

**FORM ADV PART 2A  
DISCLOSURE BROCHURE**



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This brochure provides information about the qualifications and business practices of Excel Financial, LLC. Being registered as an investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 651-388-6441. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Excel Financial, LLC (CRD #145301) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**MARCH 19, 2024**

## **Item 2: Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

Since the last filing on August 4, 2023, the following changes have been made:

- Item 4 – Assets Under Management
  - The term “solicit” has been updated to “recommend.”
  - Item 5 has been updated to disclose our updated fee schedule for asset management and assets held away services.
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### **Full Brochure Available**

This Firm Brochure being delivered is the complete brochure for the Firm.

## Item 3: Table of Contents

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## **Item 4: Advisory Business**

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### **Firm Description**

Excel Financial, LLC ("Excel") was founded in 2008. James Loquai, John Loquai, Brent Urbach, and Mike Spangler are co-owners of Excel.

Excel is a fee-based financial planning and investment management firm.

Excel does not act as a custodian of Client assets.

An evaluation of each Client's initial situation is provided to the Client, often in the form of a client profile, net worth statement, risk analysis, initial financial plan or similar document. Periodic reviews are also conducted, on at least an annual basis for most Clients, to communicate and address any changes in Client circumstances and/or goals, and to ensure that the investment strategies being implemented continue to match Client needs and interests. More frequent reviews of investment performance/status occur, but are not necessarily communicated to the Client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, tax preparers, insurance agents, etc.) are engaged directly by the Client on an as-needed basis and may charge fees of their own. Conflicts of interest will be disclosed to the Client in the event they should occur.

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### **Types of Advisory Services**

#### ASSET MANAGEMENT

Excel offers discretionary and non-discretionary asset management services to advisory Clients. Excel will offer Clients ongoing asset management services by/after determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring, and the overall investment program will be based on the above factors. The Client may grant Excel discretionary authority to execute selected investment program transactions, as stated within the Investment Advisory Contract (IAC).

#### Discretionary

When the Client provides Excel with discretionary authority, the client will sign a limited trading authorization or equivalent. Excel will have the authority to execute transactions in the account without seeking client approval for each transaction.

#### Non-discretionary

When the Client elects to use Excel on a non-discretionary basis, Excel will determine the securities to be bought or sold and the amount of the securities to be bought or sold. However, Excel will obtain prior Client approval on each and every transaction before executing any transactions.

#### ASSETS HELD AWAY

Excel uses a third-party platform to facilitate management of held away assets such as defined contribution plan participant accounts, with discretion and non-discretion. The platform allows us to avoid being considered to have custody of Client funds since we do not have direct access to Client log-in credentials to affect trades. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the Client allowing them to connect an account(s) to the platform. Once Client account(s) is connected to the platform, Excel will review the current

account allocations. When deemed necessary, Excel will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance. Client account(s) will be reviewed at least quarterly and allocation changes will be made as deemed necessary.

#### FINANCIAL PLANNING AND CONSULTING

If Excel is retained to provide financial planning services, a thorough review of all applicable topics, including, but not limited to, Investments, Taxes, Qualified Plans, Insurance, Retirement Income, and Social Security will be conducted. If a conflict exists between the interests of Excel and the interests of the Client, Although the Client is obligated to pay for financial planning services rendered, the Client is under no obligation to act upon Excel's resulting recommendations. Furthermore, if the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transactions through Excel. Financial plans will typically be completed and delivered inside of sixty (60) days contingent upon timely delivery of all required information and documentation.

#### ERISA PLAN SERVICES

Excel provides service to qualified retirement plans, including 401(k) plans, 403(b) plans, pension and profit sharing plans, cash balance plans, and deferred compensation plans. Excel may act as either an ERISA 3(21) or ERISA 3(38) advisor:

**Limited Scope ERISA 3(21) Fiduciary.** Excel may serve as a limited scope ERISA 3(21) fiduciary that can advise and assist plan sponsors (as "the Client") with their investment decisions on a non-discretionary basis. As an investment advisor, Excel has a fiduciary duty to act in the best interest of the Client. The Client is still ultimately responsible for the decisions made regarding its plan, although using Excel can help the Client mitigate liability by following a prudent process.

#### 1. Fiduciary Services provided include the following:

- Provide non-discretionary investment advice to the Client about asset classes and investment alternatives available for the plan in accordance with the plan's investment policies and objectives. The Client will make the final decision regarding the initial selection, retention, removal, and addition of investment options. Excel acknowledges that it is a fiduciary as defined in ERISA section 3 (21) (A) (ii).
- Assist the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- Provide non-discretionary investment advice to the Client with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5) and 404(a)-5.
- Provide non-discretionary investment advice to plan participants if this optional additional service is selected by the Client and requested by a plan participant after the

participant has completed a participant profile. Plan participant advisory services can include investment advice regarding a participant's plan account. It may also include the development of a standard individual financial plan and investment advice regarding other participant investment accounts if requested. All advice provided in this capacity will be based on the information provided by the plan participant in their participant profile. The participant retains full authority and responsibility regarding the decision to accept or reject any advice provided by Excel in this capacity and what, if any, actions to take regarding implementation.

Plan participant advisory services expressly exclude business planning or other non-standard individual financial planning services as well as the management of any investment accounts outside of the plan. Such services may be provided to a plan participant at the participant's request for a separate fee. In such cases, the advisory and/or investment management services will be provided under a separate client agreement with the participant and the fee charged will be reduced below Excel's standard fee charged for such services to non-plan participants.

2. Non-fiduciary Services are as follows:

- Assist in the education of plan participants about general investment information and the investment alternatives available to them under the plan. The Client understands that Excel's assistance in education of the plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, Excel is not providing fiduciary advice as defined by ERISA 3(21)(A)(ii) to the plan participants.
- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management, and conformance to the guidelines set forth in the IPS, and make recommendations to maintain, remove, or replace investment options.
- Assist in group enrollment meetings designed to increase retirement plan participation among the Client's employees and investment and financial understanding by the employees.
- Meet with the Client on a periodic basis to discuss the reports and investment recommendations.

Excel may provide these services or, alternatively, may arrange for the plan's other providers to offer these services, as agreed upon between Excel and the Client.

3. Excel has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- Employer securities;
- Real estate (except for real estate funds or publicly traded REITs);
- Stock brokerage accounts or mutual fund windows;
- Participant loans;
- Non-publicly traded partnership interests;



- Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to Excel on the ERISA Investment Advisory Contract (ERISA IAC).

Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

**3(38) Investment Manager.** Excel can also act as an ERISA 3(38) Investment Manager, giving it discretionary management and control of a given retirement plan's assets. Excel would then become solely responsible and liable for the selection, monitoring, and replacement of the plan's investment options.

1. Fiduciary Services are as follows:

- Excel has discretionary authority and will make the final decision regarding the initial selection, retention, removal, and addition of investment options in accordance with the plan's investment policies and objectives.
- Selection of a broad range of investment options consistent with ERISA Section 404(c) and the regulations thereunder.
- Development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the plan.
- Selection of a qualified default investment alternative for participants who are automatically enrolled in the plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the plan participants required under ERISA Section 404(c) (5).
- Provide non-discretionary investment advice to plan participants if this optional additional service is selected by the Client and requested by a plan participant after the participant has completed a participant profile. Plan participant advisory services include investment advice regarding a participant's plan account. It may also include the development of a standard individual financial plan and investment advice regarding other participant investment accounts if requested. All advice provided in this capacity will be based on the information provided by the plan participant in their participant profile. The participant retains full authority and responsibility regarding the decision to accept or reject any advice provided by Excel in this capacity and what, if any, actions to take regarding implementation.

Plan participant advisory services expressly exclude business planning or other non-standard individual financial planning services as well as the management of any investment accounts outside of the plan. Such services may be provided to a plan participant at the participant's request for a separate fee. In such cases, the advisory and/or investment management services will be provided under a separate client agreement with the participant and the fee charged will be reduced below Excel's standard fee charged for such services to non-plan participants.

2. Non-fiduciary Services are as follows:

- Assist in the education of plan participants about general investment information and the investment alternatives available to them under the plan. The Client understands that Excel's assistance in education of the plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, the Excel is not providing fiduciary advice as defined by ERISA to the plan participants.
- Assist in group enrollment meetings designed to increase retirement plan participation among the Client's employees and investment and financial understanding by the employees.
- Prepare reports and materials to assist in the administration of the plan and meet with the Client on a periodic basis to discuss the reports and investment recommendations.

Excel may provide these services or, alternatively, may arrange for the plan's other providers to offer these services, as agreed upon between Excel and the Client.

3. Excel has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- Employer securities;
- Real estate (except for real estate funds or publicly traded REITs);
- Stock brokerage accounts or mutual fund windows;
- Participant loans;
- Non-publicly traded partnership interests;
- Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to the Excel on the ERISA IAC.

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### **Client Tailored Services and Client Imposed Restrictions**

The goals and objectives for each Client are documented in Excel's Client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without written Client consent.

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### **Wrap Fee Programs**

Excel does not sponsor any wrap fee programs.

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### **Client Assets under Management**

Excel has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$311,155,522	\$8,350,447	December 31, 2023

## Item 5: Fees and Compensation

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### Method of Compensation and Fee Schedule

#### ASSET MANAGEMENT and ASSETS HELD AWAY

Excel offers discretionary and non-discretionary direct asset management services to advisory Clients. Excel charges an annual investment advisory fee based on the total assets under management. Generally, the fees are based as follows:

AUM	Annual Fee
\$1 to \$99,999.99	1.25%
\$100,000 to \$499,999.99	0.90%
\$500,000 to \$999,999.99	0.60%
\$1,000,000 to \$1,999,999.99	0.55%
\$2,000,000 to \$4,999,999.99	0.50%
\$5,000,000 to \$9,999,999.99	0.40%
\$10,000,000 to \$29,999,999.99	0.20%
\$30,000,000 to \$39,999,999.99	0.10%
\$40,000,000 and up	0.05%

This is a tiered/blended fee schedule, the asset management fee is calculated by applying different rates to different portions of the portfolio. Excel Financial may group certain related Client accounts for the purposes of determining the annualized fee.

#### **For example (based on monthly/quarterly billing period):**

Client with \$750,000 under management would pay \$6,349.98 on an annual basis.

<u>AUM</u>	<u>Annual fee</u>	<u>Total</u>
First \$99,999.99	x 1.25% =	\$1,249.99
Next \$399,999.99 (\$100,000 to \$499,999.99)	x 0.90% =	\$3,599.99
Last \$250,000 (\$500,000 to \$750,000)	x 0.60% =	\$1,500.00
Total fee for the year		<hr/> \$6,349.98
Effective fee percentage based on AUM		0.85%

A minimum annual fee of \$625 shall be billed, unless waived by Excel Financial. Clients with AUM less than \$150,000 can receive Financial Planning Services for an annual fee of \$1,700.

Alternatively, services may be provided on an hourly rate or fixed-fee basis. The hourly rate is \$250. Fixed fees can typically range from \$500 to \$10,000 but can be more or less depending on the services provided.

These fees are negotiable and Excel Financial retains the right to adjust fees based on each client's unique circumstance and service requirements. If a new fee is determined, it is not

applied until it is documented in a new advisory services contract, discussed with Client, and signed by Client and IA.

Fees are paid quarterly in arrears, and clients may terminate their contracts with thirty days' written notice. Fees for services billed on an hourly rate basis are billed based on the number of hours of service performed during the billing period. Fees for services billed on a fixed-fee basis are billed in their entirety in the period during which the work is completed. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within five business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

#### FINANCIAL PLANNING AND CONSULTING

Excel charges either an hourly fee or fixed fee for financial planning. Fees are negotiable. Prior to the planning process, the Client will be provided an estimated plan fee. Services are normally completed and delivered inside of sixty (60) days. The Client may cancel within five (5) days of signing the IAC with no obligation. If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client, or any unpaid earned fees will be due to Excel. Excel reserves the right to waive the fee should the Client implement the plan through Excel. Fees for financial plans are due upon delivery of the completed plan.

##### HOURLY FEES

Financial Planning Services are offered based on an hourly fee of \$200 per hour.

##### FIXED FEES

Financial Planning Services are offered based on a flat fee between \$500 and \$4,000.

#### ERISA PLAN SERVICES

Standard retirement plan investment advisory services are typically provided on a fixed-fee basis that may include the following two components:

BASE FEE – This is a fixed fee covering plan committee advisory services and will normally range from \$5,000 to \$10,000 per year, depending upon plan requirements.

PARTICIPANT FEE – This is a fixed fee covering plan participant advisory services and will normally range from \$0 to \$200 per participant per year depending on the plan configuration and participant advisory support requirements.

The total fee is determined by adding the individual fee components applicable to the plan for each billing period.

These services may also be offered on an AUM-only basis, with fees typically ranging from 0.25% to 1.25%.

Fees are charged quarterly in arrears, based on the value of plan assets as calculated by the custodian or record keeper of the Included Assets (without adjustments for anticipated withdrawals by plan participants or other anticipated or scheduled transfers or distribution of assets) on the last business day of the previous quarter. If the services to be provided start any time other than the first day of a quarter, the fee will be prorated based on the number of days remaining in the quarter. If the ERISA IAC is terminated prior to the end of the fee period, Excel shall be entitled to a prorated fee based on the number of days during the fee period for which services were provided.

The fee schedule, which includes the compensation of Excel for the services rendered, is described in detail in the ERISA IAC. The plan is obligated to pay the fees and the Client may elect to have fees paid from plan assets. Alternatively, the Client may elect to be billed directly and pay the fees on behalf of the plan. Excel does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under the ERISA IAC. If additional compensation is received, Excel will disclose this compensation, the services rendered, and the payer of compensation. Excel will offset the compensation against the fees agreed upon under the ERISA IAC.

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**Client Payment of Fees**

Investment management fees are billed quarterly in arrears, meaning that Excel will bill Clients after the billing period has ended. Fees are usually deducted from a designated Client account to facilitate billing. The Client must consent in advance to direct debiting of their investment account(s).

Fees for financial plans are due upon delivery of the completed plan.

Excel, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, participation in an employer retirement plan supported by Excel Financial, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.).

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**Additional Client Fees Charged**

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities, and exchange-traded funds. These charges may include mutual fund transaction fees, postage and handling, and miscellaneous fees.

For more details on the brokerage practices, see Item 12 of this brochure.

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**Prepayment of Client Fees**

Excel does not require prepayment of fees of more than \$1,200 per Client and six months or more in advance.

If the Client cancels after five (5) days, any unearned fees will be refunded to the Client.

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**External Compensation for the Sale of Securities to Clients**

Excel does not receive any external compensation for the sale of securities to Clients, nor do any of the investment advisor representatives of Excel.

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

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**Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Excel does not use a performance-based fee structure because of the conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the Client.

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

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### **Description**

Excel generally provides investment advice to individuals, high net worth individuals, pension and profit sharing plans, charitable organizations and businesses.

Client relationships vary in scope and length of service.

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### **Account Minimums**

Excel generally requires a minimum of \$100,000 in investable assets to open an account(s). In certain instances, the minimum account size may be lowered or waived.

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

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### **Methods of Analysis**

Security analysis methods may include fundamental analysis, technical analysis, and cyclical analysis. Investing in securities involves a risk of loss that Clients should be prepared to bear. Past performance is not a guarantee of future returns.

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 expectations of perceived value.

Technical analysis attempts to predict a 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 take into account new patterns that emerge over time.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are twofold: 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.

In developing a financial plan for a Client, Excel's analysis may include cash flow analysis, investment planning, risk management, tax planning, and estate planning. Based on the information gathered, a detailed strategy is tailored to the Client's specific situation.

The main sources of information include financial newspapers and magazines, published articles, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

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### **Investment Strategy**

The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time by providing written notice to Excel. Each Client executes an Investment Policy Statement (IPS) or similar form that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases and short-term purchases.

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## Security Specific Material Risks

All investment programs have certain risks that are borne by the investor. Excel's investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with Excel:

- *Market Risk:* The prices of securities held by mutual funds in which Clients invest may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by a fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations. Investors should have a long-term perspective and be able to tolerate potentially sharp declines in market value.
- *Interest-Rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Management Risk:* The advisor's investment approach may fail to produce the intended results. If the advisor's assumptions regarding the performance of a specific asset class or fund are not realized in the expected time frame, the overall performance of the Client's portfolio may suffer.
- *Equity Risk:* Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund or ETF can be more volatile than the market as a whole. This volatility affects the value of the Client's overall portfolio. Small- and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.

The specific risks associated with financial planning include:

- *Risk of Loss*
  - Client fails to follow the recommendations of Excel resulting in loss
  - Client has changes in financial status or lifestyle and therefore plan recommendations are no longer valid

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## **Item 9: Disciplinary Information**

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### **Criminal or Civil Actions**

Excel and its management have not been involved in any criminal or civil action.

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### **Administrative Enforcement Proceedings**

Excel and its management have not been involved in administrative enforcement proceedings.

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### **Self-Regulatory Organization Enforcement Proceedings**

Excel and its management have not been involved in legal or disciplinary events that are material to a Client's or prospective Client's evaluation of Excel or the integrity of its management.

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

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### **Broker-Dealer or Representative Registration**

No affiliated representatives of Excel are registered representatives of a broker-dealer.

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### **Futures or Commodity Registration**

Excel and/or its affiliated representatives are not registered and do not have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

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### **Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Member/Chief Compliance Officer James Loquai is also a licensed insurance agent with Excel. Approximately 1% of his time is spent in this practice. From time to time, he may offer Clients services from those activities. Excel and Mr. Loquai may receive separate yet typical compensation for the sale of insurance products.

This practice represents a conflict of interest because it gives an incentive to recommend products based on the commission amount received. This conflict is mitigated by disclosures, procedures and the firm's fiduciary obligation to place the best interest of the Client first and the Clients are not required to purchase any products. Clients have the option to purchase these products through another insurance agent of their choosing.

James Loquai is also a director for Deep Geo, Inc. (DGI), a spent nuclear fuel repository. Neither James nor other members of Excel Financial will recommend DGI for services by Excel Financial nor will they recommend existing Excel Financial clients to invest in DGI. However, this project is visible to the community and others, so questions may come up about the project. In such cases, it is the firm's established policy that Excel Financial representatives can address questions about DGI and its status, but will direct any Excel Financial client to DGI representatives who are not affiliated with Excel Financial if they have questions about investment in the DGI Series A offering or any other possible future investment in the firm.



Member Brent Urbach is co-owner of Asset Venture Properties, LLC and Blu Consulting, LLC. Approximately 1% of his time is spent in these practices. Mr. Urbach will not advise clients of Excel regarding investment or participation in these ventures, and therefore no conflict of interest exists.

Brent Urbach is also an investor in Deep Geo, Inc. (DGI), a spent nuclear fuel repository and is also a member of their Investor Outreach Committee (IOC). Neither Brent nor other members of Excel Financial will recommend DGI for services by Excel Financial nor will they recommend existing Excel Financial clients to invest in DGI. However, this project is visible to the community and others, so questions may come up about the project. In such cases, it is the firm's established policy that Excel Financial representatives can address questions about DGI and its status, but will direct any Excel Financial client to DGI representatives who are not affiliated with Excel Financial if they have questions about investment in the DGI Series A offering or any other possible future investment in the firm.

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**Recommendations or Selections of Other Investment Advisors and Conflicts of Interest**

Excel does not select or recommend other investment advisors.

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

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**Code of Ethics Description**

The affiliated persons (affiliated persons include the partners of Excel, investment advisor representatives of Excel, and/or independent contractors retained by Excel) of Excel have committed to a Code of Ethics ("Code"). The purposes of Excel's Code are to set forth the standards of conduct expected of Excel affiliated persons and address any conflicts that may arise. The Code defines acceptable behavior for affiliated persons of Excel. The Code reflects the responsibility of Excel and its supervised persons to act in the best interest of Excel's Clients.

The Code applies to "access" persons. "Access" persons are affiliated persons who have access to non-public information regarding any Client purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public. One area that the Code addresses is the purchase and sale of securities by affiliated persons for their personal accounts, so as to mitigate or prevent conflicts of interest with Clients. Excel forbids affiliated persons from using non-public material information for personal profit and from using internal research for personal benefit in conflict with the best interests of Clients.

In addition, Excel's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other affiliated person, officer, or director of Excel may recommend any transaction in a security or its derivative to advisory Clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

Excel's Code is based on the guiding principle that the interests of Clients are Excel's top priority. Excel's partners, investment advisor representatives, and other affiliated persons

have a fiduciary duty to Excel's Clients and must diligently perform that duty to maintain the complete trust and confidence of Excel's Clients. When a conflict arises, it is Excel's obligation to put the Client's interests over the interests of either affiliated persons or the firm.

The firm will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

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**Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

Excel and its affiliated persons do not recommend to Clients securities in which Excel or its affiliated persons have a material financial interest.

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**Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Excel and its affiliated persons may buy or sell securities that are also held by Clients. To mitigate conflicts of interest such as trading ahead of Client transactions, affiliated persons are required to disclose all reportable securities transactions as well as provide Excel with copies of their brokerage statements.

The Chief Compliance Officer of Excel is James Loquai. He supervises the review of all trades made by affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over affiliated persons' transactions.

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**Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

Excel does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended, and therefore no conflicts of interest exist. However, affiliated persons may buy or sell securities at the same time they buy or sell securities for Clients. To mitigate conflicts of interest, such as front running, affiliated persons are required to disclose all reportable securities transactions and provide Excel with copies of their brokerage statements for review.

The Chief Compliance Officer of Excel is James Loquai. He supervises the review of all trades made by affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over affiliated persons' transactions.

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**Item 12: Brokerage Practices**

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**Factors Used to Select Custodians for Client Transactions**

Excel will require the use of a particular custodian. Excel will select appropriate custodians based on a number of factors, including, but not limited to, their relatively low transaction fees and reporting ability. Excel relies on its custodian to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by Excel.

- *Directed Brokerage*  
Excel does not allow client directed brokerage accounts.

- *Best Execution*

Investment advisors who manage or supervise Client portfolios have a fiduciary obligation of best execution. The determination of what may constitute the best execution and price in the execution of a securities transaction by a custodian involves a number of considerations and is subjective. Factors affecting custodian selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the custodian, the value of an ongoing relationship with such custodian and the financial strength and stability of the custodian. The firm does not receive any portion of the trading fees.

- *Soft Dollar Arrangements*

The Securities and Exchange Commission defines soft dollar practices as arrangements under which products or services other than execution services are obtained by Excel from or through a custodian in exchange for directing Client transactions to the custodian. As permitted by Section 28(e) of the Securities Exchange Act of 1934, Excel receives economic benefits as a result of commissions generated from securities transactions by the custodian from the accounts of Excel. These benefits include both proprietary research from the broker and other research written by third parties.

A conflict of interest exists when Excel receives soft dollars. This conflict is mitigated by the fact that Excel has a fiduciary responsibility to act in the best interest of its Clients and the services received are beneficial to all Clients.

Excel uses the services of custodians. Economic benefits are received by Excel which would not be received if Excel did not give investment advice to Clients. These benefits include a dedicated trading desk, a dedicated service group and account services manager dedicated to Excel's accounts, the ability to conduct "block" Client trades, electronic download of trades, balances, and positions, duplicate and batched Client statements, and the ability to have advisory fees directly deducted from Client accounts.

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### **Aggregating Securities Transactions for Client Accounts**

Excel is authorized, in its discretion, to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of Excel. All Clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

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

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### **Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Account reviews are performed quarterly under the supervision of the Chief Compliance Officer of Excel. Account reviews are performed more frequently when market conditions dictate. However, Financial Plans are considered complete when recommendations are delivered to the Client, and a review is done only upon request of Client.

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**Review of Client Accounts on Non-Periodic Basis**

Conditions that may trigger a review of Clients' accounts are changes in the tax laws, new investment information, and changes in a Client's own situation.

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**Content of Client-Provided Reports and Frequency**

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by Excel's custodian. Clients receive confirmations of each transaction in the account from the Custodian and an additional statement during any month in which a transaction occurs.

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

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**Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

Excel and Mr. Loquai may receive separate yet typical compensation for the sale of insurance products.

This practice represents a conflict of interest because it gives an incentive to recommend products based on the commission amount received. This conflict is mitigated by disclosures, procedures and the firm's fiduciary obligation to place the best interest of the Client first and the Clients are not required to purchase any products. Clients have the option to purchase these products through another insurance agent of their choosing.

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**Advisory Firm Payments for Client Referrals**

Excel does not compensate for Client referrals.

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**Item 15: Custody**

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**Account Statements**

All assets are held by qualified custodians, which means the custodians provide account statements directly to Clients at their addresses of record at least quarterly. Clients are urged to compare the account statements received directly from their custodians to any documentation or reports prepared by Excel.

Excel is deemed to have limited custody of Client funds because advisory fees are directly deducted from Client's accounts by the custodian on behalf of Excel.

Excel is also deemed to have limited custody due to its Third-Party Standing Letters of Authorization ("SLOA").

Excel and its qualified custodian meet the following seven (7) conditions in order to avoid maintaining full custody and be subject to the surprise exam requirement:

1. The Client provides an instruction to the qualified custodian, in writing, that includes the Client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The Client authorizes Excel, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.

3. The Client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the Client's authorization and provides a transfer of funds notice to the Client promptly after each transfer.
4. The Client has the ability to terminate or change the instruction to the Client's qualified custodian.
5. Excel has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the Client's instruction.
6. Excel maintains records showing that the third party is not a related party nor located at the same address as Excel.
7. The Client's qualified custodian sends the Client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## **Item 16: Investment Discretion**

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### **Discretionary Authority for Trading**

If applicable, Client will authorize Excel discretionary authority, via the advisory agreement, to manage securities accounts on behalf of Clients. Excel has the authority to determine, without obtaining specific Client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. If however, consent for discretion is not given, Excel will obtain prior Client approval before executing each transaction.

Excel allows a Client to place certain restrictions on the buying and selling of investment vehicles, as outlined in the Client's Investment Policy Statement or similar document. Such restrictions could include only allowing purchases of socially conscious investments. These restrictions must be provided to Excel in writing.

The Client approves the custodian to be used and the commission rates paid to the custodian. Excel does not receive any portion of the transaction fees or commissions paid by the Client to the custodian.

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

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### **Proxy Votes**

Excel does not vote proxies on securities; Clients are expected to vote their own proxies. Clients will receive their proxies directly from the custodian of their accounts or from a transfer agent.

When assistance on voting proxies is requested, Excel will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## **Item 18: Financial Information**

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### **Balance Sheet**

A balance sheet is not required to be provided because Excel does not serve as a custodian for Client funds or securities and Excel does not require prepayment of fees of more than \$1,200 per Client or six (6) months or more in advance.

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### **Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

Excel experienced reduced revenue due to the Coronavirus pandemic. To address this issue, and help ensure ongoing operational stability for its clients, Excel applied for a Paycheck Protection Program loan in May 2020, which was approved. Excel has met all operating requirements and anticipates no impact to its ability to meet its client obligations.

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### **Bankruptcy Petitions during the Past Ten Years**

Neither Excel nor its management has had any bankruptcy petitions in the last ten years.