



## **Boomfish Wealth Group, LLC DBA Wealth With No Regrets®**

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**March 19, 2024**

### **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of Boomfish Wealth Group, LLC DBA **Wealth With No Regrets®**. If you have any questions about the contents of this brochure, contact us at 678-278-9632. 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 Boomfish Wealth Group, LLC DBA **Wealth With No Regrets®** is available on the SEC's [website at www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Boomfish Wealth Group, LLC DBA **Wealth With No Regrets®** is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated February 24, 2023, we have the following material changes to report:

1. We modified our description of our portfolio management process in Item 4 of this Brochure. For more information, please see Item 4.
2. We modified our descriptions of our advisory fees in Item 5 of this Brochure. For more information, please see Item 5.
3. We modified our description of the insurance outside business activity of some of our employees. For more information, please see Item 10 of this Brochure.
4. We have added an arrangement in Item 14 where we pay another company to endorse our firm to prospective clients. For more information, please see Item 14 of this Brochure.
5. We modified Item 5 to include a description of the conflict of interest associated with asset-based fees. For more information, please see Item 5.

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## Item 4 Advisory Business

### General Information

Boomfish Wealth Group, LLC ("Advisor" or the "Firm") was formed in 2011. Advisor is an SEC-registered investment adviser. Conducting its business under the name *Wealth With No Regrets®*, created and designed by Barry Spencer and Scott Noble, Advisor provides investment advisory services and integrated financial planning services including, but not limited to: portfolio management, retirement income planning, insurance planning and risk management (including long-term care, Medicare supplement, life, disability, and annuities), tax planning, charitable planning, estate or legacy planning to retail investors.

Barry H. Spencer is the sole principal owner of Advisor. Please see Form ADV Part 2B (*Brochure Supplement*) for more information on Mr. Spencer and other individuals who formulate investment advice and have direct contact with clients, or who have discretionary authority over client accounts.

### **SERVICES PROVIDED**

At the outset of each client relationship, Advisor spends time in conversation with you, asking clarifying questions, discussing your investment experience and financial circumstances, and broadly identify your major goals and priorities in order to customize your investment and financial plan.

Clients may elect to retain Advisor to prepare a full financial plan as described below. This written report is presented to the client for consideration. In many cases, clients subsequently retain Advisor to manage the investment portfolio on an ongoing basis.

For those clients that retain us for investment advisory services or portfolio management services Advisor generally develops a financial outline tailored to you based on your financial circumstances, priorities and goals, your risk tolerance level (the "Financial Profile" or "Profile"), your investment objectives and guidelines, including your own investment restrictions.

The Financial Profile reflects the client's current financial picture and a look to the future goals and priorities of the client. The investment plan outlines the types of investments Advisor will make on behalf of the client to meet those goals. The Profile is discussed regularly with each client but are not necessarily written documents.

With respect to any account for which the Firm meets the definition of a fiduciary under Department of Labor rules, *Wealth With No Regrets®* acknowledges that both the Firm and its Related Persons are acting as fiduciaries. Additional disclosure may be found elsewhere in this Brochure or in the written agreement between *Wealth With No Regrets®* and Client.

### Integrated Financial Planning

One of the services offered by Advisor is financial planning, described below. This service may be provided as a stand-alone service or may be coupled with ongoing portfolio management and/or insurance solutions.

Financial planning generally includes advice that addresses one or more areas of a client's financial situation, such as portfolio management, retirement income planning, insurance planning and risk management (including long-term care, Medicare supplement, life, disability, and annuities), tax planning, charitable planning, estate or legacy planning, budgeting and cash flow controls, and education funding.

Depending on a client's particular situation, financial planning may include some or all of the following:

- Gathering factual information concerning the client's personal and financial situation;
- Assisting the client in establishing financial goals and priorities;
- Analyzing the client's present situation (which may include a review of current fees, costs, investment allocation, risks, tax liability, distribution plan, legacy plan, adequacy of protection) and anticipated future activities considering the client's financial goals and priorities;
- Identifying potential problems foreseen in the accomplishment of these financial goals and priorities and offering alternative solutions to the problems for consideration;
- Making recommendations to help achieve retirement plan goals and priorities;
- Designing an investment portfolio to help meet the goals and objectives of the client;
- Providing estate planning ideas, strategy and design;
- Assessing risk and reviewing basic health, life, long-term care and disability insurance needs;
- Reviewing goals and priorities and measuring progress toward these goals.

Once financial planning advice is given, the client may choose to have Advisor implement the client's financial plan and manage the investment portfolio on an ongoing basis. However, the client is under no obligation to act upon any of the recommendations made by Advisor under a financial planning engagement and/or to engage the services of any recommended professional.

#### Stay the Course Planning

The recurring planning services that Advisor provides Client under the *Stay the Course* arrangement is ongoing in nature and intended to ensure that Advisor and Client meet at least annually to remain on course to their desired goals and priorities. This recurring planning begins after the initial planning is complete and includes but is not limited to updating the plan, determining opportunities, performing administrative duties, and determining risks that need to be addressed based on changing circumstances. We also may interact with the other advisors of Client to help Client remain on course. These services may include, but are not limited to, review of priorities and goals, financial plan updates, cash flow planning for certain events such as education expenses or retirement, estate planning analysis, charitable giving planning and strategies, income and estate tax analysis, and review of a client's insurance portfolio, as well as other matters specific to the client or upon request by the client and agreed to by Advisor.

#### Portfolio Management

As described above, at the beginning of a client relationship, Advisor meets with the client, gathers information, and performs research and analysis as necessary to develop the client's investment plan. The investment plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by Advisor based on updates to the client's financial or other circumstances. We also meet with the client to develop an understanding of the client's financial objectives and goals. We will also discuss concepts related to risk, as well as the client's ability and willingness to take on risk in the client's overall investment portfolio. We will ask the client questions designed to determine the appropriate investment horizon, risk profile, financial goals, income and other various items we deem necessary.

To implement the client's investment plan, Advisor will manage the client's investment portfolio on a discretionary basis. As a discretionary investment adviser, Advisor will have the authority to supervise and direct the portfolio without prior consultation with the client. We will also monitor the client's accounts to ensure that they are meeting the client's investment objectives and other requirements. If any changes are needed to the client's investments, We will either make the changes or recommend the changes to the client. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash or some liquid alternative. The client will receive written or electronic confirmations from the client's account custodian after any changes are made to the

client's account. The client will also receive statements at least quarterly from the client's account custodian.

### Retirement Plan Advisory Services

Establishing a sound fiduciary governance process is vital to good decision-making and to ensuring that prudent procedural steps are followed in making investment decisions. Advisor offers Retirement Plan consulting services to Plans and Plan Fiduciaries. The particular services provided will be detailed in the consulting agreement. The appropriate Plan Fiduciary(ies) designated in the Plan documents (e.g., the Plan sponsor or named fiduciary) will (i) make the decision to retain our firm; (ii) agree to the scope of the services that we will provide; and (iii) make the ultimate decision as to accepting any of the recommendations that we may provide. The Plan Fiduciaries are free to seek independent advice about the appropriateness of any recommended services for the Plan. Retirement Plan consulting services may be offered individually or as part of a comprehensive suite of services.

The Employee Retirement Income Security Act of 1974 ("ERISA") sets forth rules under which Plan Fiduciaries may retain investment advisers for various types of services with respect to Plan assets. For certain services, Advisor will be considered a fiduciary under ERISA. For example, Advisor will act as an ERISA § 3(21) fiduciary when providing non-discretionary investment advice to the Plan Fiduciaries by recommending a suite of investments as choices among which Plan Participants may select. With respect to any account for which Advisor meets the definition of a fiduciary under Department of Labor rules, Advisor acknowledges that both Advisor and its Related Persons are acting as fiduciaries. Additional disclosure may be found elsewhere in this Brochure or in the written agreement between Advisor and Client.

### **Rollover Recommendations**

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect)), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries 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. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

## **Assets Under Management**

As of December 31, 2023, we provide continuous management services for \$162,320,000 in client assets on a discretionary basis.

## **Item 5 Fees and Compensation**

### General Fee Information

Fees paid to Advisor are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third-party consultants. Please see *Item 12 – Brokerage Practices* for additional information. Fees paid to Advisor are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, Advisor and others to fully understand the total amount of fees paid by the client for investment and financial-related services. Clients have the option to purchase investment products recommended by Advisor through other brokers or agents unaffiliated with Advisor.

### Initial Financial Planning Fees

When Advisor provides initial stand-alone financial planning services to clients, Advisor assesses a fixed fee based on the scope and complexity of the services rendered. You may also pay a fixed fee for stand-alone advanced financial planning services, which typically range from \$1,900 to \$25,000 or more based on scope and complexity and are negotiated at the time of the engagement. If a client terminates this engagement early, they will be issued a pro-rata refund based on the time spent by Advisor.

### Stay the Course Planning Fees (Recurring Fees)

For recurring planning services after the initial financial planning is completed, Advisor and Client will negotiate and agree to a recurring planning arrangement, the fees for which are billed quarterly on a fixed fee basis in arrears, pursuant to the agreement between Advisor and Clients. Annual fees range from \$0 to \$5,000.

### Portfolio Management Fees

Wealth With No Regrets® assesses an annual fee of up to 0.35% per quarter (up to 1.4% annually). This fee is separate from and in addition to any agreed upon *Stay the Course* planning fee. Our annual portfolio management fee is billed and payable quarterly in advance based on the balance at the end of the previous billing period. If management begins after the start of a quarter, fees will be prorated accordingly and billed in arrears. Unless other arrangements are made, fees are debited directly from client account(s). Advisor may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where Advisor deems it appropriate under the circumstances. There is no minimum annual portfolio management fee for any account.

Our receipt of an asset-based fee presents a conflict of interest. This is because the more assets there are in the client's account, the more the client will pay in fees. Therefore, We have an incentive to encourage clients to increase the assets in their accounts. We address this conflict of interest by ensuring any such recommendations are in the client's best interest.

Either Advisor or the client may terminate their Investment Advisory Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the account was managed, and any fees due to Advisor from the client will be invoiced or deducted from the client's account prior to termination.

### Other Compensation

Certain individuals of Advisor are licensed to sell insurance and accordingly are entitled to receive commissions or other remuneration on the sale of insurance products. As such, these individuals can affect insurance transactions and will receive separate, yet customary compensation as determined by the insurance carrier. To protect client interests, the Firm's policy is to disclose all forms of compensation before any such transaction is executed. Under no circumstance will the client pay both a commission to these individuals and a portfolio management fee to Advisor on the same pool of assets. Clients are not required to purchase insurance products or services recommended by individuals, nor are they required to purchase them through any Related Person of Advisor. For more information, please see Item 10 of this Brochure.

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

Advisor does not have any performance-based fee arrangements. "Side-by-Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because Advisor has no performance-based fee accounts, it has no side-by-side management.

## **Item 7 Types of Clients**

Advisor serves individuals, high net worth individuals, small businesses, and charitable organizations. Advisor does not generally impose a minimum portfolio value for conventional investment advisory services or a minimum annual fee for such services.

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

### Methods of Analysis

In accordance with the Investment Plan, Advisor will primarily invest in equity securities (also known simply as "equities" or "stock"); and may also invest in treasuries, bonds, ETFs and mutual funds for clients' accounts. Investing in securities involves risk of loss that you should be prepared to bear. See below for more information under "Risk of Loss".

In making selections of individual stocks for client portfolios, Advisor will generally focus on fundamental and technical analysis and think long-term.

**Fundamental Analysis** – involves review of the business and financial information about an issuer. Without limitation, the following factors generally will be considered:

- General economic conditions;
- Country specific conditions;
- Industry specific conditions;
- Financial strength ratios;
- Profitability ratios;
- Valuation ratios;
- Growth rates; and
- Dividend yields

Material risks of fundamental analysis include that it is based on past data and events, sometimes weeks or months old, and can therefore lag behind current market conditions.



**Technical Analysis** – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

Mutual funds and ETFs are evaluated and selected based on a variety of factors, including, without limitation, fund strategy, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

Material risks of technical analysis include that it relies on historical price data and patterns to predict future market movements. Because past performance does not always indicate future results, technical analysis indicators can lead to false signals.

#### Investment Strategies

The strategic approach of *Wealth With No Regrets*® is to invest each portfolio in accordance with the Plan that has been developed specifically for each client. This means that the following strategies may be used in varying combinations over time for a given client, depending upon the client's individual circumstances.

**Long Term Purchases** – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Short Term Purchases** – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

**Options Trading/Writing** – a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the exercise of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

#### Investment Philosophy

There are five pillars of the *Wealth With No Regrets*® investment philosophy which form the foundation of the Firm's investment process.

##### *1. We Invest For The Long Term*

Investing, by its very nature, is a long-term process. The prices of investments can react to any number of influences in the short run, most of which have little to do with the ability of the investment to perform in the long run. Because investing is a long-term process, *Wealth With No Regrets*® believes that a five year or longer perspective is a fair period for evaluating performance as it relates primarily to achievement of goals and objectives of a particular client.

##### *2. We Manage Risk*

At *Wealth With No Regrets*®, we define risk as the potential for the permanent loss of capital. The value of an investment will change constantly, which is to be expected, but it is difficult to recover from an investment which experiences a large loss. We manage this risk in two ways; by focusing on price and focusing on the fundamentals of the investment. We strive to build in downside protection and a margin of safety by not paying too much for an investment. For this reason, we also invest a great deal of time understanding the nature of the investments we are buying, looking for investments which have competitive advantages. By focusing on both the price and the fundamentals of the investment, we believe that investors' capital will be protected and given the best opportunity to grow as well.

### 3. *We are Opportunistic*

Many managers are prohibited from managing outside of a particular size or style of investment. This can lead that manager to perform well when their style, or “style box” is in vogue, but to suffer needlessly when their asset class is out of favor. At *Wealth With No Regrets®*, we believe the best way to protect capital, and to give the portfolio opportunity for growth is to have the flexibility to go where the opportunities are presenting themselves. For this reason, we seek out investments which are believed to present the best opportunity for long-term performance regardless of size or domicile.

### 4. *We are Focused*

We believe that there is little point in conducting research, and investing in individual companies or investments, if one doesn’t develop the conviction about an investment to allow it to have a potentially meaningful positive impact on performance. While this approach can work for or against the manager, focusing on selecting investments which are high quality, which have a defensible niche, and which we can be bought at attractive prices has proven to deliver superior risk-adjusted returns over long periods of time. By concentrating our efforts and our research, *Wealth With No Regrets®* leverages its time and knowledge into quality investment ideas.

### 5. *Wealth With No Regrets® Believes There Is No Substitute For Thinking Strategically*

Because the amount of information about the markets and investing is overwhelming, it is easy for investors to want to compartmentalize information, and to computerize their decision-making process. It is not uncommon for many investors to use screening processes to derive their lineup of investments, or to default to using charts, graphs and analyst reports to tell them when to buy or sell. While information is valuable, we believe that there is no computer which can be substituted for the human brain, and the systematic or repeatable critical thought processes which are essential to making sound judgments about which companies have potential, and which do not. Portfolio management is not well suited to processes which are designed to take the human element out of it, despite the obvious faults of the human. In the end, there is a creative and scientific element to managing money and constructing portfolios, and embracing both allows us to see opportunities for what they are, as opposed to a series of data points. It is this element which prevents an investor from buying a company which may be inexpensive, but which is inexpensive for good reasons.

### Risk of Loss

While Advisor seeks to diversify clients’ investment portfolios across various asset classes or strategies consistent with their overall Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money. Losses in value are a natural course of equity investing and cannot be guaranteed or predicted in any way.

Below is a description of several of the principal risks that client investment portfolios face.

*Management Risks.* While Advisor manages client investment portfolios, or selects one or more Managers based on Advisor’s experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that Advisor or a Manager allocates client assets to individual securities and/or asset classes that are adversely affected by unanticipated market movements, and the risk that Advisor’s specific investment choices could underperform their relevant indexes.

*Risk of Stocks.* There are numerous ways of measuring the risk of equity securities (also known simply as “equities” or “stock”). In very broad terms, the value of a stock depends on the financial health of the

company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better-established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, Advisor or a Manager(s) may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*Risks Related to Alternative Investment Vehicles.* From time to time and as appropriate, Advisor may invest a portion of a client's portfolio in alternative investment vehicles. The value of client portfolios will be based in part on the value of alternative investment vehicles in which they are invested, the success of each of which will depend heavily upon the efforts of their respective Managers. When the investment objectives and strategies of a Manager are out of favor in the market or a Manager makes unsuccessful investment decisions, the alternative investment vehicles managed by the Manager may lose money. A client account may lose a substantial percentage of its value if the investment objectives and strategies of many or most of the alternative investment vehicles in which it is invested are out of favor at the same time, or many or most of the Managers make unsuccessful investment decisions at the same time.

*Equity Market (Systematic) Risks.* Advisor and any Manager(s) will generally invest portions of client assets directly into equity investments, either in individual stocks or into pooled investment funds (mutual funds or ETFs) that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Fixed Income Risks.* Advisor and any Manager(s) may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Foreign Securities Risks.* Advisor and any Manager(s) may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk,

which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

*Political Risks.* Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.

*Currency Risk.* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

*Regulatory Risk.* Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.

*Risks Related to Short Term Trading.* Clients should note that Advisor may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. Advisor endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.

*Risks Related to Investment Term.* If you require us to liquidate your portfolio during a period in which the price of the security is low, you will not realize as much value as you would have had the investment had the opportunity to regain its value, as investments frequently do, or had we been able to reinvest in another security.

*Purchasing Power Risk.* Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.

*Business Risk.* These risks are associated with a particular industry or a company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

*Liquidity Risk.* Liquidity is the ability to readily convert an investment into cash. For example, Treasury Bills are highly liquid, while real estate properties are not. Some securities are highly liquid while others are highly illiquid. Illiquid investments carry more risk because it can be difficult to sell them.

*Financial Risk.* Excessive borrowing to finance a business' operations decreases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

*Options Risk.* The purchaser of a put or call option can lose all the cost of the option (the premium). Most options expire "out of the money," meaning the purchaser will lose his or her premium on most options purchased. Selling puts and/or calls in a particular equity does not affect the downside risk of owning that equity, as described in "Equity Market Risks," above. There are additional significant risks involved in selling uncovered or "naked" puts or calls, that is, puts or calls on securities in which you as the client do not already own an underlying position in the security.

*Risks related to Private Placements.* A private placement (non-public offering) is an illiquid security sold to qualified investors and are not publicly traded nor registered with the Securities and Exchange Commission. Private placements generally carry a higher degree of risk due to illiquidity. Most securities that are acquired in a private placement will be restricted securities and must be held for an extended amount of time and therefore cannot be sold easily. The range of risks are dependent on the nature of the partnership and are disclosed in the offering documents.

*Bonds:* Corporate debt securities (or “bonds”) are typically safer investments than equity securities, but their risk can also vary widely based on the financial health of the issuer, the risk that the issuer might default, when the bond is set to mature, and whether or not the bond can be “called” prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

## **Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

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

### **Other Investment Adviser**

Travis Raish, an investment adviser representative with Circa Capital, LLC, an unaffiliated investment adviser, serves as part of our investment committee and as our Chief Information Officer (CIO).

### **Recommendation of Other Advisers**

We do not presently recommend the use of other investment advisers, third-party managers, or sub-advisors.

### **Insurance Agents**

Some of our IARS are licensed insurance agents with Advisors Excel and recommend various insurance products and annuities to you. We receive economic benefits such as earning commissions on insurance products you purchase through our IARs in their individual capacity, sales trips and discounted vendor services. The receipt of these benefits by IARs of our firm and our firm creates a conflict of interest. We mitigate this conflict by ensuring that all recommendations to purchase insurance are in the best interest of the client. Clients are also not obligated to purchase insurance products through our IARs and they can elect to purchase insurance products through an agent unaffiliated with Advisor.

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

### Code of Ethics and Personal Trading

Advisor has adopted a Code of Ethics (“the Code”), the full text of which is available to any client or prospective client upon request. Advisor’s Code has several goals. First, the Code is designed to assist Advisor in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, Advisor owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with Advisor (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for Advisor's associated persons. Under the Code's Professional Standards, Advisor expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Advisor associated persons are not to take inappropriate advantage of their positions in relation to Advisor clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, Advisor's associated persons may invest in the same securities recommended to clients. Under its Code, Advisor has adopted procedures designed to reduce or eliminate conflicts of interest that this creates. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

#### Participation or Interest in Client Transactions

As outlined above, Advisor has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, Advisor's goal is to place client interests first.

Consistent with the foregoing, Advisor maintains policies regarding participation in initial public offerings ("IPOs") and private placements to comply with applicable laws and avoid conflicts with client transactions. If an associated person of Advisor wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Finally, if associated persons trade with client accounts (i.e., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with Advisor's written policy.

## **Item 12 Brokerage Practices**

#### Best Execution and Benefits of Brokerage Selection

We do not have discretion to select the broker-dealer that will execute orders in client accounts. Advisor seeks "best execution" for client trades, which is a combination of a few factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, Advisor may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third-party research (or any combination) and may be used in servicing any or all of Advisor's clients. Therefore, research services received may not be used for the account for which the particular transaction was affected.

Advisor recommends that clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, as the qualified custodian to maintain custody of clients' assets. Advisor will also affect trades for client accounts at Schwab, or may in some instances, consistent with Advisor's duty of best execution and specific agreement with each client, elect to execute trades elsewhere. Although Advisor may recommend that clients establish accounts at Schwab, it is ultimately the client's decision to custody assets with Schwab. Advisor is independently owned and operated and is not affiliated with Schwab.

Schwab Advisor Services provides Advisor with access to its institutional trading, custody, reporting and related services, which are typically not available to Schwab retail investors. Schwab also makes available various support services. Some of those services help Advisor manage or administer our clients' accounts while others help Advisor manage and grow our business. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them. These services are not soft dollar arrangements but are part of the institutional platform offered by Schwab. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Advisor client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Advisor Services also makes available to Advisor other products and services that benefit Advisor but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Advisor accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist Advisor in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide, pricing and other market data; (iv) facilitate payment of Advisor's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help Advisor manage and further develop its business enterprise. These services may include: (i) technology, compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Advisor. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Advisor. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of Advisor personnel, all of which creates a conflict of interest.

Advisor benefits by not having to produce or pay for the research and services provided by Schwab. Advisor has an incentive to select or recommend Schwab based on our interest in receiving research and other products and services rather than on clients' interest in receiving the most favorable execution. In evaluating whether to recommend that clients' custody their assets at Schwab, Advisor may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab.

#### Directed Brokerage

The Advisor does not generally allow directed brokerage accounts.

#### Aggregated Trade Policy

Advisor typically directs trading in individual client accounts as and when trades are appropriate based on the client's Investment Plan, without regard to activity in other client accounts. However, from time to time, Advisor may aggregate trades together for multiple client accounts, most often when these accounts are being directed to sell the same securities. If such an aggregated trade is not completely

filled, Advisor will allocate shares received (in an aggregated purchase) or sold (in an aggregated sale) across participating accounts on a pro rata or other fair basis; provided, however, that any participating accounts that are owned by Advisor or its officers, directors, or employees will be excluded first.

## **Item 13 Review of Accounts**

Managed portfolios are reviewed at least annually but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by Advisor. These factors generally include but are not limited to, the following: change in general client circumstances (for example: marriage, divorce, retirement); or economic, political or market conditions. Barry Spencer, Managing Member and Chief Investment Officer, Scott Noble, Chief Operating Officer and Investment Adviser Representative, and Travis Raish, Investment Adviser Representative are involved in the review of client accounts.

For those clients to whom Advisor provides separate financial planning and/or consulting services but not portfolio management services, reviews are conducted on an as needed or agreed upon basis. Such reviews are conducted by one of Advisor's investment adviser representatives or principals.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms.

In addition, Advisor will provide quarterly performance reports to client and additional reports at the request of the client.

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

### **Other Compensation**

We have entered into an agreement with Smart Asset to provide electronic endorsements and listing services. This creates a conflict of interest because we compensate them with a one-time referral fee per potential client lead for connecting us with consumers who have indicated that they are interested in investment advisory services and who may in turn enter into a client relationship with us. This referral fee is paid by us and will not be passed on to you. This one-time compensation is owed regardless of whether we enter into an advisory relationship with a lead and regardless of the amount we earn from any such relationship, if any. We never charge a client more as a result of such referrals, and always act in the best interest of our clients pursuant to our fiduciary duties. If you were referred to us by Smart Asset, you will receive specific disclosures regarding the compensation arrangement between Advisor and them.

As noted above, Advisor receives an economic benefit from Schwab in the form of support products and services it makes available to Advisor and other independent investment advisors whose clients maintain accounts at Schwab. These products and services, how they benefit our firm, the related conflicts of interest, and how we mitigate these conflicts of interest are described in Item 12 - *Brokerage Practices*. The availability of Schwab's products and services to Advisor is based solely on our participation in the program, and not on the provision of any particular investment advice. Advisor also receives economic benefit from Advisor Excel in the form of commissions and other services. These services, how they benefit our firm, the related conflicts of interest, and how we mitigate these conflicts of interest are described in Item 10 – *Other Financial Industry Activities and Affiliations*.



## Item 15 Custody

Schwab is the custodian of nearly all client accounts at Advisor. From time to time, however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify Advisor of any questions or concerns. Clients are also asked to promptly notify Advisor if the custodian fails to provide statements on each account held.

Advisor is deemed to have limited custody of client accounts by virtue of the firm's ability to withdraw fees directly from client accounts.

### Standing Letter of Authorization

Our firm, or persons associated with our firm, may effect transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An investment advisory firm with authority to conduct such third-party transfers on a client's behalf has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

From time to time and in accordance with Advisor's agreement with clients, Advisor will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

## Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions, restrictions, or investment

parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services. We are also given the authority to hire and fire a third-party advisory relationship without client consent, although we current do not use or recommend third-party advisors.

## **Item 17 Voting Client Securities**

As a policy and in accordance with Advisor's client agreement, Advisor does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact Advisor with questions relating to proxy procedures and proposals; however, Advisor generally does not research particular proxy proposals.

## **Item 18 Financial Information**

Advisor does not require nor solicit prepayment of more than \$1200 in fees per client, six months or more in advance.