



## FORM ADV PART 2A: FIRM BROCHURE

# Godsey & Gibb Wealth Management

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This Form ADV Part 2A ("Firm Brochure") provides information about the qualifications and business practices of Godsey & Gibb Wealth Management. If you have any questions about the contents of this Firm Brochure, please contact us at (804) 285-7333 or [compliance@godseyandgibb.com](mailto:compliance@godseyandgibb.com). The information in this Firm Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Godsey & Gibb Wealth Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 105650.

## ITEM 2 – MATERIAL CHANGES

This Firm Brochure provides you with a summary of Godsey & Gibb Wealth Management's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest.

Godsey & Gibb Wealth Management encourages all current and prospective clients to review this Firm Brochure and discuss any questions you may have with your Advisor.

### MATERIAL CHANGES

"Material changes" refers to changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates—any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

There have been no material changes since the last annual update of our Firm Brochure dated 3/21/2023.

### FUTURE CHANGES

Each year, we will ensure clients receive an updated Firm Brochure including a summary of any material changes, within 120 days after our fiscal year ends. Our fiscal year ends on December 31, so clients will receive an updated Firm Brochure no later than April 30 each year. We will ensure that clients receive a summary of material changes should a material change in our operations occur.

From time to time, Godsey & Gibb Wealth Management may amend this Firm Brochure to reflect changes in response to evolving industry and securities regulations, changes in our business practices, or routine annual updates as required by the SEC. We may also make revisions in an effort to clarify the descriptions of our business practices and policies, which may include minor updates to hyperlinks, contact information, and punctuation, as necessary.

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## ITEM 4 – ADVISORY BUSINESS

### FIRM OVERVIEW

Godsey & Gibb Wealth Management (“Godsey & Gibb”, “Advisor”, “we”, “our”, “us” or “the Firm”) is registered with the Securities and Exchange Commission (SEC) as a Registered Investment Advisor (RIA) since 1985, with its principal place of business located in Richmond, Virginia. The principal shareholders controlling 25% or more of the Firm are Michael R. Gibb (Trustee/President & Chief Executive Officer) and the Gibb Family Stock Trust (Trustee).

### DESCRIPTION OF SERVICES

Godsey & Gibb offers advisory services to individuals, high-net-worth individuals, trusts, and other organizations (each referred to as a “Client”). Godsey & Gibb provides investment management, tax planning and preparation, financial planning, family wealth advising, retirement planning, estate planning, and insurance consulting services.

Godsey & Gibb Wealth Management offers the following advisory services to our clients:

#### INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous and ongoing supervisory services to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. We will generally include advice regarding exchange-listed securities, securities traded over-the-counter, foreign issuers, warrants, corporate debt securities (other than commercial paper), commercial paper, certificates of deposit, municipal securities, mutual fund shares, United States governmental securities, and options contracts on securities. Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

#### FINANCIAL PLANNING

Godsey & Gibb provides financial planning advice to clients, in order to prepare them for current and future needs. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning. Typically, the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided. Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company.

## TAX PLANNING & PREPARATION

Godsey & Gibb may provide Tax Planning & Preparation services to clients to efficiently prepare income tax returns, facilitate payment of quarterly estimates, and offer recommendations on ways to maximize tax savings. We have an in-house team of experienced Certified Public Accountants (CPAs) and other tax professionals to assist clients with individual tax returns, estate and trust income tax returns, gift tax returns, and pass-through entity returns for small client-owned businesses. As client financial circumstances shift or tax laws change, our tax team helps the client to maintain a tax-efficient posture within the current statutory environment.

## CONSULTING SERVICES

Clients can also receive investment advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as estate planning, family wealth advising, retirement planning, or any other specific topic. Godsey & Gibb also provides specific consultation and administrative services regarding investment and financial concerns of the client. Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

## FINANCIAL EDUCATION SERVICES

Godsey & Gibb provides general information on various financial topics including, but not limited to, estate and retirement planning, and market trends via newsletters, webinars, presentations and speaking engagements. These engagements are educational in nature and no specific investment or tax advice is provided.

## WRAP FEE PROGRAM

Godsey & Gibb does not sponsor any wrap fee programs.

## ASSETS UNDER MANAGEMENT

As of December 31, 2023, Godsey & Gibb Wealth Management managed a total of \$1,253,775,111 of client assets. \$1,247,376,577 managed on a discretionary basis and \$6,398,534 managed on a non-discretionary basis.

## ITEM 5 – FEES AND COMPENSATION

The information below details the fee structure and compensation methodology for services provided by Godsey & Gibb. Each Client engaging the Firm for services described herein shall be required to enter into one or more written agreements with the Advisor.

### ADVISORY FEES

#### INDIVIDUAL PORTFOLIO MANAGEMENT FEES

Our annual fees for Individual Portfolio Management Services are based upon a percentage of assets under management according to the following schedule:

ASSETS UNDER MANAGEMENT	ANNUAL FEE
First \$1,000,000	1.00%
Next \$1,000,000	0.75%
All above \$2,000,000	0.50%

A minimum of \$500,000 of assets under management is required for this service, subject to a minimum annual fee of \$5,000. The minimum account size and annual fee may be negotiable under certain circumstances. Godsey & Gibb Wealth Management may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Although Godsey & Gibb has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements

and determining the annualized fee. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our Firm.

Pre-existing advisory clients are subject to Godsey & Gibb Wealth Management's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

Fees for Individual Portfolio Management services are billed at the end of each quarter in which services are rendered, or in advance, based on the last day of the prior quarter, as negotiated with each client. The client may elect to have the advisory fees deducted from the client's account or billed directly for advisory fees incurred. A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

#### **FINANCIAL PLANNING FEES**

Godsey & Gibb's Financial Planning services may be included as part of an overall asset management engagement or provided as a separate engagement. The fee for this service is \$1,500 per engagement. Godsey & Gibb reserves the right to negotiate this fee on a client-by-client basis. Certain complex engagements may be offered at a higher fee. Godsey & Gibb Wealth Management will waive the fixed fee if a financial planning client chooses to engage us for our Portfolio Management Services. The financial planning service does not include the sale of products. All fees are agreed upon prior to entering into a contract with any client. The balance is due upon completion of the plan.

#### **TAX PLANNING & PREPARATION FEES**

Godsey & Gibb's Tax Planning & Preparation services may be included as part of an overall asset management engagement or provided as a separate engagement. Our tax planning & preparation fees are offered based on a rate ranging from \$150 - \$300 per hour per tax return. Godsey & Gibb reserves the right to negotiate this fee on a client-by-client basis. Certain complex engagements may be offered at a higher fee. All fees are agreed upon prior to entering into a contract with client. The balance is due upon completion of the plan.

#### **CONSULTING SERVICES FEES**

Godsey & Gibb's Consulting Services fee is included as part of an overall asset management engagement based on a percentage of the assets in the plan placed under our management. All fees are agreed upon prior to entering into a contract with any client.

#### **FINANCIAL EDUCATION SERVICE FEES**

Godsey & Gibb does not charge advisory clients for attending any seminars or other speaking engagements.

### **OTHER FEES AND EXPENSES**

#### **MUTUAL FUND FEES**

All fees paid to Godsey & Gibb Wealth Management for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

#### **WRAP FEES AND SIMILAR ARRANGEMENTS**

In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

## **ADDITIONAL FEES AND EXPENSES**

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

## **ADVISORY FEES IN GENERAL**

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

## **LIMITED PREPAYMENT OF FEES**

We do not require or solicit payment of fees in excess of \$1,200 more than three months in advance of services rendered.

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Godsey & Gibb Wealth Management does not charge performance-based fees.

## **ITEM 7 – TYPES OF CLIENTS**

Godsey & Gibb Wealth Management provides advisory services to individuals (other than high net worth individuals), high-net-worth individuals, banking or thrift institutions, pension, and profit-sharing plans (other than plan participants), charitable organizations, corporations or other businesses not listed above, and other. As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For more details, please review the disclosures provided in each applicable service.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **METHODS OF ANALYSIS**

Godsey & Gibb uses the following methods of analysis in formulating investment advice and managing client assets:

#### **FUNDAMENTAL ANALYSIS**

We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

#### **TECHNICAL ANALYSIS**

We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk that a poorly-managed or financially unsound company may underperform regardless of market movement.

#### **MUTUAL FUND AND/OR ETF ANALYSIS**

We look at the experience and track record of the manager of the mutual fund or ETF to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We look at the underlying assets in a mutual fund or ETF to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We monitor the funds or ETFs to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.



## RISKS FOR ALL FORMS OF ANALYSIS

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## INVESTMENT STRATEGIES

We use the following strategies in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

### LONG-TERM PURCHASES

We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when we believe the securities to be currently undervalued, and/or we want exposure to a particular asset class over time, regardless of the current projection for this class. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

### SHORT-TERM PURCHASES

When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

### OPTION WRITING

We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. We use "covered calls", in which we sell an option on security a client owns. In this strategy, the client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price.

## RISK OF LOSS

Past performance may not be indicative of future results, and there can be no assurance that future performance of any specific investment, investment strategy, or product will be profitable or equal to past performance levels. Securities and other investments are not guaranteed, and all investment decisions and recommendations are subject to variable risks, including the potential loss of the principal amount invested. We encourage clients to discuss their tolerance for risk with the Advisor.

## ITEM 9 – DISCIPLINARY INFORMATION

Godsey & Gibb and our management personnel have no reportable legal or disciplinary events to disclose.

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Firm is not engaged in other financial industry activities and have no other industry affiliations.

## ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

### CODE OF ETHICS SUMMARY

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Godsey & Gibb Wealth Management and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.



Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Godsey & Gibb's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request.

#### CLIENT TRANSACTIONS AND PERSONAL TRADING

Godsey & Gibb and individuals associated with our firm are prohibited from engaging in principal transactions and agency cross transactions. Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in certain securities which may also be recommended to a client. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

#### TRADING CONFLICTS OF INTEREST

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of their employment unless the information is also publicly available.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or their designee.
6. We have established procedures for the maintenance of all required books and records.
7. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
8. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
10. Any individual who violates any of the above restrictions may be subject to termination.

## ITEM 12 – BROKERAGE PRACTICES

For discretionary clients, Godsey & Gibb Wealth Management requires these clients to provide us with written authority to determine the broker dealer to use and the commission costs that will be charged to these clients for these transactions. These clients must include any limitations on this discretionary authority in this written authority statement. Clients may amend these limitations as required. Such amendments must be provided to us in writing.

### SOFT DOLLAR ARRANGEMENTS

Godsey & Gibb does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

### AGGREGATE TRADING

Godsey & Gibb Wealth Management will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Godsey & Gibb Wealth Management will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Godsey & Gibb Wealth Management, or our firm's order allocation policy.

### BROKERAGE RECOMMENDATION

Godsey & Gibb Wealth Management may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Godsey & Gibb Wealth Management is independently owned and operated and not affiliated with Schwab.

Schwab provides Godsey & Gibb Wealth Management with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). 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 our 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 Institutional also makes available to our firm other products and services that benefit Godsey & Gibb Wealth Management but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab. Schwab's products and services that assist us in managing and administering our 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 research, pricing and other market data; (iv) facilitate payment of our fees from clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include (i) 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 Godsey & Gibb. Schwab Institutional 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 our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend that clients custody their assets at Schwab, we 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 we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

## **ITEM 13 – REVIEW OF ACCOUNTS**

### **INDIVIDUAL PORTFOLIO MANAGEMENT**

While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Godsey & Gibb's portfolio managers are primarily responsible for the supervision and review of these accounts managed by the Firm. In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings.

### **FINANCIAL PLANNING SERVICES**

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for. Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

### **TAX PLANNING & PREPARATION**

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Tax Planning & Preparation clients unless otherwise contracted for. Such reviews will be conducted by the client's investment advisor representative. These client accounts will receive reports as contracted for at the inception of the advisory engagement.

### **CONSULTING SERVICES**

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting clients unless otherwise contracted for. Such reviews will be conducted by the client's investment advisor representative. These client accounts will receive reports as contracted for at the inception of the advisory engagement.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

### **CLIENT REFERRALS**

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes (i) the Solicitor's name and relationship with our firm; (ii) the fact that the Solicitor is being paid a referral fee; (iii) the amount of the fee; and (iv) whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral. It is Godsey & Gibb's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## REFERRAL FEES

Godsey & Gibb receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through Godsey & Gibb's participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Godsey & Gibb. Schwab does not supervise Advisor and has no responsibility for Godsey & Gibb's management of clients' portfolios or Advisor's other advice or services. Godsey & Gibb pays Schwab fees to receive client referrals through the Service. Godsey & Gibb's participation in the Service raises potential conflicts of interest described below.

Godsey & Gibb pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a separate one-time Transfer Fee on all accounts that are transferred to another custodian. The Transfer Fee creates a conflict of interest that encourages Godsey & Gibb to recommend that client accounts be held in custody at Schwab. The Participation Fee paid by Godsey & Gibb is a percentage of the value of the assets in the client's account. Godsey & Gibb pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is paid by Godsey & Gibb Wealth Management and not by the client. Godsey & Gibb has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Godsey & Gibb charges clients with similar portfolios who were not referred through the Service.

The Participation and Transfer Fees are based on assets in accounts of Godsey & Gibb's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Godsey & Gibb have incentives to recommend that client accounts and household members of clients referred through the Service maintain custody of their accounts at Schwab.

## ITEM 15 – CUSTODY

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

## ITEM 16 – INVESTMENT DISCRETION

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Our discretionary authority includes the ability to determine the security to buy or sell and/or determine the amount of the security to buy or sell without contacting the client. Clients give us discretionary authority when they sign a discretionary agreement with our firm and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## ITEM 17 – VOTING CLIENT SECURITIES

Godsey & Gibb Wealth Management will not vote proxies on behalf of client accounts, unless requested in writing by a client or when required by law. As such, we will vote proxies in the best interests of its clients and in accordance with our established policies and procedures. We will not offer any consulting assistance regarding proxy issues to clients.

## ITEM 18 – FINANCIAL INFORMATION

Godsey & Gibb is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Furthermore, Godsey & Gibb has not been the subject of a bankruptcy petition at any time.