any supervised person accepts performance-based fees. However, GBG may recommend private investment funds which pay performance-based compensation to GBG's affiliate, Gallacher Capital Management, LLC.

Specific details describing management and incentive fees are more fully described in the offering documents for the funds. Performance fees are charged in accordance with the requirements of Rule 205-3 under the Investment Advisers Act of 1940, as amended. Performance-based compensation can incentivize our affiliate to make fund investments that are riskier than our affiliate would otherwise make.

Our affiliate's potential receipt of performance-based compensation from the private funds creates a conflict because we charge advisory clients an asset-based fee for the services we provide, while our affiliate is entitled to receive performance-based fees or allocations from funds the affiliate manages. As a result, we have an incentive to recommend that an advisory client invest in our affiliate-managed funds, as this could increase the total compensation to be received by GBG and its affiliate. GBG has adopted and implemented compliance policies and procedures that are designed to address this conflict and will only recommend affiliate-managed funds when considered to be in the client's best interest, without subserviating the client's interests to those of GBG or its affiliate.

## **Item 7            Types of Clients**

Our clients are generally individuals, high-net worth individuals, trusts and estates, corporate retirement plans, and corporations and other businesses. We do not have any minimum asset requirements or minimum fees, but we do reserve the right to accept or reject any client.

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

- A. GBG will propose an investment philosophy and recommendations through a consultative process which considers the client's personal and financial objectives, including such things as time horizon, diversification, risk aversion, life events, tax status, investment selection process, investment review, and need for income, among other things.

Based on these details, GBG and the client may agree to invest in one or more investment strategies offered through GBG's affiliated TPM, Gallacher Capital Management, LLC. These investment strategies may change, and Gallacher Capital Management, LLC may offer new strategies from time to time. GBG has no obligation to recommend a new Gallacher Capital Management, LLC strategy to a client when it becomes available.

- B. Below is a description of the current investment strategies offered by Gallacher Capital Management, LLC:

*GEM Allocation Strategies.* GEM Allocation Strategies portfolios are designed to invest across a diverse allocation of equities and fixed income both domestically and internationally. These portfolios are created using a combination of stock positions, mutual funds, and Exchange-Traded Funds ("ETF") and seek to tactically shift, while maintaining a client's risk profile, as opportunities in the market arise.

*GEM Direct Strategies.* GEM Direct Strategies are portfolios of individual stocks that exhibit factors Gallacher Capital Management, LLC believes have driven excess performance over extended periods. Portfolios are built using proprietary quantitative screens to create process-driven results.

*GEM Direct Indexing Strategies.* GEM Direct Indexing Strategies create portfolios designed to replicate the risk characteristics of an index by holding certain individual positions within the underlying index. Gallacher Capital Management, LLC believes this strategy provides greater tax efficiency and customization of portfolios than investing directly in a mutual fund or ETF that tracks an index.

*Optional Investment Strategy (Tax Managed) Overlay.* The Tax Managed Overlay seeks to minimize the taxable implications of trades, incorporating the income and capital gains to the client as factors that influence shifts in the portfolio. This strategy is an additional option for any other strategy.

- C. Investing in securities involves risk of loss that clients should be prepared to bear, and it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal any specific performance level.

*Equity Instruments.* Investments in equity securities generally involve a high degree of risk. Stock prices are volatile and change daily, therefore, market movements are difficult to predict. Movements in stock prices and markets may result from a variety of factors, including those affecting individual companies, sectors or industries. Such movements may be temporary or last for extended periods. The price of an individual stock may fall or fail to appreciate, even in a rising stock market. Clients could lose money due to a sudden or gradual decline in a stock's price or due to an overall decline in the stock markets. In particular, "growth" stocks can have relatively high valuations, which, among other things, may result in the prices of growth stocks being more sensitive to changes in current and future earnings. Accordingly, investing in growth stocks can be riskier than investing in a company with more modest growth expectations. Clients with greater weighting to stock investments should be prepared to experience a more volatile portfolio where a 20% drop in value can be expected in extremely volatile market conditions.

*Small-Cap and Mid-Cap Companies.* Small-Cap and Mid-Cap companies may present greater opportunities for capital appreciation than Large-Cap companies, but are generally

more volatile and involve greater risk than companies that are larger and more established. Such smaller companies may have limited product lines, markets or financial resources and their securities may trade less frequently and in more limited volumes than the securities of larger companies. As a result, the prices of the securities of smaller companies may fluctuate to a greater degree than the prices of the securities of other issuers and these companies may be more likely to fail, which could result in substantial losses.

*Fixed Income Instruments.* Generally, prices of fixed income instruments are volatile and change daily. Investments in fixed income instruments present numerous risks, including credit, interest rate, reinvestment and prepayment risk, all of which affect the price (i.e., value) of the instruments. For instance, a rise in interest rates may cause fixed income instruments to lose value. Investment managers may make certain assumptions regarding interest rates when evaluating fixed income securities regarding, among other things, the yield curve of the security. A variation in the actual slope of the yield curve from the assumed slope used in evaluating the security for client accounts could have a material adverse effect on the value of a client's account. In addition, the value of fixed income instruments may decline in response to events affecting the issuer, its credit rating or any underlying assets backing the instruments. High-yield fixed income instruments (e.g., "junk bonds") are speculative and involve a greater risk of default and price changes than investment grade fixed income instruments. Prices of high-yield instruments are especially sensitive to developments affecting the issuer's business and to changes in the ratings assigned to the issuer by rating agencies. High-yield instruments can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, sales by major investors, default, perceived creditworthiness or other factors. The secondary market for high-yield fixed income instruments may be less liquid than the market for investment grade instruments and a client's account may be unable to sell illiquid high-yield instruments at an advantageous time or price. In all cases, developments in the credit markets may adversely affect fixed income instruments held in a client's account and could result in substantial losses. An event of default by an issuer may result in the issuer's fixed income instruments becoming worthless.

*Market Risk - Liquidity.* General economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, law changes, trade barriers, currency fluctuations or controls, and national and/or international political circumstances can materially affect a client's account. For example, any of these factors may affect price volatility and the liquidity of instruments held in a client's account. Even an instrument that is, or recently was, liquid may unexpectedly and suddenly become illiquid. Such volatility or illiquidity could result in substantial losses.

*Concentration.* Client accounts may have highly concentrated positions in issuers engaged in one or a few industries, which could increase the risk of loss relative to the market.

*Derivatives.* Derivatives include a broad range of investments, including futures, options, forward contracts and swaps, and may move in unexpected ways due to the use of leverage and other factors and may result in increased volatility or losses. Many derivatives, particularly those negotiated over the counter, are substantially illiquid or could become illiquid under certain market conditions. The use of derivatives also involves counterparty risk, meaning that the counterparty to a derivative contract may fail to comply with the terms of the contract. Any dispute concerning a derivative contract could be expensive and time consuming to resolve and even a favorable resolution could come too late to prevent liquidity problems and substantial losses.

Private and Alternative Investments: When consistent with a client's individual circumstances and objectives, GBG may, on a non-discretionary basis, recommend that eligible clients invest in one or more alternative or private investments, including private funds managed by GBG's affiliated investment adviser, Gallacher Capital Management, LLC. GBG clients are under absolutely no obligation to consider or make an investment in the any private or alternative investment, including those funds managed by GBG's affiliate.

- **Risk Factors:** Private and alternative investments generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints, and lack of transparency, a complete discussion of which is set forth in each investment's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private and alternative investments generally do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, Private Placement Memorandum, or similar offering document pursuant to which the client shall establish that he/she is appropriately qualified for investment and acknowledges and accepts the various risk factors that are associated with such an investment.
- **Valuation:** In the event that GBG references a client's private or alternative investment on any account reports for fund investors, the value(s) shall reflect the more recent of the client's initial investment amount or the most recent valuation provided by the investment sponsor or issuer. The current value of any such investment could be significantly more or less than the original purchase price or the price reflected in any account report. Unless otherwise agreed upon with the client, the value of any private or alternative investment will be included in assets under management for the purposes of calculating GBG's asset-based fees.
- **Conflict of Interest:** As discussed in Item 6 above, a recommendation to invest in private funds managed by GBG's affiliated investment adviser, Gallacher Capital Management, LLC, presents a conflict of interest, in that GBG is generally entitled to receive an asset-based fee on any private fund positions held by the client as a result of GBG's recommendation, while GBG's affiliate can receive performance-based compensation from the affiliate-managed funds. GBG seeks to mitigate this conflict of interest by providing full and fair disclosure to fund investors and by strictly adhering to compliance policies and procedures and supervisory oversight requirements that mandate that GBG provide advice solely in the client's best interest, without subserviating the client's interests to those of GBG or its affiliate.

## **Item 9           Disciplinary Information**

Neither GBG nor its management have been the subject of any reportable disciplinary action.

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

- A. Neither GBG, nor its representatives, are registered or have an application pending to register, as a broker-dealer or registered representative of a broker-dealer, respectively.

- B. Neither GBG, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Insurance Agents: As disclosed above in Item 5.E, certain of GBG's associated persons, in their separate and individual capacities, are licensed insurance agents. Clients can therefore choose to engage GBG's associated persons in this capacity to engage in commission-based insurance transactions. The recommendation by GBG's associated persons that a client purchase an insurance commission product presents conflicts of interest, as the receipt of commissions provides an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any insurance commission products from GBG's associated persons. Clients are reminded that they may purchase insurance products recommended by GBG through other, non-affiliated insurance agents.

Affiliated Accounting Firm: GBG is affiliated with Gallacher, Bosen, and Goodman, PLLC, a CPA firm which provides tax and accounting services. Recommendations to engage Gallacher, Bosen, and Goodman, PLLC for accounting services present a conflict of interest, as the recommendation could be made on the basis of compensation to be received by GBG's affiliated accounting firm. No GBG client is under any obligation to become a client of Gallacher, Bosen, and Goodman, PLLC. If a GBG client is also a client of Gallacher, Bosen, and Goodman, PLLC, then client information may be at times shared between the two firms. We make it a practice to request written authorization to share information with our affiliated firms. The services provided by Gallacher, Bosen, and Goodman, PLLC, and the fees related to such services, are separate from GBG's investment advisory fees and services.

Affiliated Investment Adviser: GBG is affiliated with Gallacher Capital Management, LLC, a registered investment adviser. Although GBG and Gallacher Capital Management, LLC generally do not refer clients to each other for personal advisory services, GBG may recommend that certain eligible clients become investors in one or more private funds managed by GBG's affiliate. Please see below, as well as Items 6, 8, and 11 herein, for further discussion of our affiliate-managed private funds. In addition, as discussed further in Item 14 below, Gallacher Capital Management, LLC shares in advisory revenue generated by GBG, in exchange for certain administrative and supervisory services.

Private Funds: As discussed in Items 6, 8, and 11 herein, GBG may recommend one or more private funds managed by GBG's affiliated investment adviser, Gallacher Capital Management, LLC. As discussed, a recommendation to invest in private funds managed by Gallacher Capital Management, LLC presents a conflict of interest, in that GBG is generally entitled to receive an asset-based fee on any private fund positions held by the client as a result of GBG's recommendation, while GBG's affiliate can receive performance-based compensation from the affiliate-managed funds.

- D. GBG does not receive, directly or indirectly, compensation from investment advisers that it recommends or selects for its clients.

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

GBG maintains an investment policy related to personal securities transactions. This investment policy is part of GBG's overall Code of Ethics, which serves to establish a standard of business conduct for all of GBG's supervised persons that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request. In accordance with Section 204A of the Investment Advisers Act of 1940, GBG also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by GBG or any person associated with GBG.

When consistent with a client's risk tolerance and investment objectives, GBG may recommend one or more private funds managed by its affiliated investment adviser Gallacher Capital Management, LLC. GBG's affiliate has a material financial interest in the managed funds, and this financial interest means that such recommendations create conflicts of interest, which are discussed further in Items 6 and 8 above. GBG's Code of Ethics require that employees adhere to the highest standard of ethical conduct, and GBG's Chief Compliance Officer conducts supervisory reviews to ensure that investors in our affiliate-managed funds are provided full and fair disclosure of applicable conflicts of interest and that client interests are never subserviated to the investor's interests.

GBG and its representatives may buy or sell securities that are also recommended to clients. This practice may create a situation where GBG and its representatives are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation presents a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if GBG did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of GBG's clients) and other potentially abusive practices. GBG has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of GBG's "Access Persons." GBG's securities transaction policy requires that an Access Person of GBG must provide the Chief Compliance Officer or their designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date GBG selects.

GBG and its representatives may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where GBG and its representatives are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation presents a conflict of interest. As indicated above, GBG has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of GBG's Access Persons.

## **Item 12      Brokerage Practices**

- A. In the event that the client requests, we recommend investment management accounts be maintained at Schwab and/or Fidelity. Prior to engaging us to provide discretionary management services, the client will be required to enter into a formal agreement setting forth the terms and conditions under which we will manage the client's assets and a separate custodial agreement with each custodian.

Factors we consider in recommending a custodian include our historical relationship, financial strength, reputation, execution capabilities, pricing, research, and service.

Although the commissions and transaction fees paid by our clients comply with our duty to seek to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith, that the commission or transaction fee is reasonable.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we seek competitive rates, we may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the custodian are in addition to our fees.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client use the services of a particular custodian, we may receive from the above listed custodians (or another custodian, investment platform, vendor, or investment sponsor) free or discounted support services or products. Included within the support services that we may receive include investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, consulting services, attendance at conferences, meetings, and other educational and/or social events, marketing support, and computer hardware or software.

Some of these products and services may assist us in managing and administering client accounts. Others do not directly provide such assistance, but rather assist us in further developing our business enterprise.

GBG's clients do not pay more for investment transactions effected and/or assets maintained at any of these custodians because of this arrangement. There is no corresponding commitment made by us to any of the above-listed custodians, or any other entity, to invest any specific amount or percentage of client assets in any specific securities because of this arrangement.

2. We do not receive referrals from broker-dealers.
3. We do not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by us. As a result, clients may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

If the client directs us to effect securities transactions for the client's accounts through a specific broker-dealer, the client must acknowledge that such direction will generally cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through us. Higher transaction

costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts. Our Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that we provide discretionary management services, the transactions for each client account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. We do not receive any additional compensation or remuneration as a result of such aggregation.

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

For those clients that grant us investment discretion, we perform reviews on a periodic basis. We may conduct account reviews on a different periodic basis upon the occurrence of a triggering event such as a market correction, large deposits or withdrawals from an account, substantial changes in the value of a client’s portfolio, change in the client’s investment objectives, and client request.

For the avoidance of confusion, we do not review any recommendations or financial plans made to clients receiving advice pursuant to a one-time fixed fee. However, clients are encouraged to review their plans regularly, and GBG may be engaged to update previously-provided plans for an agreed upon fee.

Clients are provided with transaction confirmation notices and regular summary account statements directly from their custodian.

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

- A. As referenced in Item 12.1 above, GBG may receive economic benefits from Schwab and/or Fidelity. Clients do not pay more for transactions effected and/or assets maintained at any of the above-named custodians because of this arrangement, nor does GBG make any commitments to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.
- B. GBG does not generally compensate anyone for client referrals. However, GBG has entered into an arrangement with its affiliated investment adviser, Gallacher Capital Management, LLC, whereby GBG shares a portion of advisory revenue generated with its affiliated adviser, in exchange for certain agreed upon administrative and supervisory services. This practice could incentivize GBG’s affiliated adviser to recommend the services of GBG, as an increase in GBG advisory revenue would generally result in an increase in affiliate compensation for administrative and supervisory services. However, as indicated above, GBG and Gallacher Capital Management, LLC generally do not refer



clients between each other, except with respect to GBG's recommendations of affiliate-managed funds.

#### **Item 15      Custody**

It is our policy not to accept physical custody of a client's cash or securities. In other words, we do not accept the authority to withdraw, transfer or otherwise move funds or cash from any client account to our accounts or the account of any third party (other than for purposes of the payment of our fees as explained below).

We may accept written authorization to deduct our fees directly from client's accounts at your account's custodian. The account custodian does not verify the accuracy of our advisory fee calculation. Clients receive account statements directly from their custodian on at least a quarterly basis. To the extent we provide a client with an account statement, it may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. We urge all clients to compare the statements that we provide with those provided by the custodian in order to ensure their accuracy.

#### **Item 16      Investment Discretion**

Clients can engage GBG to provide discretionary portfolio management. Prior to GBG assuming discretionary authority over a client's account, the client will be required to enter into a written agreement, granting us with the authority to buy and sell assets in the client's account.

Clients may impose reasonable restrictions, in writing, on our authority (*e.g.*, limit the types or amounts of securities purchased for their account).

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

- A. GBG does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact GBG to discuss any questions they may have with a particular solicitation.

#### **Item 18      Financial Information**

- A. GBG does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. GBG is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

C. GBG has not been the subject of a bankruptcy petition.