



## **Form ADV Part 2A – Disclosure Brochure**

**Effective: March 8, 2024**

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This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Gordon Asset Management, LLC (referred to as “we,” “our,” “us,” “firm,” “advisor,” or “GAMLLC”). If you have questions about this Disclosure Brochure, please contact the Advisor at (919) 313-6650.

The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about GAMLLC to assist you in determining whether to retain the Advisor.

Additional information about GAMLLC and its Advisory Persons is available on the SEC’s website at [www.Advisorinfo.sec.gov](http://www.Advisorinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 118471.

## **Item 2: Material Changes**

This Disclosure Brochure is our annual amendment. It contains information regarding GAMLLC's qualifications, business practices, nature of the advisory services we provide, as well as a description of potential conflicts of interest relating to our advisory business that could affect a client's account with us. You should rely on the information in this document or other information we have referred you to. We have not authorized anyone to provide you with information that is different. We encourage all current and prospective clients to read this Disclosure Brochure and discuss any questions you have with the Advisor. Should you have any additional questions regarding our Firm or the contents of this Firm Brochure, please contact Glenn Moore, Chief Compliance Officer (919) 313-6650 or via email at [glenn.moore@wealthqb.com](mailto:glenn.moore@wealthqb.com).

### **Material Changes Since our March 23, 2023, filing:**

Item 4 has been updated to latest value of assets under management as of December 31, 2023.

Item 4 has been updated to add information about a subadvisory relationship with Betterment for some clients and the addition of individual 401(k) account management services.

Item 10 has been updated to reflect that neither the firm nor its representatives are registered with a broker dealer firm.

### **Full Brochure Available**

Sometimes, we will amend this Disclosure Brochure to reflect changes in business practices, regulations, and other routine updates as required by the respective regulators. This complete Disclosure Brochure or a Summary of Material Changes will be provided to you annually and/or if a material change occurs.

To request a complete copy of our Brochure, please contact us by telephone at (919) 313-6650 or by email at [glenn.moore@wealthqb.com](mailto:glenn.moore@wealthqb.com). Alternatively, you can view the current Disclosure Brochure online at the SEC's Investment Advisor Public Disclosure website at [www.Advisorinfo.sec.gov](http://www.Advisorinfo.sec.gov) by searching with our Firm name or CRD No. 118471.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Gordon Asset Management, LLC, hereinafter called in this document "we", "our", "GAMLLC", "firm" or "adviser" is a SEC Registered Investment Adviser with its principal place of business in North Carolina. Gordon Asset Management, LLC began conducting business in 2001.

Joseph M. Gordon maintains a majority ownership stake in Gordon Asset Management, LLC and a breakdown of ownership is below:

- The Jodaddy Revocable Trust dated March 2002 (82%),
- Gibraltar Financial, LLC (15%),
- Zempel Investments, LLC (3%).

### **B. Types of Advisory Services**

#### ***Portfolio Management Services***

Our firm provides continuous advice to our clients regarding the discretionary and non-discretionary investment management of client funds based on the individual needs of the client. Through personal discussions and questionnaires designed to assess a client's risk using qualitative and quantitative questions relating to behavior aversion to risk, timeline to and through retirement and the amount of current and projected assets, goals and objectives based on a client's circumstances are established. We develop a client's personal Investment Policy Statement (IPS), which formalizes the investment policy for all the accounts under management and create and manage a portfolio based on that policy. Further description of Discretionary and Non-Discretionary engagements is included in Item 16 further below.

Portfolio management services include, but are not limited to, the following:

- Investment strategy,
- Asset allocation,
- Risk tolerance,
- Personal investment policy,
- Asset selection,
- Regular portfolio monitoring.

GAMLLC seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of GAMLLC's economic, investment or other financial interests. To meet its fiduciary obligations, GAMLLC attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, GAMLLC's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is GAMLLC's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

GAMLLC may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, GAMLLC will always ensure those other advisers are properly licensed or registered as an investment adviser. GAMLLC conducts due diligence on any third-party investment adviser, which may involve one or more of the following: phone calls, meetings and review of the third-party adviser's performance and investment strategy. GAMLLC then makes investments with a third-party investment adviser by referring the client to the third-party adviser. GAMLLC may also allocate to one or more private equity funds or private equity fund advisers. GAMLLC will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

## ***Portfolio Management by Betterment***

GAMLLC has engaged Betterment for Advisors as a third-party Sub-Advisor to provide services and portfolio management to some clients. Betterment for Advisors is a digital wealth management platform generally serving independent investment advisory firms and advisors. Betterment LLC (“Betterment”), a registered investment advisor, serves as sub-advisor to some of GAMLLC’s clients. MTG LLC, dba Betterment Securities (“Betterment Securities”), a registered broker-dealer and member of FINRA and SIPC, serves as broker-dealer and custodian.

Under the Sub-Advisory Agreement between Betterment LLC and each GAMLLC client, Betterment has the authority to manage each client account on a discretionary basis and to buy, sell and otherwise effect investment transactions on the client’s behalf in accordance with the client’s Investment Policy Statement and any other elections or instructions provided by clients and GAMLLC advisors on their behalf via Betterment’s website. Any GAMLLC client who engages Betterment will be presented with the Betterment Advised Client Agreements (which includes the Sub Advisory Agreement, Brokerage agreement, and consent to electronic delivery of documents, among other items) between Betterment and the client, as well as Betterment’s Privacy Notice, Form ADV, and Form CRS.

The services provided by Betterment include:

- **Goal-Based Investment Management:** Betterment’s goal-based investment platform allows Advisors and Clients to identify multiple investment goals for each Client, each with specific portfolio allocations;
- **Portfolio Construction Tools:** GAMLLC and its clients who engage Betterment have access to a set of Betterment constructed portfolio strategies, third-party model portfolio strategies, or, if applicable, Advisor constructed custom portfolio strategies (described below), each of which is comprised of low cost, index-tracking exchange-traded funds or mutual funds, and are able to customize the risk-level for each investment goal;
- **Automated Investment Management Services:** Betterment’s algorithms automate back-office tasks such as trading, portfolio management, and account rebalancing;
- **Website and Mobile Application:** Betterment’s website and mobile application provide a platform for account access and monitoring and delivery of account documentation and notices; and
- **Advisor Dashboard:** Advisors have access to a dashboard for purposes of monitoring and managing accounts.

GAMLLC may construct Custom Portfolios using its own investment methodologies, and clients can use Betterment’s automated advice features, including automatic rebalancing, dividend reinvestment, tax loss harvesting, and asset location services. GAMLLC, not Betterment, manages any goal for which a Custom Portfolio is chosen based on a client’s financial situation and investment objectives. Betterment will not evaluate whether any Custom Portfolio is suitable for any Client’s individual investment objectives, either at the time of election or on an ongoing basis. Betterment offers several account types to Advisors and their Clients, such as taxable investing accounts, individual retirement accounts (IRAs), and cash management accounts (Cash Reserve).

## ***Pension Consulting Services***

GAMLLC offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans. Pension consulting may include, but is not limited to:

- Serving as a plan fiduciary as described by ERISA § 3(38) and/or 3(21)A(ii),
- Identifying investment objectives and restrictions,
- Providing guidance on various asset classes and investment options,
- Recommending money managers to manage plan assets in ways designed to achieve objectives,
- Monitoring performance of money managers and investment options and making recommendations for changes,
- Portfolio management for defined benefit and/or trustee directed defined contribution plans,
- Recommending other service providers, such as custodians, administrators, and custodians and/or benchmarking their fees,
- Providing administrative support such as plan design analysis, participant education & enrollment, fiduciary record maintenance, and

- Creating a written pension consulting plan.

These services are based on the goals, objectives, demographics, time horizon and/or risk tolerance of the plan and its participants.

### ***Envestnet -Managed Individual 401(k) Accounts***

GAMLLC offers clients with 401(k) accounts the opportunity to have them managed by Envestnet Retirement Solutions. Envestnet offers an integrated retirement practice management platform suite of technology services to retirement plans and the advisors serving those clients. Client assets are invested into risk-based model portfolios, managed for a fee of 0.50% fee based on assets under management in the account.

### ***Outsourced ERISA 3(38) Plan Fiduciary Service***

GAMLLC selects and monitors plan investment offerings to participant-directed defined contribution plans as described under ERISA section 3(38).

### ***Financial Planning***

Financial plans and financial planning services may include, but are not limited to:

- investment planning,
- life, disability and long-term care insurance,
- tax concerns,
- retirement planning,
- estate planning,
- college cost analysis, and
- debt/credit planning.

### ***Services Limited to Specific Types of Investments***

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include, but are not limited to, the following types of securities:

- Individual stocks (Exchange listed, over the counter or ADR),
- Exchange traded funds (ETFs),
- Open End Mutual Funds (Mutual Funds),
- Closed End Funds (CEFs),
- Interval Funds,
- Private investments (limited partnerships, hedge funds, private equity, venture capital, other commingled vehicles),
- Business Development Companies (BDCs),
- Leveraged and Inverse ETFs, ETNs and mutual funds,
- Real Estate Investment Trusts (REITs),
- Master Limited Partnerships (MLPs),
- Options,
- Corporate debt securities (other than commercial paper),
- Municipal securities,
- United States governmental 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.

## C. Client Tailored Services and Client Imposed Restrictions

GAMLLC will tailor a program for each individual client. During our data-gather process, we determine the client's individual risk and return objectives, time horizon(s), tax considerations, legal requirements, liquidity needs and any unique circumstances that are necessary. As appropriate, we also review and discuss a client's prior investment history. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

## D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. GAMLLC does not participate in any wrap fee programs.

## E. Assets Under Management

When calculating regulatory assets under management, an Investment Adviser must include the value of any advisory account over which it exercises continuous and regular advisory or management services.

- Date Calculated: 12/31/2023
- Total AUM: \$212,153,656.47
- Additional assets under advisement for the period totaled \$989,117,840

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Portfolio Management Fees*

##### Discretionary Investment Management

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$1 - \$500,000	1.00%
\$500,001 - \$1,500,000	0.80%
\$1,500,001 - \$3,000,000	0.60%
\$3,000,001 - \$5,000,000	0.50%
\$5,000,001 – And Up	Negotiable

##### Non-Discretionary Investment Management

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$1 - \$500,000	1.25%
\$500,001 - \$1,500,000	1.00%
\$1,500,001 - \$3,000,000	0.80%
\$3,000,001 - \$5,000,000	0.60%
\$5,000,001 – And Up	Negotiable

The advisory fee is calculated using the value of the assets in the account on the last business day of the prior billing period.

### ***Limited Negotiability of Advisory Fees***

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. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

Clients may terminate the agreement without penalty for a full refund of GAMLLC's fees within five business days of signing the Investment Management Agreement. Thereafter, clients may terminate the Investment Management Agreement generally with 30 days' written notice.

### ***Selection of Other Advisers Fees***

GAMLLC will receive its standard fee on top of the fee paid to the third-party adviser. This relationship will be memorialized in each contract between GAMLLC and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency.

This service may be canceled with 30 days' written notice.

### ***Portfolio Management Fees for Clients who Engage Betterment for Subadvisory Services***

Clients who have accounts with the Subadvisor will also pay management fees to Betterment for their subadvisory services. The fees for this service will be clearly communicated in the investment management agreement between the client and Betterment for their services.

### ***Pension Consulting Services Fees***

Pension consulting fees are billed based on a percentage of assets or a flat fee basis. These fees may vary based on the scope and complexity of the engagement.

<b>Total Assets Under Advisement</b>	<b>Annual Fee</b>
\$1 - \$5,000,000	0.40%
\$5,000,001 - \$10,000,000	0.30%
\$10,000,001 - \$30,000,000	\$25,000 + 0.10% on assets >\$10MM
\$30,000,001 – And up	Negotiable

Asset based fees are calculated using the value of the assets on the last business day of the prior billing period. Pension consulting clients have the option to choose whether to pay the fee directly or debit it from plan assets. The minimum annual fee for pension consulting services is \$4,500, which may be negotiated based on facts and circumstances.

Clients may terminate the agreement without penalty for a full refund of GAMLLC's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Pension Consulting Agreement generally with 30 days' written notice.

### ***Envestnet-Managed 401(k) Plan Fees***

Fees for individual 401(k) plan accounts managed by Envestnet are billed based on a percentage of assets at a rate of 0.50% of the assets under management, calculated using the value of the assets in the account on the last business day of the prior



billing period. Accounts billed under this arrangement are separate and will be excluded from the calculation of Pension Consulting Services.

### ***Outsourced ERISA 3(38) Plan Fiduciary Service***

Outsourced ERISA 3(38) Plan Fiduciary Services are billed as a percentage of assets that may vary based on the complexity of the engagement and the amount of assets under advisement. Generally, the fee will range between 0.02% and 0.25% of assets under advisement. Fees for Outsourced ERISA 3(38) Plan Fiduciary Service are billed quarterly in arrears based on the balance as of the last day of the billing period. These fees are debited directly from plan assets.

Clients may terminate the Pension Consulting Agreement with 30 days' written notice.

### ***Financial Planning Fees***

The negotiated fixed rate for creating client financial plans is between \$1,000 and \$5,000.

Clients may terminate the agreement without penalty, for a full refund of GAMLLC's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

## **B. Payment of Fees**

### ***Payment of Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. Fees are generally paid in advance.

### ***Payment of Pension Consulting Fees or 401(k) Account fees***

Clients can have fees deducted from their plan account(s) or be invoiced separately. Normally, pension consulting fees are billed quarterly in advance. However, there may be situations where fees are paid in arrears, as stated in the pension consulting agreement.

### ***Outsourced ERISA 3(38) Plan Fiduciary Service***

Outsourced ERISA 3(38) Plan Fiduciary Service fees are billed quarterly in arrears and are debited directly from plan assets.

### ***Payment of Selection of Other Advisers Fees***

The timing, frequency and method of paying fees for the selection of third-party managers will depend on the specific third-party adviser selected.

### ***Payment of Financial Planning Fees***

Financial planning fees can be paid via check or agreed upon electronic payment service. Fixed financial planning fees are paid 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

## **C. Client Responsibility for Third Party Fees**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees,

transaction fees, etc.) Those fees are separate and distinct from the fees and expenses charged by GAMLLC. Please see Item 12 of this brochure regarding broker-dealer/custodian.

#### **D. Prepayment of Fees**

GAMLLC collects most fees in advance. Refunds paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check, or will be deposited back into the client's account, at the adviser's discretion. Clients are required to provide 30 days' written notice of their intent to terminate the contract. Accounts that are transferred or removed from GAMLLC's advisor access at the custodian/broker-dealer without written notice of termination will not receive a prorated refund of fees.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee by 365.)

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

#### **E. Outside Compensation for the Sale of Securities to Clients**

Neither GAMLLC nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

GAMLLC does not accept performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client.

### **Item 7: Types of Clients**

GAMLLC generally provides advisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Trusts
- Pension and profit-sharing plans
- Corporates or Business Entities
- Charitable Foundations and Endowments

There is no account minimum for any of GAMLLC's services.

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

#### **A. Methods of Analysis and Investment Strategies**

##### ***Methods of Analysis***

GAMLLC employs both top-down and bottom-up analysis in constructing client portfolios. Our top-down analysis includes macroeconomic analysis, geopolitical and capital market conditions, business regulations and industry developments. Based on this information, we then select the securities that will be placed in each of our portfolios, provided they meet our fundamental and technical analysis.

Our bottom-up analysis includes analyzing companies or funds and evaluating their relative metrics, such as price-to-earnings, price-to-book and price-to-sales. We also analyze company specific information such as long-term earnings trends, dividend payout policies, revenue growth, operating income growth and cash flow growth measures, as well as short term catalysts when determining whether to make an investment in a particular stock or fund.

Technical analysis is a component of our analysis but is not a driver in ultimately whether we decide to invest in a stock or not. Technical analysis may be used to influence the timing of a transaction.

We implement asset allocation strategies into our portfolios to identify an appropriate ratio of equities, fixed income, cash or alternative investments to mitigate the risk of concentration in a single security, sector or asset class, which is suitable to the client's investment goals and risk tolerance.

We evaluate the experience and track record of the manager of an open-end fund, closed-end fund or ETF to determine if that manager has demonstrated an ability to successfully invest over a period and under different economic conditions. We also evaluate the underlying securities in a mutual fund or ETF to determine if there is significant overlap in the underlying investments held in another fund in the client's portfolio and monitor the funds and ETFs to determine if they are continuing to follow their stated investment strategy.

A risk of fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A successful manager 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.

### ***Investment Strategies***

GAMLLC uses long-term trading, short-term trading, short-term sales, margin transactions and options trading (including covered options, uncovered options or spread strategies).

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### ***Methods of Analysis***

**Charting analysis** involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would assume past performance will indicate future performance. This may not be the case.

**Cyclical analysis** assumes that markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach the expectations of the perceived value.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., for that level of risk an alternative portfolio exists which has better returns.

**Quantitative analysis** uses quantitative models to make investment selections and decisions. These models may perform differently than expected because of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends and technical issues in the construction and implementation of the models.

**Technical analysis** attempts to predict future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not consider new patterns that emerge over time.

### ***Investment Strategies***

GAMLLC's use of short sales, margin transactions and options trading generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

**Long-term trading** is designed to capture market rates of both return and risk. Due to its nature, long-term investment strategies can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include inflation (purchasing power) risk, interest rate risk, economic risk, market risk and political/regulatory risk.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold, thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets in a shorter time frame than desired.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Selection of Other Advisers:** Although GAMLLC will seek to select only money managers who will invest client's assets with the highest level of integrity, GAMLLC's selection process cannot ensure that money managers will perform as desired and GAMLLC will have no control over the day-to-day operations of any of its selected money managers. GAMLLC would not necessarily be aware of certain activities at the underlying money manager level, including, without limitation, a money manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

**Short sales** entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

**Short-term trading** risks include liquidity, economic stability and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risk of Specific Securities Utilized**

The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds** carry the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond (fixed income) nature (lower risk) or stock (equity) nature.

**Equity** investments generally refer to buying shares of stocks in return for receiving future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security.

In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties.

The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, like stocks.** Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy).

Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (NAV), or price fluctuation and disassociation from the index being tracked.

Regarding trading risks, regular trading adds cost to your portfolio, counteracting the low fees that are one of the typical benefits of ETFs. Additionally, regular trading to beneficially “time the market” is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes.

Regarding liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable).

Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks, all magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus.

ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another, and losses may be magnified if no liquid market exists for the ETF’s shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

**Private equity** funds carry certain risks. Capital calls will be made on short notice, and failure to meet them can result in significant adverse consequences, including a total loss of investment.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

## **Item 10: Other Financial Industry Activities or Affiliations**

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither GAMLLC nor its representatives are registered as, or have pending applications to become, a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator or a Commodity Trading Advisor**

Neither GAMLLC nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interest**

Joseph Gordon is a licensed insurance agent with Strategic Financial Management and sometimes will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. GAMLLC always acts in the best interest of the client, including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of GAMLLC in connection with such individual's activities outside of GAMLLC.

## **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

GAMLLC may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Clients will pay GAMLLC its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between GAMLLC and each third-party advisor. The fees will not exceed any limit imposed by any regulatory agency. GAMLLC will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. GAMLLC will ensure that all recommended advisers are licensed, or notice filed in the states in which GAMLLC is recommending them to clients.

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

### **A. Code of Ethics**

GAMLLC has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. GAMLLC's Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

GAMLLC does not recommend that clients buy or sell any security in which a related person to GAMLLC or GAMLLC has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of GAMLLC may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of GAMLLC to buy or sell the same securities before or after recommending the same securities to clients, resulting in representatives profiting from the recommendations they provide to clients. Such transactions may create a conflict of interest. GAMLLC will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of GAMLLC may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of GAMLLC to buy or sell securities before or after recommending securities to clients resulting in representatives profiting from the recommendations they provide to clients. Such transactions may create a conflict of interest; however, GAMLLC will never engage in trading that operates to the client's disadvantage if representatives of GAMLLC buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on GAMLLC's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and GAMLLC may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers

that may aid in GAMLLC's research efforts. GAMLLC will never charge a premium or commission on transactions beyond the actual cost imposed by the broker-dealer/custodian.

GAMLLC recommends Schwab Institutional, a division of Charles Schwab & Co., Inc.

### **Research and Other Soft-Dollar Benefits**

While GAMLLC has no formal soft dollars program in which soft dollars are used to pay for third party services, GAMLLC may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). GAMLLC may enter soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any client will benefit from soft dollar research, whether the client's transactions paid for it, and GAMLLC does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. GAMLLC benefits by not having to produce or pay for the research, products or services, and GAMLLC will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that GAMLLC's acceptance of soft dollar benefits may result in higher commissions charged to the client.

### **Brokerage for Client Referrals**

GAMLLC receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### **Clients Directing Which Broker/Dealer/Custodian to Use**

GAMLLC may permit clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to GAMLLC to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; the client may be unable to participate in block trades (unless GAMLLC is able to engage in "step outs"); and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

If GAMLLC buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, GAMLLC would place an aggregate order with the broker on behalf of all such clients to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. GAMLLC would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

If a block trade is not fully executed, the securities will be allocated to each client's account on a *pro rata* basis, except when doing so would create an unintended adverse consequence (For example, ¼ of a share or a position in the account of less than 1%).

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

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for GAMLLC's advisory services provided on an ongoing basis are reviewed at least Quarterly by Joseph M Gordon, Managing Member and Glenn Moore, Chief Compliance Officer and Chief Investment Officer, regarding clients' respective investment policies and risk tolerance levels. All accounts at GAMLLC are assigned to this reviewer.



All financial planning accounts are reviewed upon financial plan creation and plan delivery by Joseph M Gordon, Managing Member and Glenn Moore, Chief Compliance Officer and Chief Investment Officer. Financial planning clients are provided with a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may pay a renewal fee to GAMLLC to monitor and update the financial plan, which is generally 50% to 70% of the original stated fee.

## **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in a client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Regarding financial plans, GAMLLC's services will generally conclude upon delivery of the financial plan.

## **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of GAMLLC's advisory services provided on an ongoing basis will receive, at a minimum, reports on a quarterly basis detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. GAMLLC will also provide at least quarterly a separate written statement to the client.

Each financial planning client will receive the financial plan upon completion.

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

## **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

GAMLLC receives access to Schwab's 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 Advisor Services.

Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, 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 GAMLLC client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to GAMLLC other products and services that benefit GAMLLC but may not benefit its clients' accounts. These benefits may include national, regional or GAMLLC specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of GAMLLC by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities.

Other of these products and services assist GAMLLC in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of GAMLLC's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of GAMLLC's accounts.

Schwab Advisor Services also makes available to GAMLLC other services intended to help GAMLLC manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing.

In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to GAMLLC by independent third parties. 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 GAMLLC. GAMLLC is independently owned and operated and not affiliated with Schwab.

#### **B. Compensation to Non-Advisory Personnel for Client Referrals**

GAMLLC may enter into written arrangements with third parties to act as solicitors for GAMLLC's investment management services. Solicitor relationships will be fully disclosed to each Client to the extent required by applicable law. GAMLLC will ensure each solicitor is exempt, notice filed, or properly registered in all appropriate jurisdictions.

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, GAMLLC will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices required in each jurisdiction and should review them for accuracy.

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

GAMLLC provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, GAMLLC generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, GAMLLC's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to GAMLLC).

### **Item 17: Voting Client Securities (Proxy Voting)**

GAMLLC will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

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

#### **A. Balance Sheet**

GAMLLC neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

We do not have any financial impairment that would preclude us from meeting contractual commitments to clients.

## **C. Bankruptcy Petitions in Previous Ten Years**

GAMLLC has not been the subject of a bankruptcy petition in the last ten years.

## **Privacy Policy**

An important part of the relationship we have with our clients is the information they share with us. We want each client to know how we treat their private information. We keep personal information such as Social Security Numbers and account balances confidential. We take steps to safeguard this data from anyone who should not have access to it. In dealing with GAMLLC, clients can expect that we will take the steps outlined below to keep all their information confidential and secure.

### **Our Privacy Policy**

In providing financial services and products to our clients, we collect certain non-public information about them. Our policy is to keep this information confidential and strictly safeguarded, and to use or disclose it only as needed to provide services to our clients, or as permitted by law. Protecting your privacy is important to us.

### **Information We Collect**

The non-public personal information we have about clients includes what they give us when opening an account or communicating with us. This could include:

- Name and address
- Social Security Number
- Investment objectives and experience
- Financial circumstances
- Employment history
- Account balance and account transactions

### **Information We Disclose**

We do not disclose personal information about our clients to third parties, other than the chosen Sub-Advisor. We may disclose anonymous information that cannot be linked to an individual client on occasion, but only to companies that we hire to help us provide products and services to our clients, or as required by law, or as authorized by the client personally. We do not sell personal client information to anyone.

### **How Information Is Used**

We use information about our clients to provide our investment advisory services to them, such as managing their investment account. We may disclose this information to third parties as permitted by law, including the outside broker-dealers, custodians, administrators, transfer agents, accountants or attorneys that we need to use to provide our services to clients. From time to time, we must give information about our business to regulatory authorities. This may, or may not, include personal information about our clients and their accounts.

### **How Information Is Safeguarded**

We have procedures in place that we believe are reasonably designed to protect the security and confidentiality of client information. These include confidentiality agreements with companies we hire to help us provide services to clients, password-protected user access to our computer files, and strict confidentiality policies that apply to all Firm personnel, vendors and contractors.

### **Your Data Choices**

You have the following choices with respect to your personal information:

**Decline to provide information.** We need to collect personal information to provide certain services. If you do not provide the information requested, we may not be able to provide those services.

**How to contact us.** You can reach us in the following ways:

Office Location: 4721 Emperor Blvd., Suite 250, Durham, NC 27703

Email: [glenn.moore@wealthqb.com](mailto:glenn.moore@wealthqb.com)

Phone: (919) 313-6650