

# **Camarda Wealth Advisory Group**

SEC File Number: 801 – 61028

## **ADV Brochure Part 2A**

Dated April 22, 2024

4371 Hwy 17 #201  
Fleming Island, Florida 32003  
<https://www.camarda.com>  
Ashley Howard, Chief Compliance Officer

**This brochure provides information about the qualifications and business practices of Camarda Financial Advisors, LLC d/b/a Camarda Wealth Advisory Group (the “Registrant”). If you have any questions about the contents of this brochure, please contact us at (904) 278-1177. 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 Camarda Wealth Advisory Group also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to Camarda Wealth Advisory Group as a “registered investment adviser” or any references to being “registered” do not imply a certain level of skill or training.**

## **Item 2           Material Changes**

There have been no material changes to this disclosure brochure since the firm’s last annual update filing on March 29, 2024. Material changes relate to Camarda Wealth Advisory Group’s policies, practices, or conflicts of interest.

This brochure does contain non-material changes. Non-material changes include, but are not limited to, clarifying language and formatting.

## **Item 3           Table of Contents**

Item 1	Cover Page.....	1
Item 2	Material Changes .....	2
Item 3	Table of Contents.....	2
Item 4	Advisory Business .....	3
Item 5	Fees and Compensation .....	8
Item 6	Performance-Based Fees and Side-by-Side Management .....	10
Item 7	Types of Clients.....	10
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	11
Item 9	Disciplinary Information.....	12
Item 10	Other Financial Industry Activities and Affiliations.....	13
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	14
Item 12	Brokerage Practices .....	15
Item 13	Review of Accounts.....	16
Item 14	Client Referrals and Other Compensation .....	17
Item 15	Custody .....	17
Item 16	Investment Discretion .....	18
Item 17	Voting Client Securities.....	18
Item 18	Financial Information .....	18

#### **Item 4            Advisory Business**

- A. Camarda Financial Advisors, LLC, d/b/a Camarda Wealth Advisory Group (the "Registrant") is a limited liability company formed in the state of Florida. Registrant began offering investment advisory services in 1998 and changed its status to a Limited Liability Company on July 1, 2009. Registrant is wholly owned by Singularity One, LLLP, which is wholly owned by Singularity Management, LLC. Registrant remains under the control and ownership of Jeff and Kim Camarda, with approximately 5% owned by the Jeffrey M. Camarda 2012 Irrevocable Trust (Kim Camarda, trustee), approximately 90% owned by the Kim K. Camarda 2012 Irrevocable Trust (Jeff Camarda, trustee), and 1% owned by each of their five children. Jeffrey Camarda is the Registrant's principal managing member.
- B. The Registrant offers to its clients a combination of investment management services on a discretionary basis and, to the extent requested by a client, advice with respect to investments, insurance, estate and trust planning, tax advice and tax planning, and retirement and financial planning.

The Registrant may also be engaged to provide retirement plan management, retirement plan consulting, and/or standalone investment planning, financial planning, or other consulting services, each are described more fully below.

#### **Investment Management and Advisory Services**

Registrant manages investment advisory accounts using proprietary and sourced research or model portfolios. Each portfolio is designed by Registrant to meet a particular investment strategy. Strategy selection supervision is guided by the stated instructions of the client after a discussion of risk tolerance and alternatives. Through personal discussions with the client in which the client's goals, objectives, and preferences are discussed, Registrant will aid client in determining which of Registrant's portfolio(s) seem appropriate to the client's circumstances, then accept client's instructions on portfolio selection. As appropriate, Registrant may suggest an allocation among the portfolios it believes will more adequately address the client's individual needs, preferences, or instructions. Once the client has instructed Registrant as to portfolio selection, clients will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio, including particular securities or funds. Clients will retain individual ownership of all securities. In order to ensure that the account continues to be managed in accordance with client's objectives and instructions, Registrant will seek to maintain client suitability information in the client's file. Consequently, each client is advised to promptly notify the Registrant if there are ever any changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon Registrant's management services or modify existing restrictions.

Generally, Registrant will manage these advisory accounts on a discretionary basis only. However, certain clients may possess holdings which, for tax purposes or otherwise, the client does not wish to immediately liquidate. Where these assets neither fit within nor conform to an asset category of the selected model portfolio(s) ("Non-conforming Assets") the client may nonetheless choose to engage the Registrant to manage these assets. Registrant may accept and monitor these Non-conforming Assets under its Legacy Stock Watch program, and report opinions regarding their use and disposition (including, potentially, writing covered calls against such assets) on an ongoing basis separately or in conjunction with its management of model portfolio assets. Non-conforming Assets may also be liquidated in an orderly fashion in order to be deployed to one of Registrant's portfolios, may be margined in order to facilitate the overlay of options or other strategies, or may be otherwise managed or overseen per specific client instructions. Registrant may also, as appropriate, modify the composition of the client's model portfolio assets to account for Non-conforming Assets. However, Registrant will not sell or transition Non-conforming Assets into the model portfolio managed on a discretionary basis without first notifying the

client and receiving the client's authorization.

Registrant will invest clients' accounts in one or more of the following in accordance with the selected model portfolio(s): individual equities, bonds or notes, mutual funds, exchange-traded funds (ETFs), cash or cash equivalents, options, and/or other investment products. Registrant will endeavor to allocate the client's assets among various investments, taking into consideration the overall management style and risk tolerance selected by the client.

Clients may request to receive a written report or "financial plan" describing how to target client's stated financial goals and objectives; such reports or plans may be limited to specific areas such as retirement or estate planning depending on clients wishes and needs.

In general, and as client needs dictate, the financial planning services may address planning areas such as investment planning, business planning, risk control and insurance planning, tax strategy, titling structure, estate planning, asset protection planning, college planning, and retirement planning. These services do not include tax return preparation, accounting or accounting advice, tax accounting or tax accounting advice or the preparation of legal documents, or other services generally not considered to be "financial planning."

### **Retirement Plan Management and Consulting**

The Registrant also provides retirement plan management/consulting services, pursuant to which it assists sponsors of self-directed retirement plans organized under the Employee Retirement Security Act of 1974 ("ERISA"). The terms and conditions of the engagement shall be set forth in a Retirement Plan Services Agreement between the Registrant and the plan sponsor.

To the extent that the plan sponsor engages the Registrant in an ERISA Section 3(21) capacity, the Registrant will assist with the selection and/or monitoring of investment options from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. If the plan sponsor chooses to engage the Registrant in an ERISA Section 3(38) capacity, Registrant may provide the same services as described above, but may also: create specific asset allocation models that Registrant manages on a discretionary basis, which plan participants may choose in managing their individual retirement account; and/or modify the investment options made available to plan participants on a discretionary basis.

### **ERISA Plan and 401(k) Individual Engagements**

- Trustee Directed Plans Registrant may be engaged to provide discretionary investment advisory services to ERISA retirement plans, whereby the Firm shall manage Plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, Registrant will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("ERISA"). Registrant will generally provide services on an "assets under management" fee basis per the terms and conditions of a Retirement Plan Services Agreement between the Plan and the Firm.
- Participant Directed Retirement Plans Registrant may also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a Retirement Plan Services Agreement between Registrant and the plan. For such engagements, Registrant shall assist the Plan sponsor with the selection of an investment platform from which Plan participants shall make their respective investment choices (which may include investment strategies devised and managed by Registrant), and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision-making process.

- Client Retirement Plan Assets If requested to do so, Registrant shall provide investment advisory services relative to 401(k) plan assets maintained by the client in conjunction with the retirement plan established by the client's employer. In such event, Registrant shall allocate (or recommend that the client allocate) the retirement account assets among the investment options available on the 401(k) platform. Registrant's ability shall be limited to the allocation of the assets among the investment alternatives available through the plan. Registrant will not receive any communications from the plan sponsor or custodian, and it shall remain the client's exclusive obligation to notify Registrant of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account. Unless expressly indicated by the Registrant to the contrary, in writing, the client's 401(k) plan assets shall be included as assets under management for purposes of Registrant calculating its advisory fee.

### **Investment Planning, Financial Planning, and Other Consulting Services (Standalone)**

To the extent requested by a client, the Registrant may provide investment planning, financial planning, and/or consulting services on a stand-alone, separate fee basis. Prior to engaging the Registrant to provide investment planning or consulting services, clients are generally required to enter into an Investment Planning and Consulting Agreement with Registrant setting forth the terms and conditions of the engagement prior to Registrant commencing services. In general, and as client requests, investment planning will include analysis and opinion of existing portfolio, potential investment alternatives and their effect on a client's portfolio or the construction of a portfolio and clients' overall financial strategy. Registrant's Investment Planning and Consulting Service is limited to investments only and does not include "Financial Planning," which is described in more detail below.

Registrant makes available basic financial planning (including investment and non-investment related matters) services to its clients as part of its quarterly fee, as discussed above. However, its services are available on a stand-alone basis when more advanced planning and/or consulting services are requested.

Financial planning services may address planning areas such as retirement planning, business planning, risk control and insurance planning, tax strategy, titling structure, estate planning, asset protection planning, and college planning. Clients may also request consulting services to address a specific area(s) of concern. Consulting engagements typically do not result in a written report due to the nature of the service.

Registrant typically gathers required information through personal interviews and document reviews. Information gathered includes a client's current financial status, future goals, and attitudes towards risk. Related documents supplied by the client are reviewed and a written report may be prepared. Advisory quality may be limited by the accuracy or completeness of information and documents provided by client.

If requested by the client, Registrant may recommend the services of other professionals or firms for non-investment implementation purposes. These professionals or firms may include affiliates of Registrant, who may share common employees with Registrant. These professionals or firms may or may not share revenue or make referrals to Registrant. At all times, the engaged licensed professional(s), and not Registrant, shall be responsible for the quality and competency of the services provided. The client is under no obligation to engage the services of any such recommended professional or firm. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant. Moreover, each client is advised that it remains their responsibility to notify Registrant promptly if there is ever any change in their financial situation or investment objectives so that it can review, and if necessary, revise its previous advice.

For clients who have not entered into a Letter of Agreement, they will generally be required to enter into a Financial Planning and Consulting Agreement with Registrant setting forth the terms and conditions of

the engagement, describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services.

All fees, fixed or hourly, are negotiable at the discretion of the Registrant, and may be reduced or waived depending on the facts and circumstances of the particular relationship. Note that such clients may also be referred to Registrant's affiliate, TaxMaster.US, LLC ("TaxMaster") or other affiliate or non-affiliates for non-investment advisory and non-financial planning work. See discussion at Item 10.

### **Miscellaneous**

- Estate Planning, Tax Planning, and other Non-Investment Consulting/Implementation Services  
To the extent requested and separately engaged by a client to do so, Registrant may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Registrant does not serve as an attorney, accountant, or insurance agent, and no portion of Registrant's services should be construed as legal or accounting services. To the extent requested by a client, Registrant may recommend for non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), professionals and firms, including its affiliate, TaxMaster.US, LLC - *see* Item 10 below. No client is under any obligation to engage the services of any such recommended professional or firm. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant and/or its representatives. If the client engages any such recommended professional or firm, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional or firm. At all times, the engaged licensed professional(s), and not Registrant, shall be responsible for the quality and competency of the services provided.
- MoneyGuidePro Registrant may provide its clients with access to an online platform hosted by MoneyGuidePro (the "Platform"). The Platform may allow a client to view their complete asset allocation, including those assets that Registrant does not manage (the "Excluded Assets"). Registrant does not provide investment management, monitoring, or implementation services for the Excluded Assets. Unless otherwise specifically agreed to, in writing, Registrant's service relative to the Excluded Assets is limited to reporting only. Therefore, Registrant shall not be responsible for the investment performance of the Excluded Assets. Rather, the client and/or their advisor(s) that maintain management authority for the Excluded Assets, and not Registrant, shall be exclusively responsible for such investment performance. Without limiting the above, the Registrant shall not be responsible for any reporting or implementation error (timing, trading, etc.) relative to the Excluded Assets. The client may choose to engage Registrant to manage some or all of the Excluded Assets pursuant to the terms and conditions of a Letter of Agreement between Registrant and the client. The Platform also provides access to other types of information and applications including financial planning concepts and functionality, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by Registrant. Finally, Registrant shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the Platform without Registrant's assistance or oversight.
- Cash Positions Registrant continues to treat cash as an asset class. As such, unless determined to the contrary by Registrant, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Registrant's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), Registrant may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Registrant's advisory fee could exceed the interest paid by the client's money market fund.

- Retirement Rollovers A client or prospective client leaving an employer typically 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 Registrant recommends that a client roll over their retirement plan assets into an account to be managed by Registrant, such a recommendation creates a conflict of interest if Registrant will earn new (or increase its current) compensation as a result of the rollover, as is generally the case for asset transfers from other advisors or custodians. If Registrant provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), Registrant is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. No client is under any obligation to roll over retirement plan or other assets to an account managed by Registrant. Registrant's Chief Compliance Officer, Ashley Howard, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.
- Use of Publicly Available Investments Most investments utilized in client portfolios are available directly to the public. Thus, a prospective client can obtain many of the investment holdings that may be utilized by Registrant independent of engaging Registrant as an investment advisor. However, if a prospective client determines to do so, he/she will not receive Registrant's initial and ongoing investment advisory services. Registrant uses investment securities from a variety of sources, and may use investments that are only available to registered investment advisors. Thus, if the client holding such funds was to terminate Registrant's services, and not transition to another adviser who utilizes those same funds, restrictions regarding additional purchases of or reallocation among other funds will generally apply. In addition to Registrant's investment advisory fee described below, and potential transaction and/or custodial fees, clients may also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- Portfolio Activity As part of its investment advisory services, Registrant will review client portfolios on an ongoing basis to determine if any changes are suggested based upon various factors, including, but not limited to, investment performance, internal investment or market research, recommendations provided by a third-party investment research firm, perception of market conditions, style drift, account additions/withdrawals or balance, and/or a change in the client's investment objective. Based upon these factors, at times portfolios may be traded more frequently, as guided by each portfolio's stated methodology. Clients should be aware that portfolios are generally not optimized for tax efficiency and should be aware that brokerage transaction costs and taxes could affect net investment performance. Alternatively, it is possible that there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. The Registrant's fee remains payable during such periods of account inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by Registrant will be profitable or equal any specific performance level(s).
- Trade Error Policy Registrant shall reimburse accounts for losses resulting from the Registrant's trade errors but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within the Registrant's custodian firm account and Registrant retains the net gains and losses.

- Client Obligations In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Registrant's previous recommendations and/or services. In addition, Registrant has a duty to inform client of the most appropriate risk tolerance strategies for client's situation and goals as best Registrant can ascertain, but client is advised that any deviations in client-selected strategies from those suggested by advisor may increase client's risk of loss or underperformance, and that client retains responsibility for such instructed deviations.
- C. For information on how the Registrant tailors its services, clients and prospective clients should review Item 4.B. The client may, at any time, impose reasonable restrictions, or other instructions, in writing, on the Registrant's services.
- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2023, the Registrant had \$331,147,948 in regulatory assets under management; \$316,171,929 of which was managed on a discretionary basis and \$14,976,019 of which was managed on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **A. Investment Management and Advisory Services**

The Registrant's standard fees are outlined below. Fees are charged at the inception of the relationship, one quarter in advance, based on the value of the client's account at inception. Fees are then charged each calendar quarter thereafter based on the Quarterly Fee below based on the market value of the client's accounts as of the end of the prior quarter.

Registrant will include both model portfolio assets and non-conforming assets in determining the market value for fee calculation. In addition, as detailed in Item 4, all cash positions shall continue to be included as part of assets under management for purposes of advisory fee calculations.

Clients who place less than \$500,000 under Registrant's management may do so, but will be subject to the quarterly minimum fee of \$2,500. Such clients are solely responsible for determining whether engaging the Registrant is, and remains appropriate, and should carefully consider and seek outside advice on whether such fees will deliver reasonable value in their situation.

<b>Assets under Management</b>	<b>Quarterly Fee</b>	<b>Annual Fee</b>
\$500,000.01 - \$1,000,000	0.50%	2.00%
\$1,000,000.01 - \$10,000,000	0.375%	1.50%
\$10,000,000.01 and over	0.25%	1.00%

### **Retirement Plan Management and Consulting**

The terms and conditions of trustee-directed and participant-directed ERISA retirement plan



engagements shall be set forth in a Retirement Plan Services Agreement between the Registrant and the plan sponsor. The fees for these arrangements will typically be based upon a percentage of assets in the Plan. Additional fees may be agreed upon for additional optional services to be provided by the Registrant, but in any such instance those fees will be determined and agreed upon by both parties and defined in the Retirement Plan Services Agreement. Unless otherwise agreed to, in writing, the Registrant shall debit the Plan account(s) for its fee.

There may be additional fees incurred by the Plan for Plan-related services that are not provided by the Registrant, including Plan administration, professional services (i.e., accounting and legal), and Plan custody. The cost of any such other Plan-related service(s) is not included as part of Registrant's compensation.

### **Investment Planning, Financial Planning, and Other Consulting Services (Standalone)**

Registrant makes available basic financial planning (including investment and non-investment related matters) services to its clients as part of its quarterly fee. However, when more advanced planning and/or consulting services are requested, its services are available on a stand-alone fee basis, though these fees may be waived. In addition, Registrant may offer other stand-alone investment planning or consulting services, on an individual, as-needed basis.

Registrant's stand-alone planning and consulting fees are negotiable, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s) and may be charged in one of two ways:

1. As a negotiated fixed fee for specific work, typically ranging from \$500 to \$50,000 or more depending on the intensity and complexity of the work; or
2. On an hourly basis, ranging from \$150 to \$1000 per hour. If appropriate, an estimate for total hours will be determined at the start of the engagement, where the preparation of such estimates, requiring an overview and analysis of the scope of work indicated, shall constitute a billable service.

Negotiability of Fees/Fee Dispersion In certain circumstances, all fees and account minimums may be negotiable. In addition, certain family members and personal acquaintances of Registrant's representatives may receive advisory services at a discounted rate, which is not available to advisory clients generally. Registrant, in its sole discretion, may waive its account minimum, charge a lesser investment advisory fee, charge a greater investment advisory fee, utilize a different fee schedule, and/or charge a flat fee based upon certain criteria (i.e. the advisor assigned to the account, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competition, negotiations with client, etc.). As a result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's Letter of Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that institutional qualified custodians serve as the broker-dealer/custodian for client investment management assets. Broker-dealers may charge brokerage commissions and/or transaction fees or markups/markdowns for effecting certain securities transactions (i.e. transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, clients will incur relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value (or fair market value in the absence of market value) of the assets on the last business day of the previous quarter. Unless another arrangement is agreed upon, some qualified retirement plans may pay fees monthly. The Registrant will charge its advisory fee on qualified plan assets, model portfolio assets, and Non-conforming Assets, as applicable.

The Letter of Agreement between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Letter of Agreement. If termination occurs during the first billing quarter, no refund of first quarter fees will be provided due to the substantial time and effort typically expended by the Registrant during the onboarding process. Upon termination of the Letter of Agreement in any future billing period, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither the Registrant nor any supervised person of the Registrant is a party to any performance or incentive-related compensation arrangements with its clients.

## **Item 7            Types of Clients**

The Registrant's clients can generally include individuals, business entities, trusts, estates, charitable organizations, pension and profit-sharing plans, endowments, foundations, etc.

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

A. The Registrant may utilize the following methods of security analysis:

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)
- Economic – (analysis of current and forecast future economic conditions and inferred impact on market behavior)

The Registrant shall utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

Investment Risk Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will retain value or be profitable or equal any specific performance level(s).

Risks and Limitations of Actively Managed Strategies The portfolio strategies may employ alternative trading methodologies that change a client's risk exposure. At times, these strategies may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses (if applicable) and may result in additional capital gains for tax purposes.

**ANY QUESTIONS:** Registrant's Chief Compliance Officer, Ashley Howard, remains available to address them.

B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks; however, risk of loss – even significant loss – is endemic in the investment process.

Every method of analysis has its own inherent risks. To undertake to perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, a diligent attempt at accurate market analysis can at best produce an estimate of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's utilizes a number of investment philosophies and strategies, including but not limited to fundamental, tactical, and asset allocation methods, including both long-term and short-term strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies may require a longer investment time period to allow for

the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher tax and transactional costs when compared to a longer-term investment strategy.

In addition to the fundamental and technical investment strategies discussed above, clients may also have access to margin. Use of margin has a high level of inherent risk. (See discussion below).

**Margin** The Registrant does not recommend the use of margin. Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments or to access liquidity. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. Although clients may retain the ability to use margin, Registrant typically does not use margin for investment purposes and does not recommend its use by clients. To the extent that a client authorizes the use of margin, and margin is thereafter employed by the Registrant in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to the Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin may correspondingly increase the management fee payable to the Registrant.

The Registrant's Chief Compliance Officer, Ashley Howard, remains available to address any questions that a client or prospective client may have regarding use of margin.

- C. Currently, the Registrant primarily allocates client investment assets among various individual equity and debt instruments, mutual funds, and/or exchange traded funds ("ETFs") (which may, from time to time, include inverse ETFs and/or mutual funds that are designed to perform in an inverse relationship to certain market indices), on a discretionary basis in accordance with the client's designated investment objective(s). Fixed or "traditional" income securities and client "legacy" positions may also be managed.

As disclosed above, the Registrant may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts. (See Item 4.B).

## **Item 9            Disciplinary Information**

The Registrant has not been the subject of any disciplinary actions.

## Item 10 Other Financial Industry Activities and Affiliations

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

**Consulting Firm** The principal executive officers of Registrant also devote a limited amount of time (varying but typically less than 15% total professional time with respect to non- investment clients or prospective clients) to TaxMaster.US, LLC (“TaxMaster”). TaxMaster is a consulting firm in which the Registrant’s principals have an ownership interest. It may provide estate planning, business planning, insurance consulting, tax services, accounting, and/or other non-investment financial advisory services to the public at large, which may include clients of the Registrant.

The services provided through TaxMaster are separate and distinct from Registrant’s advisory services, and are provided for separate and typical compensation (see disclosure below). Registrant’s recommendation that a client engage the services of TaxMaster presents a conflict of interest, as the recommendation could be made on the basis of compensation to be received, rather than basing such recommendation on a particular client’s need. Services provided through TaxMaster may be performed by a current client of Registrant. This presents a further conflict of interest, as Registrant has an incentive to recommend such client’s services through TaxMaster due to Registrant’s economic interest in current and future receipt of such client’s advisory fees. Clients are reminded that they are not under any obligation to utilize the services of TaxMaster or any affiliated company.

If requested, TaxMaster may refer clients to third-party professionals and/or assemble a team of associated professionals and others to help meet client needs. As appropriate, TaxMaster may introduce clients or prospects to affiliated firms, including the Registrant, and may share information with the Registrant in accordance with the firm’s privacy policy. Although the Registrant does not compensate TaxMaster for such introductions, both firms have an incentive to promote each others’ services due to common ownership.

**Educational Company** The Registrant’s principals devote a limited amount of time (varying but typically less than 10% total professional time with respect to non- investment clients or prospective clients) to Family Wealth Education Institute (“FWEI”). FWEI is an educational company in which the Registrant’s principals have an ownership interest. It offers wealth education content to consumers and advisors. The Registrant may provide complimentary educational materials from FWEI to its clients or prospects. The Registrant does not compensate FWEI for these materials, no portion of the fees that clients pay to the Registrant are paid to FWEI, and clients do not pay higher fees as a result of receiving FWEI materials. As appropriate, FWEI may introduce clients or prospects to affiliated firms, including the Registrant, and may share information with the Registrant in accordance with the firm’s privacy policy. Although the Registrant does not compensate FWEI for such introductions, both firms have an incentive to promote each others’ services due to common ownership. Clients are reminded that they are not under any obligation to utilize the products or services of FWEI or any affiliated company.

**Insurance Licenses** Certain of Registrant’s representatives continue to be insurance licensed with the State of Florida in their separate and individual capacities as *unaffiliated agents* solely for the purpose of complying with Florida insurance law. Florida law requires that any individual who gives advice regarding insurance (which the Registrant does as part of its financial planning

services) be licensed with the state. However, neither the Firm, nor any Firm employee, offers to sell nor sells, any insurance-related products for compensation to any person or entity, including Firm clients. Thus, the insurance licenses do not present a conflict of interest. Registrant's Chief Compliance Officer, Ashley Howard, remains available to address any questions that a client or prospective client may have regarding any of the above arrangements or associated conflicts of interest.

- C. The Registrant does not refer clients to third party money managers.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's representatives 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, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant may buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential 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 the Registrant 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 the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons." The Registrant's securities truncation policy requires that Access Person of the Registrant must provide the Chief Compliance Officer or his/her 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 the Registrant selects.

The Registrant and/or representatives of the Registrant may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, the Registrant has a personal securities transaction policy in place to

monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

## **Item 12 Brokerage Practices**

- A. In the event that the client requests that Registrant recommend a broker-dealer/custodian for execution and/or custodial services, Registrant generally recommends that investment advisory accounts be maintained at Charles Schwab & Co., Inc. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal Investment Registrant Agreement with Registrant setting forth the terms and conditions under which Registrant shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Registrant considers in recommending a qualified custodian or broker-dealer to clients include historical relationship with Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the transaction fees paid by Registrant's clients shall comply with Registrant's duty to obtain best execution, a client may pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where Registrant determines, in good faith, that the 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, transaction rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions. Transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment advisory fee.

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

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant can receive from the qualified custodian (or broker-dealer, investment manager, platform sponsor, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that can be obtained by Registrant can be 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, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support-including client events, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at the qualified custodian as a result of this arrangement. There is no corresponding commitment made by Registrant to the qualified custodian, or any other any entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**ANY QUESTIONS:** Registrant's Chief Compliance Officer, Ashley Howard, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflict of interest presented by such arrangements.

2. Registrant does not receive referrals from broker-dealers.
  3. Directed Brokerage  
Registrant recommends that its clients utilize the brokerage and custodial services provided by Charles Schwab & Co, Inc. and Schwab Advisor Services. The Firm generally does not 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 Firm 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 Registrant. As a result, a client 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. Please Note: In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may 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 Registrant. 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.
- B. **Order Aggregation** Transactions for each client account generally will be effected independently, unless Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's 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. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

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

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's representatives; this does not typically apply to qualified plan accounts like 401(k)'s. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives, investment preferences or instructions, and/or financial situation. All clients are encouraged to review investment planning issues (to the extent applicable), investment objectives, and account performance with the Registrant on an annual basis.
- B. The Registrant may conduct account reviews on a periodic basis or upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, or client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular



written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

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

- A. As indicated at Item 12 above, Registrant can receive from the qualified custodian without cost (and/or at a discount), support services and/or products. Registrant's clients do not pay more for investment transactions effected and/or assets maintained at the qualified custodian (or broker-dealer) as result of these arrangements. There is no corresponding commitment made by Registrant to the qualified custodian, or to any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as the result of the above arrangement. **ANY QUESTIONS:** Registrant's Chief Compliance Officer, Ashley Howard, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest presented by such arrangements.
- B. The Registrant may engage promoters to introduce new prospective clients to the Registrant consistent with the Investment Advisers Act of 1940, its corresponding rules, and applicable state regulatory requirements. If the prospect subsequently engages the Registrant, the promoter shall generally be compensated by the Registrant for the introduction. Because the promoter has an economic incentive to introduce the prospect to the Registrant, a conflict of interest is presented. The promoter's introduction shall not result in the prospect's payment of a higher investment advisory fee to the Registrant (i.e., if the prospect was to engage the Registrant independent of the promoter's introduction). The promoter, at the time of the introduction, shall usually provide the prospective client with a written disclosure statement containing the terms and conditions of the promoter arrangement with the Registrant including compensation, together with a copy of: (1) the Registrant's written disclosure Brochure; and, (2) Form CRS (if the prospect is a retail client).

From time to time, a new client may be referred to Registrant by an existing client. Under these circumstances, and in its sole discretion, Registrant may offer a gift of de-minimis value to the referring client to show its appreciation. These may include a gift card, flowers, candy, a mug or other similar token. Pursuant to its fiduciary responsibility, Registrant will not favor any client over another in its provision of advisory services.

#### **Item 15            Custody**

Registrant shall have the ability to deduct its advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the qualified custodian at least quarterly. Please Note: To the extent that Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Registrant with the account statements received from the account custodian. The account custodian does not verify the accuracy of Registrant's advisory fee calculation.

In addition, certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from Registrant to transfer client funds or securities to third parties. These arrangements are disclosed at Item 9 of Part 1 of Form ADV. However, in

accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination.

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

The Registrant requires that clients grant written discretionary authority to determine which securities and the amount of securities that are to be bought or sold for client's account(s). Prior to the Registrant assuming discretionary authority over a client's account, client shall be required to execute a Letter of Agreement, naming the Registrant as client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name for found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose reasonable restrictions, in writing, on the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.

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

- A. The Registrant 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 the Registrant to discuss any questions they may have with a particular solicitation.

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

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant 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. The Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS:** The Registrant's Chief Compliance Officer, Ashley Howard, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.