

**Item 1: Cover Page**  
**Part 2A of Form ADV: Firm Brochure**  
**March 2024**

**Summit Wealth Strategies**

**16020 Swingley Ridge Road, Suite 110**  
**Chesterfield, MO 63017**

**Firm Contact: Trish Koontz**  
**Chief Compliance Officer**

This brochure provides information about the qualifications and business practices of Summit X, LLC doing business as Summit Wealth Strategies and Young Wealth Management Group. If clients have any questions about the contents of this brochure, please contact us at 636-532-0088 or [tkoontz@swsllc.com](mailto:tkoontz@swsllc.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 our firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #282502.

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

## **Item 2: Material Changes**

Summit Wealth Strategies is required to make clients aware of information that has changed since the last annual update to the Firm Brochure ("Brochure") and that may be important to them. Clients can then determine whether to review the brochure in its entirety or to contact us with questions about the changes.

Since our firm's last annual amendment with the SEC on 03/29/2023, we have updated Item 14 to disclose Brent Spicuzza's role with Summit Bancshares, Inc. as Secretary. This offering is currently closed. We also clarified our block trade policy in Item 11 which includes our Allocation Statement (method of allocating shares that have been traded in blocks to achieve equitable treatment among all those participating in the aggregate order.)

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## **Item 4: Advisory Business**

Our firm is dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed under the laws of the State of Missouri in 2015 and has been in business as an investment adviser since 2016. Our firm is owned by Michael Ott (43.12%), Brent Spicuzza (43.12%), Peter Donovan (11.76%), Carlton Dick (1.00%), and Kayla Nieman (1.00%).

Our firm provides asset management and investment consulting services for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. As a fiduciary it is our duty to always act in the client's best interest. This is accomplished in part by knowing the client. Our firm has established a service-oriented advisory practice with open lines of communication. Working with clients to understand their investment objectives while educating them about our process, facilitates the kind of working relationship we value.

### **Types of Advisory Services Offered**

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#### **Asset Management**

As part of our Asset Management service, a portfolio is created, consisting of individual stocks, bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments as well as fixed annuities. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Portfolios will be designed to meet a particular investment goal, determined to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the client's individual needs, stated goals and objectives.

#### **Financial Planning & Consulting**

Our firm provides a variety of standalone financial planning and consulting services to clients for the management of financial resources based upon an analysis of current situation, goals, and objectives. Financial planning services will typically 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 Investment Planning, Retirement Planning, Estate 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, or Business and Personal Financial Planning.

Written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. Implementation of the recommendations will be at the discretion of the client. Our firm provides clients with a summary of their financial situation, and observations for financial planning engagements. Financial consultations are not typically accompanied by a written summary of observations and recommendations, as the process is less formal than the planning service. Assuming that all the information and documents requested from the client are provided promptly, plans or consultations are completed within six (6) months of the client signing a contract with our firm.

#### **Retirement Plan Consulting**

Our firm provides retirement plan consulting services to employer plan sponsors on an ongoing basis. Generally, such 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. Retirement Plan Consulting services typically include:

- Establishing an Investment Policy Statement – Our firm will assist in the development of a statement that summarizes the investment goals and objectives along with the broad strategies to be employed to meet the objectives.
- Investment Options – Our firm will work with the Plan Sponsor to evaluate existing investment options and make recommendations for appropriate changes.
- Asset Allocation and Portfolio Construction – Our firm will develop strategic asset allocation models to aid Participants in developing strategies to meet their investment objectives, time horizon, financial situation and tolerance for risk.
- Investment Monitoring – Our firm will monitor the performance of the investments and notify the client in the event of over/underperformance and in times of market volatility.

In providing services for retirement plan consulting, our firm does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”). All retirement plan consulting services shall be in compliance with the applicable state laws regulating retirement consulting services. This applies to client accounts that are retirement or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the client accounts are part of a Plan, and our firm accepts appointment to provide services to such accounts, our firm acknowledges its fiduciary standard within the meaning of Section 3(21) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

### **Referrals to Third-Party Money Managers (“TPMM”)**

Our firm utilizes the services of a third-party money managers for the management of client accounts. Our firm will remain as the investment adviser. Clients’ delegated discretionary authority allows us to engage TPMMs to implement the strategies selected by the client. Certain TPMM require a direct relationship with the client. In these cases, managers are typically selected by the TPMM. Our firm will provide initial due diligence on third-party money managers and ongoing reviews of their management of client accounts. In order to assist in the selection of a third-party money manager, our firm will gather client information pertaining to financial situation, investment objectives, and reasonable restrictions to be imposed upon the management of the account. We have a contract with Morningstar Investment Services, Inc., City National Rochdale, BlackRock, AssetMark, and other third-party money managers.

Our firm will review third-party money manager reports provided to the client at least annually. Our firm will contact clients from time to time in order 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. Clients will be expected to notify our firm of any changes in their financial situation, investment objectives, or account restrictions that could affect their financial standing.

### **Tailoring of Advisory Services**

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Our firm offers individualized investment advice to our Asset Management clients. General investment advice will be offered to our Financial Planning & Consulting, non-managed Retirement Plan Consulting, and Referrals to Third-Party Money Management clients.

Each Asset Management client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

### **Participation in Wrap Fee Programs**

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Our firm does not offer or sponsor a wrap fee program.

### **Regulatory Assets Under Management**

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As of December 31, 2023, our firm manages \$787,662,174 on a discretionary basis and \$2,882,870 on a non-discretionary basis. Our total assets under management is \$790,545,044.

## **Item 5: Fees & Compensation**

### **Compensation for Our Advisory Services**

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#### **Asset Management**

<b>Assets Under Management</b>	<b>Annual Percentage of</b>
\$0 to \$4,999,999.99	Up to 2.0%
Over \$5,000,000	1.00%

In addition to the advisory fees listed above, our firm charges an annual fee of up to \$45 per account for performance reporting. Fees to be assessed will be outlined in the advisory agreement to be signed by the client. The first payment will be based on the opening market value of the account and will be pro-rated to cover the period from the date the account is opened through the end of that calendar quarter. Thereafter, annualized fees are billed on a pro-rata basis quarterly in advance based on the value of the account(s) on the last day of the previous quarter. Our fees are based on the full account value which includes any cash portion. Fees are negotiable and will be deducted from client account(s). In rare cases, our firm will agree to direct bill clients. As part of this process, you understand and acknowledge the following:

The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;

- Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
- If our firm sends a copy of our invoice to the client, legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

#### **Financial Planning & Consulting**

Our firm charges an hourly or monthly flat fee for financial planning and consulting services. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. The maximum hourly fee to be charged will not exceed \$250 and special project-based planning fees are generally \$10,000 but will not exceed \$40,000. Our monthly flat fee financial planning packages are described below:

<b>Financial Planning Packages</b>		
<b>Package Details</b>	<b>\$100/mo</b>	<b>\$200/mo</b>
Financial Plan	✓	✓
Riskalyze	✓	✓
Savings Summary + Peer Comparison	✓	✓
Asset Map Technology	✓	✓
Advanced Planning	✓	✓
Asset Allocation	✓	✓
Beneficiary / Titling		✓
Social Security / Pension		✓
Personal Financial Website		✓
Hours of Annual Support	2	4

Our firm will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

#### **Retirement Plan Consulting**

Our Retirement Plan Consulting services are billed on an hourly or flat fee basis or a fee based on the percentage of Plan assets under management. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. The maximum hourly fee to be charged will not exceed \$250. Our flat fees range from \$250 to \$5,000. Fees based on a percentage of managed Plan assets will not exceed 1.50%. The fee-paying arrangements will be determined on a case-by-case basis and will be detailed in the signed consulting agreement.

#### **Referrals to Third-Party Money Managers and Fixed Annuities**

The total annual advisory fee for this service shall not exceed 2.00%. Third-party manager fees may depend on our ability to negotiate those fees. When we are able, we work to achieve the best fees we can negotiate for the client. When you engage with AssetMark directly, clients will be provided with a copy of their Form ADV Part 2, all relevant brochures and privacy policy. All fees that our firm receives from AssetMark and disclosures made to clients regarding these fees are provided by Assetmark. A portion of the fee you pay AssetMark will be paid to us. Rochdale and BlackRock accounts will be charged separately by both our firm and the selected manager. The client enters into a separate service agreement with Rochdale and BlackRock and will receive their Forms ADV and important disclosure documents directly from the managers. Morningstar accounts are sub-advised and we will bill your account for the total advisory fee, part of which is paid to Morningstar for servicing your accounts. For more information about Morningstar's managed program please contact our office. Other third-party money managers will deduct their fees directly from the client account at the custodian.

Additionally, if in the clients' best interest, we recommend fixed annuities. We earn customary fees from the addition of these annuities to client portfolios which can be found in the annuity contract. To mitigate a conflict of interest created by these fees SWS advisors provide clients with multiple options, if client qualifies, in their financial plan or strategy and full disclosure of their advisor's fees. We do not charge our advisory fees on any annuity product.

## **Other Types of Fees & Expenses**

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Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our firm's advisory fees and will be disclosed by the chosen custodian. Clients may also pay charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees, initial or deferred sales charges, mutual fund sales loads, 12b-1 fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, and other fund expenses). Our firm does not receive any portion of these fees.

## **Termination & Refunds**

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Either party may terminate the advisory agreement signed with our firm for Asset Management service in writing at any time. Upon receipt of notice of transfer of assets or other mutually agreed upon date our firm will process a pro-rata refund of the unearned portion of the advisory fees charged in advance at the beginning of the quarter.

Financial Planning & Consulting 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 notice of termination shall be calculated at the hourly fee currently in effect. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

Either party to a Retirement Plan Consulting Agreement may terminate at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within 5 business days of signing an agreement. After 5 business days from initial signing, either party must provide the other party 30 days written notice to terminate billing. Billing will terminate 30 days after receipt of termination notice. Clients will be charged on a pro-rata basis, which takes into account work completed by our firm on behalf of the client. Clients will incur charges for bona fide advisory services rendered up to the point of termination (determined as 30 days from receipt of said written notice) and such fees will be due and payable.

## **Commissionable Securities Sales**

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Our firm and representatives do not sell securities for a commission in advisory accounts.

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

Our firm does not charge performance-based fees.

### **Item 7: Types of Clients & Account Requirements**

Our firm does not impose requirements for opening and maintaining accounts or otherwise engaging us and has the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- State or Municipal Government Entities;
- ERISA plans; and
- Corporations, Limited Liability Companies and/or Other Business Types.



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

### Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

#### Fundamental Analysis

Fundamental analysis is a technique that attempts to determine a security's value by focusing on the underlying factors that affect a company's actual business and its future prospects. Fundamental analysis is about using real data to evaluate a security's value. It refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.

The end goal of performing fundamental analysis is to produce a value that we can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short).

In order to perform this fundamental analysis, we use any of the following resources.

- S&P Research
- Riskalyze
- Morningstar
- Financial newspapers and magazines (e.g., Wall Street Journal, Forbes, etc.)
- Annual reports, prospectuses, filings with the Securities and Exchange Commission
- Company press releases and websites

#### Modern Portfolio Theory (MPT)

We use Modern Portfolio Theory to help select the funds we use in your account.

Modern portfolio theory tries to understand the market as a whole, rather than looking for what makes each investment opportunity unique. Investments are described statistically, in terms of their expected long-term return rate and their expected short-term volatility. The volatility is equated with "risk," measuring how much worse than average an investment's bad years are likely to be. The end goal is to identify your acceptable level of risk tolerance, and then to find a portfolio with the maximum expected return for that level of risk.

#### Technical Analysis

Technical Analysis is a technique that attempts to determine a security's value by developing models and trading rules based upon price and volume transformation. Technical analysis assumes that a market's price reflects all relevant information so the analysis focuses on the history of a security's trading behavior rather than external drivers such as economic, fundamental and news events. The practice of technical analysis incorporates the importance of understanding how market participants perceive and act upon relevant information rather than focusing on the information itself. Ultimately, technical analysts develop trading models and rules by evaluating factors such as market trends, market participant behaviors, supply and demand and pricing patterns and correlations.

As with other types of analysis, the predictive nature of technical analysis can vary greatly; models and rules are often modified and updated as new patterns and behaviors develop. Past performance is not an indicator of future return.

## **Cyclical Analysis**

While we do not attempt to time the market, we may use cyclical analysis in conjunction with other strategies to help determine if shifts are required in your investment strategies depending upon long and short-term trends in financial markets and the performance of the overall national and global economy.

## **Investment Strategies We Use**

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The investment strategies we use to implement any investment advice given to you include, but are not limited to:

- Long term purchases - securities held at least a year
- Short term purchases - securities sold within a year
- Trading - securities sold within 30 days
- Short sales
- Margin Transactions
- Option writing, including covered options, uncovered options or spreading strategies.

## **Risk of Loss**

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

A list of all risks associated with the strategies, products and methodology we offer are listed below:

### **Alternative Investment Risk**

Investing in alternative investments is speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:

- Loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices;
- Lack of liquidity in that there may be no secondary market for the fund and none expected to develop;
- Volatility of returns;
- Absence of information regarding valuations and pricing;
- Delays in tax reporting;
- Less regulation and higher fees than mutual funds.

### **Bond Fund Risk**

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields of the risks associated with bond funds include:

- Call Risk - The possibility that falling interest rates will cause a bond issuer to redeem— or call—its high-yielding bond before the bond's maturity date;

- Credit Risk — the possibility that companies or other issuers whose bonds are owned by the fund may fail to pay their debts (including the debt owed to holders of their bonds). Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk;
- Interest Rate Risk — the risk that the market value of the bonds will go down when interest rates go up. Because of this, you can lose money in any bond fund, including those that invest only in insured bonds or Treasury bonds;
- Prepayment Risk — the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off (or "retire") its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

### **Fundamental Analysis Risk**

Fundamental analysis, when used in isolation, has a number of risks:

- There are an infinite number of factors that can affect the earnings of a company, and its stock price, over time. These can include economic, political and social factors, in addition to the various company statistics;
- The data used may be out of date;
- It is difficult to give appropriate weightings to the factors;
- It assumes that the analyst is competent;
- It ignores the influence of random events such as oil spills, product defects being exposed, and acts of God and so on.

### **Mutual Funds Risk**

The following is a list of some general risks associated with investing in mutual funds:

- Country Risk - The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline;
- Currency Risk -The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk;
- Income Risk - The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates;
- Industry Risk - The possibility that a group of stocks in a single industry will decline in price due to developments in that industry;
- Inflation Risk - The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns;
- Manager Risk -The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives;
- Market Risk -The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall;
- Principal Risk -The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

**Overall Risks**

Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund goes up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.

Before you invest, be sure to read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals.

While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you'll need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

**Stock Fund Risk**

Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for particular products or services.

**Technical Analysis Risk**

Technical analysis is derived from the study of market participant behavior and its efficacy is a matter of controversy. Methods vary greatly and can be highly subjective; different technical analysts can sometimes make contradictory predictions from the same data. Models and rules can incur sufficiently high transaction costs.

**Option Trading Risk**

In seeking to enhance performance or hedge assets, we may purchase and sell call and put option in both securities markets and commodity markets. Both the purchasing and selling of call and put options entail risks. Although an option buyer's risk is limited to the amount of the purchase price of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying security. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer on a put option is the price of the underlying security may fall below the exercise price. Successful use of options will depend upon our ability to appropriately manage trading risks.

**Short Selling Risk**

We may engage in short selling of equity index options. Short sales can, in some circumstances, substantially increase the impact of adverse price movements of client accounts. A short sale creates the risk of theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to a client account of buying securities to cover the short position.

**Description of Material, Significant or Unusual Risks**

Our firm generally invests client cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, our firm tries to achieve the highest return on client 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 our Asset Management service, as applicable.

### **Item 9: Disciplinary Information**

SWS prioritizes compliance with regulatory rules and laws under which registered investment advisers must operate. Prior to 2016, based on professional industry advice during a transition between broker-dealer registrations Mr. Spicuzza failed to properly report outside business activities and was fined \$15,000. Heightened supervision and prohibition from supervisory roles conditioned his continued registration with Missouri Securities Division.

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

#### **Purshe Kaplan Sterling Investments, Inc.**

Carlton Dick, Allison Fuehne, Linda Young are registered representatives of Purshe Kaplan Sterling Investments, Inc., member FINRA/SIPC. With this relationship clients of SWS have the opportunity through PKS to purchase products such as variable annuities which would be based on client need and desired results. SWS receives normal and customary commissions. A conflict of interest exists as these commissionable products create an incentive to make recommendations based on the compensation earned by our advisors. To mitigate this conflict, SWS advisors will place will create financial plans or strategies with options they each believe are in their client's best interest, comparable products (if client qualifies), and full disclosure of advisors' compensation.

#### **Insurance Agents**

Representatives of our firm are licensed insurance agents with Ash Brokerage and various other companies. As a result of these transactions, they receive normal and customary commissions. A conflict of interest exists as these commissionable securities sales create an incentive to recommend products based on the compensation earned. To mitigate this potential conflict, our firm will act in the client's best interest and perform due diligence as well as offer multiple, competitive products.

#### **Selection of Third-Party Money Managers**

Please see Item 4 above for more information about the selection of third-party money managers. The compensation paid to our firm by third-party managers may vary, and thus, creates a conflict of interest in recommending a manager who shares a larger portion of its advisory fees over another manager. Prior to referring clients to third-party advisors, our firm will ensure that third-party advisors are licensed or notice filed with the respective authorities. In order to minimize this conflict our firm will make our recommendations/selections in the best interest of our clients.

#### **Summit Bancshares, Inc.**

Summit Bancshares, Inc., a corporation headquartered in Chesterfield, Missouri, is not currently offering for sale by subscription, shares of its common stock. Summit Bancshares, Inc. used the proceeds of the offering to acquire all issued and outstanding shares of a bank located in Houston, Missouri. While Brent Spicuzza acts as secretary of Summit Bancshares, Inc., he does not exercise control or manage Summit Bancshares, Inc. Mr. Spicuzza does not receive compensation for this role. He helped identified the bank as a target for acquisition by Summit Bancshares, Inc. Mr. Spicuzza is a shareholder which presents a conflict of interest. If any advisory client own shares in Summit Bancshares, Inc., he is required as part of Summit Wealth Strategies' Code of Ethics, to give adequate notice to those clients of his intent to trade his shares (if they become liquid). Neither Mr. Spicuzza nor Summit Wealth Strategies and its advisors acted as a placement agent, finder, underwriter, or

broker with respect to the offering. Clients of Summit Wealth Strategies have chosen to invest in the offering at their discretion.

It is important to note that only accredited investors (defined in Rule 501(a) of SEC Regulation D) can be solicited to subscribe to shares of Summit Bancshares, Inc. An investment in the private placement involves a high degree of risk and should be considered only by sophisticated investors able to assume the risks of loss (including the risk of loss of such investor's entire investment) and illiquidity inherent with these types of investments. These offerings do not waive Summit Wealth Strategies' fiduciary duty to its clients or infringe upon any client's right to remedy under state or federal laws.

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

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 at all times. Our fiduciary duty is the underlying principle for our firm's Code of Ethics, which includes procedures for personal securities transaction and insider trading. Our firm requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives 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.

Our firm recognizes that the personal investment transactions of our representatives demand the application of a Code of Ethics with high standards and requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, our firm also believes that if investment goals are similar for clients and for our representatives, it is logical, and even desirable, that there be common ownership of some securities.

In order to prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their personal accounts.<sup>1</sup> In order to monitor compliance with our personal trading policy, our firm has pre-clearance requirements and a quarterly securities transaction reporting system for all of our representatives. 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.

#### **Aggregation of Purchase or Sale and Limit Orders**

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

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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.

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 most equitable to the accounts involved. Since block trading only occurs through Schwab and Fidelity, our Allocation Statement, unless otherwise specifically indicated, shall be the number of shares requested for each client in the block trade, when similar trading price is achieved for fulfilled orders. For unfulfilled orders, allocation shall be proportional to each client's holding of the security being block-traded.

Our advisors utilize placement of limit orders to help achieve desired trading prices for both clients and themselves. The trades may occur in or outside of our employee trading window which are monitored. This important feature was incorporated into our Code of Ethics so that advisors could better meet their obligations to their clients in servicing client accounts while trading in their personal account without putting their interests ahead of clients' best interest.

## **Item 12: Brokerage Practices**

### **Selecting a Brokerage Firm**

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Our firm does not maintain custody of client assets. Client assets must be maintained by a qualified custodian. Our firm seeks to recommend a custodian who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. The factors considered, among others, are these:

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Quality of services

With this in consideration, our firm has arrangements with Fidelity Brokerage Services LLC and National Financial Services LLC (together referred to as "Fidelity") and Charles Schwab & Co., Inc. ("Schwab") (collectively, "Custodians"), both FINRA-registered broker-dealer, member SIPC and qualified custodians from whom our firm is independently owned and operated.

### **Fidelity Services and Brokerage Costs**

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Fidelity offers services to independent investment advisers which includes custody of securities, trade execution, clearance and settlement of transactions. Fidelity enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity does not charge client accounts separately for custodial services. Client accounts will be charged transaction fees, commissions or other fees on trades that are executed or settle into the client's custodial

account. Transaction fees are negotiated with Fidelity and are generally discounted from customary retail commission rates. This benefits clients because the overall fee paid is often lower than would be otherwise.

Fidelity may make certain research and brokerage services available at no additional cost to our firm. Research products and services provided by Fidelity may include: research reports on recommendations or other information about particular companies or industries; economic survey, 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 Fidelity to our firm in the performance of our investment decision-making responsibilities.

Fidelity does not make client brokerage commissions generated by client transactions available for our firm's use. The aforementioned research and brokerage services are used by our firm to manage accounts for which our firm has investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As part of our fiduciary duty to our clients, our firm will endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons creates a potential conflict of interest and may indirectly influence our firm's choice of Fidelity as a custodial recommendation. Our firm examined this potential conflict of interest when our firm chose to recommend Fidelity and have determined that the recommendation is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

Our clients may pay a transaction fee or commission to Fidelity that is higher than another qualified broker dealer might charge to effect the same transaction where our firm determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services provided to the client as a whole.

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. Although our firm will seek competitive rates, to the benefit of all clients, our firm may not necessarily obtain the lowest possible commission rates for specific client account transactions.

### **Custody at Schwab & Brokerage Costs**

Schwab generally does not charge separately for custody services. Schwab is compensated by charging commissions or other fees on trades that it executes or that settle into the account. For some accounts, in addition to what is covered by our advisory fee, Schwab may charge a percentage of the dollar amount of assets in the account in lieu of commissions. Schwab's commission rates and/or asset-based fees applicable to our client accounts were negotiated based on our commitment to maintain a minimum threshold of our clients' assets statement equity in accounts at the Custodians. This commitment benefits the client because the overall commission rates and/or asset-based fees paid are lower than they would be if we had not made the commitment. In addition to commissions or asset-based fees Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the account. These fees are in addition to



the commissions or other compensation paid to the executing broker-dealer. Because of this, in order to minimize trading costs, we have Custodians execute most trades for the client account.

### **Products & Services Available to Us**

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Custodians provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Custodians retail customers. Custodians also makes available various support services. Some of those services help us manage or administer our clients’ accounts while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us as long as we keep a minimum in client assets at Schwab. If we have less, Schwab may charge us quarterly service fees.

### **Services that Benefit Client**

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Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through the Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit clients or their account.

### **Services that May Not Directly Benefit Clients**

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Schwab may also make available to us other products and services that benefit us but may not directly benefit each client or their account(s). These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or some substantial number of our clients’ accounts, including accounts not maintained at the Schwab. In addition to investment research, Schwab also make available software and other technology that:

- Provides access to client account data (such as duplicate trade confirmations and account statements);
- Facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- Provides pricing and other market data;
- Facilitates payment of our fees from our clients’ accounts; and
- Assists with back-office functions, recordkeeping and client reporting.

### **Soft Dollars**

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During our firm’s transition to Fidelity in 2015, we received transition assistance which included software and other technology that provide access to client account data, compliance and/or practice management-related publications, and discounted or gratis UPS delivery and compliance consulting services. These products and services do not incentivize us to recommend Fidelity. Our recommendation of Fidelity to our clients is based on our clients’ interests in receiving best execution and the level of competitive, professional services Fidelity provides. We do not accept products or services that do not qualify for the safe harbor exemption outlined in Section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution. This includes Fidelity and Schwab.

## **Client Brokerage Commissions**

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Custodians do not make client brokerage commissions generated by client transactions available for our firm's use.

## **Client Transactions in Return for Soft Dollars**

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Our firm does not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

## **Brokerage for Client Referrals**

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Our firm does not receive brokerage for client referrals.

## **Directed Brokerage**

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Neither our firm nor any of our firm's representatives have discretionary authority in making the determination of the brokers-dealers and/or custodians with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. Our firm routinely recommends that clients direct us to execute through a specified broker-dealer. Our firm recommends the use of Schwab or Fidelity. Each client will be required to establish their account(s) if not already done. Please note that not all advisers have this requirement.

## **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 in order 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, our firm 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.

## **Client-Directed Brokerage**

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Our firm allows clients to direct brokerage outside our recommendation. Our firm may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, clients may pay higher brokerage commissions because our firm may not be able to aggregate orders to reduce transaction costs, or clients may receive less favorable prices.

## **Aggregation of Purchase or Sale**

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Our firm provides 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 our firm believes 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. Our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day. If related persons' accounts are included in a block trade and any issue with securing the same price as clients occurs, SWS will ensure related persons' accounts are traded last. Block trades requiring a limit order will be allocated in accordance with a predetermined allocation statement to equitably place trades for clients in the model.

### **Item 13: Review of Accounts or Financial Plans**

Our management personnel or financial advisors review accounts on at least an annual basis for our Asset Management and Third-Party Money Management clients. The nature of these reviews is to learn whether client accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Our firm does not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when our Asset Management and Third-Party Money Management clients are contacted.

Our firm may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. Our firm does not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately engage our firm for a post-financial plan meeting or update to their initial written financial plan.

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

Our firm does not pay referral fees to independent solicitors for the referral of clients to our firm in accordance with Rule 206 (4) of the Investment Advisers Act of 1940. Please refer to Item 10 for other industry-related activities which result in other compensation.

### **Item 15: Custody**

#### **Quarterly Statements**

All of our clients receive account statements directly from their qualified custodians at least quarterly upon opening of an account. If our firm decides 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. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

#### **Third-party Money Movement**

The SEC issued a no-action letter ("Letter") with respect to the 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. As such, our firm has adopted the following safeguarding procedures in conjunction with our custodians, Fidelity and Schwab:

- Fidelity's forms, used to establish a standing letter of authorization, include the name and account number on the receiving account and must be signed by the client.
- Fidelity's SLOA forms currently require client's signature.
- Fidelity performs verification on all SLOA forms and sends a transfer of notice to the client promptly following the transaction.
- Clients always have the ability to terminate (or amend) an SLOA in writing.
- Our firm has no authority, or ability, to amend the third-party designated on a standing instruction.
- Our firm maintains records showing the third-party is not a related party of our firm or located at our firm.
- Fidelity notifies the client in writing when a new standing instruction is set up. Clients also receive an annual mailing reconfirming the existence of the standing instruction.

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

Clients provide our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, our firm is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm's written acknowledgement.

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

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. In the event that 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. Clients may call, write or email us to discuss questions they may have about particular 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 copies of all proxies and shareholder communications relating to the client's investment assets.

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

Our firm has never been the subject of a bankruptcy proceeding. Our firm is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1,200 in fees and six or more months in advance;
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.