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Firm Contact: Wayne Smith, III, CCO

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## **Firm Brochure (Form ADV Part 2A)**

March 2024

This brochure provides information about the qualifications and business practices of Insight Wealth Partners, LLC. If you have any questions about the contents of this brochure, please contact by telephone at 972.543.4800 or email at [info@insightwp.com](mailto:info@insightwp.com). 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 Insight Wealth Partners, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD # 153635.

Please note that the use of the term "registered investment adviser" and description of Insight Wealth Partners, LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and its employees.

Dear Valued Client:

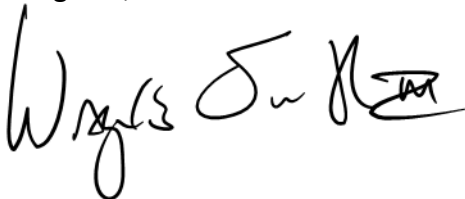
Thank you for choosing Insight Wealth Partners, LLC to serve you in your financial planning needs. Our mission is to help you determine and implement a personal wealth strategy that allows you to focus on leading a purposeful, fulfilling life. We appreciate the opportunity to work together with you in achieving your goals.

At IWP, we know that every client is unique and requires a customized approach to financial planning. We also understand that all areas of a client's financial life are highly integrated. That's why we use a thorough and disciplined approach, first to fully understand your goals and what really matters to you, and then to ensure that all areas of your financial life are aligned to realize those goals. As an independent, fee-only investment advisory firm, we only work for you and have no hidden agendas. Our only goal is to help you achieve yours.

As an SEC - Registered Investment Adviser firm, we file a complete disclosure of our advisory business with the SEC on Form ADV. The following disclosure Brochure is Part 2A of this Form ADV. The Brochure provides important information on the services that we offer as well as how we receive compensation for our services. It also gives important details on many other aspects of our advisory business.

If you have any questions regarding the information in this Brochure, please talk to your advisor or contact me directly at 972.543.4800 between 8:30 a.m. and 5:00 p.m. Central time. Again, thank you for allowing us to partner with you in achieving your dreams.

Best Regards,



**Wayne Smith, III, CFP®, CRPC®, CKA®**  
CERTIFIED FINANCIAL PLANNER™ Practitioner  
CHARTERED RETIREMENT PLANNING COUNSELOR<sup>SM</sup>  
CERTIFIED KINGDOM ADVISOR®

Managing Partner | Chief Compliance Officer



## 2. Material Changes

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**Insight Wealth Partners, LLC** is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Since our last annual amendment filing on 02/02/2023, we have the following material change(s) to disclose:

Our firm has clarified in item 5 of this brochure that we make billing adjustments for deposits and withdrawals in excess of \$25,000 during the billing period. Please see item 4 of this brochure for additional information.

Following the acquisition of TD Ameritrade Inc. By Charles Schwab & Co., Inc. our firm has changed our custodial recommendations, please see item 12 and 14 of this brochure for additional information.

Our firm has clarified that in limited circumstances our firm will agree to directly invoice for advisory services, please see item 4 of this brochure for additional information.

Item 14 of this brochure has been updated to disclose the use of paid testimonials and/or endorsements.



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## 4. Advisory Business

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We specialize in the following types of services: Asset management, financial planning and consultations, referrals to third party money managers, and pension consulting. As of 12/31/2023 We manage \$788,319,055 on a discretionary basis and \$1,638,876 on a non-discretionary basis. In addition, we have \$132,393,997 in assets under advisement for a total of \$922,351,928 in Assets Under Administration.

We provide individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed in the State of Texas. Our firm has been in business as an investment adviser since 2010 and is owned as follows:

Owner	Ownership Percentage
David Dryden	20%
Travis Carter	20%
Wayne Smith III	20%
M. Chad Lowe	20%
Ryan Ferguson	20%

### Advisory Services - Financial Advice

#### Comprehensive Personal Financial Planning

We provide a variety of financial planning and consultation services to individuals, families, and other clients regarding the management of their financial resources based upon an analysis of the client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Employer Benefits Analysis, Employer Stock Option Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our financial planning or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney, or other specialist, as necessary for non-advisory related services. For financial planning engagements, we may provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide

our clients with a written summary of our observations and recommendations, as the process is less formal than our planning service. Implementation of the recommendations will be at the discretion of the client.

We charge on an hourly or flat fee basis for financial planning and consultation services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees are \$350 for financial advisors, \$150 per hour for para-planners and \$75 for administrative time.

We generally charge a minimum first-year financial planning or consultation services fee of \$2,500. Annual or ongoing financial planning fees are generally flat fees and typically range from \$1,000 to \$15,000 per year depending upon time and complexity. The client, on an annual basis, can choose to renew their financial planning and consultation services. Annual financial planning and consultation services fees can be paid in advance by direct billing or billed on a quarterly basis and deducted from their managed account.

We generally require the first-year financial planning or consultation services fee in advance. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months of the engagement.

### **Referrals to Third Party Money Managers**

We provide clients with a list of investment advisory services of third-party professional portfolio management firms for the individual management of client accounts. As part of this process, we assist clients in identifying an appropriate third-party money manager. We provide initial due diligence on third party money managers and ongoing reviews of their management of your account.

To assist clients in the selection of a third-party money manager, we typically gather information from the client about their financial situation, investment objectives, and reasonable restrictions they can impose on the management of the account, which are often very limited. It is important to note that we do not offer advice on any specific securities or other investments in connection with this service. Investment advice and trading of securities is only offered by or through the third-party money managers to clients.

We periodically review third party money managers' reports provided to the client, but no less often than on an annual basis. Our associates contact the clients from time to time, as agreed to with the client, to review their financial situation and objectives; communicate information to third party money managers as warranted; and assist the client in understanding and evaluating the services provided by the third-party money manager. The client will be expected to notify us of any changes in his/her financial situation, investment objectives, or account restrictions that could affect their account. The

client may also directly contact the third-party money manager managing the account or sponsoring the program.

We are paid by third party money managers when we refer you to them and you decide to open a managed account. Third party money managers pay us a portion of the investment advisory fee that they charge you for managing your account. Fees paid to us by third party money manager are generally ongoing. All fees we receive from third party money managers and the written separate disclosures made to you regarding these fees comply with Rule 206(4)-3 of the Investment Advisers Act of 1940. The separate written disclosures you need to be provided with include a copy of the third-party money manager's Form ADV Part 2, all relevant Brochures, a Solicitation Disclosure Statement detailing the exact fees we are paid and a copy of the third-party money manager's privacy policy. The third-party money managers we recommend will not directly charge you a higher fee than they would have charged without us introducing you to them.

Third party money managers establish and maintain their own separate billing processes which we have no control over. In general, they will directly bill you and describe how this works in their separate written disclosure documents.

## **Advisory Services - Professional Asset Management**

### **Traditional Portfolio Management**

We provide individualized investment advice and emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds ("ETFs"), options, mutual funds, annuities, 401(k), 403(b), 457 and other public and private securities, investments and/or accounts. Traditional Portfolio Management is our investment strategy based upon Modern Portfolio Theory that comprises both strategic and tactical asset allocation as a core strategy with satellite opportunities using sector rotation or momentum-based modeling. The client's individual investment strategy is tailored to their specific needs and may include some or all the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio regularly and, if necessary, rebalance the portfolio based upon the client's individual needs, stated goals and objectives. Each client can place reasonable restrictions on the types of investments to be held in the portfolio.



<b>Traditional Portfolio Assets Under Management</b>	<b>Annual Percentage of Assets Charge</b>
\$0 - \$250,000	1.50%
\$250,001 - \$750,000	1.25%
\$750,001 - \$1,500,000	1.00%
\$1,500,001 - \$3,000,000	0.85%
\$3,000,001 - \$6,000,000	0.65%
Over \$6,000,000	0.50%

Insurance and/or annuity products may be recommended to certain clients if suitable for the client's particular facts and circumstances. An advisor, in their individual capacity as a licensed insurance agent, may receive a commission for the sale of these products. To the extent that an advisor receives a commission for the sale of an insurance or annuity product, no advisory fees will be charged on the related assets even though they may be a part of the overall investment strategy. In addition, to the extent assets within insurance or annuity products are incorporated into the overall asset management strategy, they will be considered as assets under management which may allow a client to qualify for lower advisory fee rates on all remaining assets under management as outlined in the table above. Please see Item 10 of this Brochure for more information about our firm's licensed representatives and fees generated using insurance products.

### **Synthetic Equity Portfolio Management**

We emphasize continuous and regular account supervision for our Synthetic Equity Strategy Portfolio. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds ("ETFs"), options, mutual funds, annuities, 401(k), 403(b), 457 and other public and private securities, investments, and/or accounts. Synthetic Equity Strategy attempts to mirror the upside momentum of the major market indices while preserving the downside risk exposure by using a heavily weighted fixed-income portfolio combined with advanced options strategies such as puts, calls, and leaps. Each portfolio will be tailored to meet your particular investment goal while utilizing the strategy we've developed. Our strategy is aimed at replicating the upward momentum of the broad equity market while maintaining a higher level of principal stability (relative to traditional equity investments) during periods of decline. Once the appropriate portfolio has been determined, we review the portfolio regularly, and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals and objectives. Each client can place reasonable restrictions on the types of investments to be held in the portfolio.



<b>Synthetic Equity Portfolio Assets Under Management</b>	<b>Annual Percentage of Assets Charge</b>
\$0 - \$300,000	1.95%
\$300,001 - \$1,000,000	1.75%
\$1,000,001 - \$2,000,000	1.50%
\$2,000,001 - \$3,000,000	1.25%
\$3,000,001 - \$5,000,000	1.00%
\$5,000,001 - \$10,000,000	0.75%
Over \$10,000,000	0.50%

Insurance and/or annuity products may be recommended to certain clients if suitable for the client's particular facts and circumstances. An advisor, in their individual capacity as a licensed insurance agent, may receive a commission for the sale of these products. To the extent that an advisor receives a commission for the sale of an insurance or annuity product, no advisory fees will be charged on the related assets even though they may be a part of the overall investment strategy. In addition, to the extent assets within insurance or annuity products are incorporated into the overall asset management strategy, they will be considered as assets under management which may allow a client to qualify for lower advisory fee rates on all remaining assets under management as outlined in the table above. Please see Item 10 of this Brochure for more information about our firm's licensed representatives and fees generated using insurance products.

### **Pension Consulting**

We provide pension consulting services to employer plan sponsors. Generally, such pension consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include investment options, plan structure and participant education.

All pension consulting services shall follow the applicable State law(s) regulating the services provided by this Agreement. This section applies to an Account that is a pension or other employee benefit plan (a "Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in section 1 of the Pension Consulting Agreement).

Client represents that (i) Adviser's appointment and services are consistent with the Plan documents, (ii) Client has furnished Adviser true and complete copies of all documents establishing and governing the Plan and evidencing your authority to retain Adviser. Client further represents that he/she/it will promptly furnish Adviser with any amendments to the Plan, and Client agrees that, if any amendment affects our rights or obligations, such amendment will be binding on Adviser only with our prior written

consent. If the Account contains only a part of the assets of the Plan, Client understands that Adviser will have no responsibilities for the diversification of all the Plan's investments, and Adviser will have no duty, responsibility or liability for the assets that are not in the account. If ERISA or other applicable law requires bonding with respect to the assets in the account, Client will obtain and maintain at his/her/its expense bonding that satisfies this requirement and covers Adviser and any of our affiliates.

Pension Assets Monitored	Annual Percentage of Assets Charge
\$0 - \$1,000,000	1.00%
\$1,000,001 - \$5,000,000	0.75%
\$5,000,001 - \$20,000,000	0.75% - 0.50%
\$20,000,001 - \$100,000,000	0.50% - 0.25%
Over \$100,000,000	0.20%

Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. Fees will be adjusted for deposits and withdrawals of \$25,000 or more made during the quarter and will be deducted from your managed account. In limited instances our firm will agree to direct billing as an option to our asset management clients. As part of this process, you understand and acknowledge the following:

- Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory fees paid to us;
- You provide authorization permitting us to be directly paid by these terms. We send our invoice directly to the custodian; and
- If we send a copy of our invoice to you, it will include a legend urging you to compare information provided in our statement with those from the qualified custodian.

## 5. Fees and Compensation

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Please refer to section 4 of this Brochure for a description of our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you. Our fees are negotiable in certain circumstances.

Clients will incur transaction charges for trades executed by their chosen custodian via individual transaction charges. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Charles Schwab & Co., Inc. ("Schwab") does not charge transaction fees for U.S. listed equities and exchange traded funds. Fidelity Brokerage Services ("Fidelity") eliminated transaction fees for U.S. listed equities and exchange traded funds for clients who opt into electronic



delivery of statements or maintain at least \$1 million in assets at Fidelity. Clients who do not meet either criteria will be subject to transaction fees charged by Fidelity for U.S. listed equities and exchange traded funds.

Clients may also pay holdings charges imposed by their custodian for certain investments, as well as charges imposed directly by a mutual fund, index fund, or exchange-traded fund, which shall be disclosed in the fund's prospectus (e.g., fund management fees, distribution fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from custodian, wire transfer fees, and other fees and taxes on brokerage accounts and securities transactions). Our firm does not receive a portion of these fees.

Please see Item 10 of this Brochure for more information about fees generated using insurance and annuity products.

We charge our advisory fees quarterly in advance on all assets that are considered part of the advisor's investment strategy, which may include cash, illiquid securities, and other alternative investments. If you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

Financial Planning clients may terminate their agreement at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated at the hourly rate disclosed in the signed consulting agreement. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

We do not sell securities for a commission. To sell securities for a commission, we would need to have our associated persons registered with a broker-dealer. We have chosen not to do so.

## 6. Performance-Based Fees & Side-By-Side Management

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We do not charge performance fees to our clients.

## 7. Types of Clients and Account Requirements

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We offer advisory services to the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;



- Pension and Profit-Sharing Plans;
- Corporations, limited liability companies and/or other business types.

Our requirements for opening and maintaining accounts or otherwise engaging us:

- We do not require a minimum account balance for our Portfolio Management services, but we require a minimum annual advisory fee of \$1,000 for accounts under management. Generally, this minimum advisory fee requirement is negotiable.
- We generally charge a minimum first-year fee of \$2,500 for financial planning services.

## 8. Methods of Analysis, Investment Strategies, and Risk of Loss

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### *Methods of Analysis*

- **Charting:** In this type of technical analysis, we review charts of market and security activity to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.
- **Cyclical Analysis:** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.
- **Fundamental Analysis:** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.
- **Technical Analysis:** We analyze past market movements and apply that analysis to the present to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.



## *Investment Strategies we use*

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

- **Cash & Cash Equivalents:** Cash & Cash Equivalents generally refer to either United States Dollars or highly liquid short-term debt instruments such as but not limited to, treasury bills, bank CD's and commercial papers. Generally, these assets are considered nonproductive and will be exposed to inflation risk as well as considerable opportunity cost risk. Further it is important to note that investments in Cash & Cash Equivalents will generally return less than the advisory fee charged by our firm. Our firm will from time to time use Cash and Cash Equivalents as part of our clients' asset allocation when deemed appropriate, such as but not limited to, when employing the Traditional Portfolio Management strategy.

The use of Cash and Cash Equivalents is an integral part of the Synthetic Equity Portfolio Management strategy. When we believe that a market decline or asset class decline may occur, we may consider holding a larger Cash & Cash equivalent position. This may allow us to potentially invest in assets at a lower price. It is important to note that our firm considers Cash and Cash Equivalents as an asset class when we tactically allocate a portion of our client's assets to a cash position; we consider this position actively managed and bill on these positions according to the agreed upon fee for our advisory services.

- **Long-Term Purchases:** When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell. Typically, we employ this sub-strategy when we believe the securities to be undervalued; and/or we want exposure to an asset class over time, regardless of the current projection for this class. The potential risks associated with this investment strategy involve a lower-than-expected return, for many years in a row. Lower-than-expected returns that last for a long time and/or that are severe in nature would have the impact of dramatically lowering the ending value of your portfolio, and thus could significantly threaten your ability to meet financial goals.



- **Short-Term Purchases:** When utilizing this strategy, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. The potential risk associated with this investment strategy is associated with the currency or exchange rate. Currency or exchange rate risk is a form of risk that arises from the change in price of one currency against another. The constant fluctuations in the foreign currency in which an investment is denominated vis-à-vis one's home currency may add risk to the value of a security. Currency risk is greater for shorter term investments, which do not have time to level off like longer term foreign investments.
- **Trading:** We may purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this to take advantage of our predictions of brief price swings. Trading involves risk that may not be suitable for every investor and may involve a high volume of trading activity. Each trade generates a commission and the total daily commission on such a high volume of trading can be considerable. Active trading accounts should be considered speculative in nature with the objective being to generate short-term profits. This activity may result in the loss of more than 100% of an investment. However, lack of trading does not indicate that there is not active management of the portfolio. Lack of trading of positions may indicate a desire for a long-term hold on a given security, or that conditions for the continued growth of the investment still exist. In addition, current tax circumstances and laws may influence whether a security is bought or sold.
- **Short Sales:** We may borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit. The two primary perceived risks of short selling are that in the long term, markets trend upward and short selling can expose investors to potentially unlimited risk. Due to the “upside gap”, sellers risk not being able to react until after a significant loss has already been incurred.
- **Margin Transactions:** We may purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash and allows us to purchase stock without selling other holdings. Margin accounts and transactions are risky and not necessarily for every client. The potential risks



associated with these transactions are (1) You can lose more funds than are deposited into the margin account; (2) the force sale of securities or other assets in your account; (3) the sale of securities or other assets without contacting you; and (4) you may not be entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.

- **Option Writing:** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative because it derives its value from an underlying asset. The two types of options are calls and puts. A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires. A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires. We will use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio. We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price. We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors. The potential risks associated with these transactions are that (1) all options expire. The closer the option gets to expiration, the quicker the premium in the option deteriorates; and (2) Prices can move very quickly. Depending on factors such as time until expiration and the relationship of the stock price to the option's strike price, small movements in a stock can translate into big movements in the underlying options.

### *Risk of Loss*

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease, and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments at our chosen custodians. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk



conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to Portfolio Management services, as applicable.

## 9. Disciplinary Information

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We do not have legal or disciplinary events material to client's or prospective client's evaluation of our advisory business or the integrity of our management.

## 10. Other Financial Industry Activities and Affiliations

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Representatives of our firm are licensed insurance agents. Insurance and/or annuity products may be recommended to clients with specific client circumstances. Because of these transactions, our representatives receive normal and customary commissions. In addition to the generated commissions, some insurance carriers or brokers may also pay for travel to conferences, reimburse expenses associated with the sale of insurance products and/or compensate our representatives in addition to generated commissions for meeting certain production goals. As such, a conflict of interest exists as these commissionable sales and additional compensation create an incentive to recommend products based on the compensation earned and the individual's production quota. The recommendation of these insurance or annuity products will only be made if suitable for the client. Clients are under no obligation to purchase any of these products and are free to seek out similar products sold by other carriers.

Insurance and/or annuity fees may be higher or lower than what the client currently pays as part of our Traditional Portfolio Management or Synthetic Equity Portfolio Management service. To the extent that an advisor receives a commission for the sale of an insurance or annuity product, no advisory fees will be charged on the related assets even though they may be a part of an overall investment strategy. In addition, to the extent assets within insurance or annuity products are incorporated into the overall asset management strategy, they will be considered as assets under management which may allow a client to qualify for lower advisory fee rates on all remaining assets under management.

Since we may recommend or select other third-party investment advisers for our clients and receive compensation directly or indirectly from those advisers, or have other business relationships with those advisers, please refer to Item 4 of this Brochure for a description of these practices, a discussion of the conflicts of interest these practices create, and how we address them.





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

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In accordance with and pursuant to SEC rule 204A-1, we recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>1</sup>. To monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all our associates.

Furthermore, our firm has established a Code of Ethics which applies to all our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients always. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws always. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Neither our firm nor a related person recommends, buys or sells for client accounts, securities in which our firm or a related person has a material financial interest without prior disclosure to the client.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.



ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Likewise, related persons of our firm buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day unless included in a block trade.

## 12. Brokerage Practices

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Our firm does not maintain custody of client assets (although our firm may be deemed to have custody of client assets if give the authority to withdraw assets from client accounts. See Item 15 Custody, below). Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Our firm recommends that clients use the Schwab Advisor Services division of Charles Schwab & Co. Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC as well as Fidelity Institutional Wealth Services ("FIWS") through Fidelity Brokerage Services LLC, registered broker-dealers with FINRA/SIPC as the qualified custodians. Our firm is independently owned and operated, and not affiliated with Schwab or FIWS. Schwab and FIWS will hold client assets in a brokerage account and buy and sell securities when instructed. While our firm recommends that clients use Schwab or FIWS as custodian/broker, clients will decide whether to do so and open an account with Schwab or FIWS by entering into an account agreement directly with them. Our firm does not open the account.

As part of the arrangement described above, Schwab and/or FIWS also makes certain research and brokerage services available at no additional cost to our firm. These services include certain research and brokerage services, including research services obtained by Schwab and/or FIWS directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by Schwab and/or FIWS to our firm may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by Schwab and/or FIWS to our firm in the performance of our investment decision-making responsibilities. The research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.



Because of receiving the services discussed above of this Firm Brochure for no additional cost, we have an incentive to continue to use or expand the use of Schwab's and/or FIWS' services. Our firm examined this potential conflict of interest when we chose to enter the relationship with Schwab and/or FIWS and we have determined that the relationship is in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution.

Schwab and/or FIWS charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for debt securities transactions). However, Schwab recently eliminated transaction fees for U.S. listed equities and exchange traded funds. FIWS also recently eliminated transaction fees for U.S. listed equities and exchange traded funds for clients who opt into electronic delivery of statements or maintain at least \$1 million in assets at Fidelity. Schwab and/or FIWS enable us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Schwab's and/or FIWS's commission rates are generally discounted from customary retail commission rates. The commission and transaction fees charged by Schwab and/or FIWS's may be higher or lower than those charged by other custodians and broker-dealers.

Clients may pay a commission to Schwab and/or FIWS that is higher than another qualified broker dealer might charge to execute the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

In certain circumstances, our firm may utilize the brokerage services provided by Northern Capital Securities Corporation ("Northern Capital"), member FINRA/SIPC, and RBC Correspondent Services, a division of RBC Capital Markets, LLC ("RBC"), member NYSE/FINRA/SIPC. Neither Northern Capital nor RBC are affiliated with our firm or its representatives. As the introducing broker, Northern Capital shall transmit fixed income orders to RBC for the execution of trades. Northern Capital will clear these transactions in an RBC broker-dealer account established in the name of our firm and designated for our client accounts established at Schwab and/or FIWS.

Our firm will transmit the details for each transaction to Northern Capital to be executed through RBC, including, but not limited to, the client account name and number, contract amount, the security involved, the number of shares or units, and whether the transaction was a long or short sale or a purchase. Factors considered in using Northern Capital to effect trades in client accounts include potentially better trade price execution, research and trade recommendations, individual holdings monitoring and alerts, economic and sector updates, etc. Our firm does not receive compensation from



Northern Capital or RBC, nor are we under any obligation to use their services. Schwab and/or FIWS may charge “trade away” fees to the client for allowing a third party to effect trades in the account, which may potentially result in a higher cost of the transaction for the client. We will only use a third party if we determine in good faith that the additional “trade away” fees are reasonable in relation to the value obtained by placing the trade through the third-party broker.

Although the investment research products and services that may be obtained by our firm will generally be used to service all our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client’s account.

Our firm does not receive soft dollars in excess of what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The safe harbor research products and services obtained by our firm will generally be used to service all our clients but not necessarily all at any one particular time..

### ***Educational & Due Diligence Travel Reimbursements***

Our representatives will occasionally receive reimbursements to cover travelling costs while attending industry educational conferences. These reimbursements are often provided by the products sponsors or vendors who stand to benefit from our use of their products being evaluated. Such payments are not in any way contingent upon our use of their products and our advisors will continue to act as fiduciaries in our clients’ best interests.

As a fiduciary, we have an obligation to obtain "best execution" of clients' transactions under the circumstances of the particular transaction. Consequently, notwithstanding the safe harbor provided under Section 28(e), no allocation for soft dollar payments shall be made unless best execution of the transaction is reasonably expected to be obtained.

Our firm does not receive brokerage commissions or fees for client referrals. Neither we nor any of our firm’s related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are executed.

### ***Special Considerations for ERISA Clients***

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the



exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

### *Special Considerations for Sub-Advisory Management Clients*

- a. We select brokers and dealers for any purchase or sale of assets of Client Accounts and are responsible for obtaining best execution for transactions. Consistent with this idea, we may, in the allocation of portfolio brokerage business and the payment of brokerage commissions, consider the brokerage and research services furnished to the Sub-Adviser by brokers and dealers, in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended. Such research generally will be used to service all our clients, but brokerage commissions paid by the Client Accounts may be used to pay for research that is not used in managing the Client Accounts.
- b. Should a Client direct in writing that the Adviser or our firm use a specific broker or dealer, then such Client will negotiate terms and arrangements for their Account with that broker or dealer and we will not seek better execution services or prices from other broker-dealers. As a result, such Client Account may pay higher commissions or greater spreads, or receive less favorable net prices, on transactions for the Client Account than would otherwise be the case.
- c. Adviser and our firm are not responsible or liable for the acts or omissions of any broker-dealer.

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

## 13. Review of Accounts or Financial Plans

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We review client portfolios regularly for our clients subscribing to the following services: Traditional Portfolio Management, Synthetic Equity Portfolio Management, and Pension Consulting. Third Party Money Management clients also receive regular reviews. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market



conditions, and investment policies, if applicable. Only our Financial Advisors or Portfolio Managers will conduct reviews. Clients will have daily access to account summaries and performance reports online.

Financial planning clients will not receive reviews of their plans unless they opt for our annual financial planning service. We would contact the client to discuss updates to their plans, changes in their circumstances, etc. and provide an updated plan on an annual basis. We may set up an account with eMoney Advisor online which offers clients increased visibility of their accounts and overall financial situation. Clients will be able to view their aggregate account data, have secure document storage, and view presentations to provide analyses of their investments and financial planning services. Basic account access is available to all active advisory clients. Clients who have also engaged in our annual financial planning services will receive integrated financial planning and overall wealth management advice and service in addition to basic account access.

## 14. Client Referrals and Other Compensation

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Our firm receives economic benefit from Schwab in the form of the support products and services made available to our firm and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability of Schwab’s products and services is not based on our firm giving particular investment advice, such as buying particular securities for our clients.

We may also execute or recommend that clients execute their securities transactions through Fidelity Institutional Wealth Services (“FIWS”) through Fidelity Brokerage Services LLC, registered broker-dealers with FINRA/SIPC.

FIWS may charge commissions (ticket charges) for executing our transactions. We do not receive any part of these separate charges, which are assessed directly to you. FIWS does not have a role with respect to our investment advisory accounts; however, they may serve as the broker-dealer in cases where clients wish to execute recommendations as part of the implementation of a financial plan. It is important to note that FIWS does not maintain supervisory relationships with respect to us or our representatives nor are they in any way affiliated with it. We are independently owned and operated.

We may recommend/require that clients establish accounts with FIWS to maintain custody of clients’ assets and to effect trades for their accounts. FIWS may provide us with access to their institutional trading and custody services, which are typically not available to FIWS retail investors. FIWS’s services include brokerage custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.



For our firm's Clients' accounts maintained in their custody, FIWS does not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees or securities trades that are executed through FIWS or that settle into FIWS. FIWS may charge an annual fee to custody non-standard assets such as private investments and non-publicly traded real estate investment trusts.

FIWS also makes available to us other products and services that may benefit us. These types of services will help us in managing and administering client accounts. These include software and other technology that provide access to client account data (i.e., trade confirmations and account statements); facilitate trade executions; provide research, pricing information, and other market data; facilitate in the payment of our fees from our clients' accounts; and assist with back-office functions, record-keeping, and client reporting. Many of these services may be used to service all or a substantial number of our accounts.

We may also execute or recommend/require that clients execute their securities transactions through Northern Capital or RBC.

Northern Capital or RBC does not have a role with respect to our investment advisory accounts; however, they may serve as the broker-dealer in cases where clients wish to execute recommendations as part of the implementation of a financial plan. It is important to note that Northern Capital does not maintain supervisory relationships with respect to us or our representatives nor are they in any way affiliated with it. We are independently owned and operated.

We place trades for our Clients' accounts subject to our duty to seek best execution and other fiduciary duties. We may use broker-dealers other than FIWS to execute trades for client accounts maintained at FIWS, but this practice may result in additional costs to clients so that we are more likely to place trades through FIWS rather than other broker-dealers. FIWS's execution quality may be different from other broker-dealers.

### *Additional Compensation/Services*

You should further be aware that we receive research and execution related services from the parties mentioned above to assist us in managing accounts. These services and products would include financial publications, pricing information and other products or services. Such research and execution related services are offered to all investment advisors who utilize these firms. The commissions charged by these parties may be higher than those charged by a broker who does not provide the research and execution related services.

Because receiving such services for no additional cost, we have an incentive to continue to use or expand the use of Schwab, FIWS, Northern Capital, or RBC's services. We examined this potential conflict of interest when we chose to enter the relationship with Schwab, FIWS, Northern Capital, and RBC and





have determined that the relationships are in the best interests of our clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to execute the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Neither are we, Schwab, FIWS, Northern Capital, nor RBC affiliates. No broker-dealer affiliated with us is involved in the relationship between us and Schwab, FIWS, Northern Capital, or RBC.

Finally, one or more Investment Advisor Representatives may receive asset allocation advice, from time to time, from one of several product sponsors. This advice can create a conflict of interest by influencing the representative to use the investment products from that fund sponsor. If the fund sponsors investment products are used, this conflict of interest will be managed by conducting due diligence on the investments used to ensure that they meet the investment needs of the client. Relative fund performance and principles guiding investment decisions will be among the factors used to evaluate the appropriateness of the funds.

### ***Product Sponsor Funded Events***

Various product wholesalers provide financial assistance to allow us to sponsor client educational seminars, or attend such seminars hosted by the product sponsor. This money is not directly tied to our use of their products, nor it is contingent upon any future business to be directed to their products, nonetheless it creates a conflict of interest that may incentivize us to utilize their products. Our firm will adhere to our fiduciary duty to act in our client's best interest when selecting what products to use in client accounts.

### ***Referral Fees***

In accordance with Rule 206 (4)-1 of the Investment Advisers Act of 1940, our firm provides cash or non-cash compensation directly or indirectly to unaffiliated persons for testimonials or endorsements (which include client referrals). Such compensation arrangements will not result in higher costs to the referred client. In this regard, our firm maintains a written agreement with each unaffiliated person that is compensated for testimonials or endorsements in an aggregate amount of \$1,000 or more (or the equivalent value in non-cash compensation) over a trailing 12-month period in compliance with Rule 206





(4)-1 of the Investment Advisers Act of 1940 and applicable state and federal laws. The following information will be disclosed clearly and prominently to referred prospective clients at the time of each testimonial or endorsement:

- Whether or not the unaffiliated person is a current client of our firm,
- A description of the cash or non-cash compensation provided directly or indirectly by our firm to the unaffiliated person in exchange for the referral, if applicable, and
- A brief statement of any material conflicts of interest on the part of the unaffiliated person giving the referral resulting from our firm's relationship with such unaffiliated person.

In cases where state law requires licensure of solicitors, our firm ensures that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If our firm is paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

## 15. Custody

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### *Deduction of Advisory Fees*

While we do not maintain physical custody of client assets (which are maintained by a qualified custodian, as discussed above), we are deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts, as further described below under "Third Party Money Movement." All our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

### *Third Party Money Movement*

On February 21, 2017, the SEC issued a no-action letter ("Letter") with respect to Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodians:



- 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.
- The client authorizes the investment adviser, 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.
- 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.
- The client can terminate or change the instruction to the client's qualified custodian.
- The investment adviser 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.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## 16. Investment Discretion

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We maintain discretion over our clients' accounts. To give us discretionary authority our clients must sign a discretionary investment advisory agreement. This type of agreement only applies to our Traditional Portfolio Management and Synthetic Equity Portfolio Management clients. We do not take or exercise discretion with respect to our other clients.

## 17. Voting Client Securities

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Our firm does not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. If proxies are sent to our firm, our firm will forward them to the appropriate client and ask the party who sent them to mail them directly to the client in the future. In the case where our firm receives a duplicate proxy for a client, our firm will confirm that it is a duplicate proxy, destroy the duplicate proxy, and ask the party who sent them to discontinue sending duplicates to our firm in the future. Clients may call, write or email us to discuss questions they may have about proxy votes or other solicitations.

Third party money managers selected or recommended by our firm may vote proxies for clients. Therefore, except in the event a third-party money manager votes proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Therefore (except for proxies that may be voted by a third-party money manager), our firm and/or the

client shall instruct the qualified custodian to forward to copies of all proxies and shareholder communications relating to the client's investment assets.

## 18. Financial Information

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We do not require, nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Our firm does not take custody of client funds or securities. Therefore, we have not included a balance sheet for our most recent fiscal year. We have never been the subject of a bankruptcy petition.

