



# ALLIANCE

## WEALTH ADVISORS

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**Firm Disclosure Brochure**  
**March 13, 2024**

**This brochure provides information about the qualifications and business practices of Alliance Wealth Advisors. If you have any questions about the contents of this brochure, please contact us at 570-961-1516 and/or [info@alliancewealthadvisors.com](mailto:info@alliancewealthadvisors.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 Alliance Wealth Advisors is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**

## Item 2 Material Changes

### **Material Changes since the 2022 Annual Amendment**

August 2023

- Added disclosures to Items 4, and 5 for clients participating in managed fixed income portfolios.

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## Item 4 Advisory Business

### Alliance Wealth Advisors, LLC

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Alliance Wealth Advisors, LLC, (“Alliance”), a Delaware limited liability company, was organized in 2017 to provide wealth management and financial planning services to individual clients, and business owners as well as investment and consulting services for Retirement Plans.

As of December 31, 2023, Alliance had the following Regulatory Assets Under Management:

- \$363,348,705 in Discretionary Regulatory Assets Under Management;
- \$61,956,140 in Non-Discretionary Regulatory Assets Under Management; and
- \$425,304,845 in Total Regulatory Assets Under Management.

### Financial Planning

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As wealth advisors, we tailor our investment advice for each client to address his/her financial goals, objectives and risk tolerance. We endeavor to consider the client’s complete financial outlook when making investment recommendations and planning for his/her future. Therefore, we may structure our investment advice in view of any outside investments held by the client, considering each investment’s effect on the client’s total portfolio. At the request of a client, we may perform due diligence and furnish advice on current or potential outside investments or provide investment management services for certain outside investments, which may include ongoing research and analysis, benchmarking and rebalancing. Our financial planning service includes:

- Taking financial inventory (Personal balance sheet)
- Cash flow projections
- Capital allocation recommendations
- Retirement planning
- Goals based planning
- Education planning
- Insurance planning
- Estate planning & wealth transfer
- Charitable giving strategies
- Business succession planning
- Investor education

These services may be undertaken on a comprehensive or modular basis. Clients may impose reasonable restrictions or mandates on the management of their accounts if we determine, in our sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to the Firm’s management efforts.

### Investment Management Program

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As described in Item 8, Alliance offers a discretionary asset management programs known as the Alliance Investment Management Program that utilizes Alliance asset management and passes through transaction and other fees to the client.

For clients in the Alliance Investment Management Program, Alliance currently utilizes multiple strategies as the basis for implementing a client’s investment plan. The strategies range from conservative, moderate, moderately aggressive and aggressive, and each portfolio may be further customized using

varying degrees of asset categories. Each portfolio is then reviewed with the client prior to implementation and periodically thereafter. Clients in the Alliance Investment Management Program may impose reasonable restrictions or mandates on the management of their accounts if we determine, in our sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to the Firm's management efforts. In addition, we may modify our investment strategy to accommodate special situations including but not limited to low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations. (Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)

Clients in the Alliance Investment Management Program may authorize Alliance to periodically rebalance their investments as necessary. For these clients Alliance will generally make appropriate adjustments by buying and selling portfolio securities based on an assessment of relevant factors affecting the account, including situation where the client's asset allocation deviates by approximately 20% or more from the desired strategy. Alliance will also periodically revise the strategies and make corresponding portfolio adjustments.

It is each client's responsibility to promptly notify us if there is ever any change in their financial or personal situation or investment objectives for the purpose of reviewing our previous recommendations. Clients should be aware that there will be periods of time when the firm determines that changes to a client's portfolio are neither necessary nor prudent, but clients will still be subject to the fees described in their client agreement.

#### **Retirement Plan Services**

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Alliance is a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") with respect to investment management services and investment advice provided to ERISA plan clients, including ERISA plan participants. Alliance is also a fiduciary under the Internal Revenue Code (the "IRC") with respect to investment management services and investment advice provided to ERISA plans, ERISA plan participants, IRAs and IRA owners. As such, Alliance is subject to specific duties and obligations under ERISA and the IRC that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption (a "PTE").

#### **Services for Plan Participants**

Alliance may establish a separate client relationship with one or more plan participants or beneficiaries. Such client relationships develop in various ways, including, without limitation:

- as a result of a decision by a plan participant or beneficiary to purchase services from Alliance not involving the use of plan assets;
- as part of an individual or family financial plan for which any specific recommendations concerning the allocation of assets or investment recommendations relating to assets held outside of the plan; and/or
- through a rollover of an Individual Retirement Account ("IRA Rollover").

If a plan participant or beneficiary desires to affect an IRA Rollover from the plan to an account advised or managed by Alliance, or if we make a recommendation to affect a rollover, we will have a conflict of interest given that our IRA advisory fees can reasonably be expected to be higher than those we receive in connection with the Retirement Plan Services due to the individualized nature of our IRA-related services. To mitigate such conflicts, Alliance will disclose relevant information about the applicable fees we charge for advising or managing an IRA prior to opening an account to receive the IRA rollover. The

decision as to whether to take a distribution from any retirement account rests solely with the individual participant and beneficiaries

Department of Labor Acknowledgement of Fiduciary Duty - When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

#### *Non-Discretionary Retirement Plan Services under ERISA 3(21)*

Alliance may provide non-discretionary services to a Retirement Plan that does not include the authority to control management of the plan or management or disposition of its assets or have any discretionary authority or discretionary responsibility in the administration of the plan. For these Plans Alliance is not a "fiduciary", pursuant to ERISA except to the extent it renders "investment advice" to the plan within the meaning of section 3(21) of ERISA and Department of Labor regulations there under. The participants are responsible for any individual investment selections made under the plan. Under ERISA 3(21), Alliance acts as the advisor making investment recommendations, but it is ultimately up to the plan sponsor to decide whether and how to implement these recommendations. Furthermore, under ERISA 3(21), the participants are responsible for any individual investment selections made under the plan.

#### *Discretionary Retirement Plan Services under ERISA 3(38)*

Alliance may serve as the investment manager for a Retirement Plan exercising discretionary authority with regard to the mutual funds and other investment vehicles that it selects for investment under the Plan. Under ERISA 3(38), these services allow the plan sponsor to transfer liability under his code section for selecting, monitoring, and replacing the investment options to Alliance.

#### **Option Strategies**

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For certain clients Alliance will utilize the following option strategies:

Covered Call Writing – Alliance will sell fully covered call options against stocks, with the intention of generating income. In this strategy (i) the stock may be sold at any time prior to expiration, or (ii) the stock will be sold at expiration, if the market price of the stock is greater than the option's strike price. As a result, the Client will have to sell the underlying stock at the strike price, potentially causing the Client to miss out on price appreciation of the stock in excess of the strike price.

Cash Secured Uncovered Equity Put Writing- Alliance will sell put options fully covered by cash or available margin in the Client's account. with the intention of generating income. In this strategy (i) the Client may be required to purchase the stock at any time prior to expiration, or (ii) must purchase the underlying stock at the strike price if the market price of the stock is less than the option's strike price, which may be

substantially above the current market price. The writer of a put bears the risk of a decline in the price of the underlying stock - potentially to zero.

**Purchases to Hedge** – Alliance will purchase put options for a Client to hedge stocks held in the account against the risk of a decline in the market price of those stocks. In this strategy the Client's put option will expire worthless if the price of the underlying stock (or index) is greater than the strike price at expiration.

**Long Call or Put Purchase** - Alliance will purchase put and/or call options (including index options that settle in cash). In this strategy the Client's profit or loss is usually determined by selling (closing) the position. However, if the position is not closed or exercised, it may expire worthless on expiration date.

**Spreads** - Alliance will purchase or sell a combination of put or call options within the same class on the same underlying security. Additionally, some index options carry the risk of early assignment without a corresponding opportunity to exercise.

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### **Fixed Income Portfolios**

Alliance offers two fixed income portfolio programs to clients whose financial profile and risk tolerance indicate that a portion of their investments should be allocated to individual fixed income securities.

#### *Alliance Fixed Income Portfolio Program*

In the Alliance Fixed Income Portfolio Program, Alliance is directly responsible for selecting and monitoring the securities in the client's fixed income portfolio. The securities are selected based on the client's financial profile and risk tolerance from the inventory available through the client's custodian. Consequently, the composition and size of portfolios managed directly by Alliance may be limited. Alliance does not charge a separate fee for the Alliance Fixed Income Portfolio Program.

#### *Third-Party Fixed Income Portfolio Program*

In this program the client directly engages the services of an unaffiliated third-party portfolio manager to assist with the management of the fixed income portfolio. Thereafter the unaffiliated third-party portfolio manager will be responsible for building and maintaining a portfolio of fixed income securities consistent with the client's investment profile. This includes the purchase and sale of securities on a discretionary basis and monitoring of portfolio positions in accordance with its investment criteria. Alliance works alongside the Fixed Income Portfolio Manager to monitor the portfolio in accordance with the client's investment needs.

Pacific Investment Management Company LLC ("PIMCO") is currently the only investment advisor in the Third-Party Fixed Income Portfolio Program. PIMCO is a leading global investment management firm founded in Newport Beach, California in 1971. They are an indirect subsidiary of Allianz SE ("Allianz"), a global financial services company based in Germany, although its operations are separate from and autonomous of Allianz. Clients interested in participating in the Alliance Fixed Income Portfolio will be given a copy of PIMCO's Form ADV Part 2A Disclosure Brochure, which they should read carefully for additional information.

As described below in Item 5, Fees and Compensation, in Exhibit B of PIMCO's Investment Management Agreement and in PIMCO's Form ADV Part 2A Disclosure Brochure, PIMCO charges a separate fee for its management services that is in addition to the fee charged by Alliance for the assets managed by PIMCO.

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### **Alliance Center for Investor Education**

The Alliance Center for Investor Education was created with the goal of partnering with families, businesses, organizations, and thought leaders in Northeastern Pennsylvania to help improve financial

outcomes for more people in our region. Our aim is to improve financial confidence and teach the core foundations of personal finance in an engaging way. This will allow people to feel more empowered and make better decisions with their money. For additional information please contact us at 570-961-1516.

## Item 5 Fees and Compensation

### **Alliance's Investment Management Program Fee**

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The fee for the Alliance Investment Management Program is negotiated based on the client's level of assets under management including any cash or money market funds held in the account and assets managed by PIMCO as part of the Third-Party Fixed Income Portfolio program. The fee generally ranges up to 1.75% per year per account with a minimum fee of \$50 per month per client relationship.

#### **For funds held at Raymond James or Schwab:**

The Investment Management fee is payable monthly in advance and will be debited directly from the client's account(s) unless the client has made other payment arrangements with Alliance. The fee will be calculated based upon the client's account value as of close of trading on the last business day of each month for the prior calendar month and will be debited from the client's account on the following month. If a month ends on a Saturday, Sunday or market holiday, the month-end will be the last market business day of the month.

An initial fee will be charged for new accounts that are not open a full month. The initial billing period begins when the client signs the Alliance fee agreement and Alliance accepts the fee agreement. The initial billing period is adjusted for the number of days remaining in the initial month and will run from the date the assets are received by the custodian through the last business day of the initial month.

Fees will be first debited from any free credit cash balance or money market in the client's account and if there is not enough available, Alliance has the discretion to sell securities in order to make cash available for the fee.

To calculate the household fee, Alliance will use the market value of all assets under management for the client's household and multiply that amount by the agreed upon fee %. The result is then multiplied by an amount equal to the number of calendar days in the applicable month divided by the number of calendar days in the year (365 or 366). Arrangements can be made to deduct one account's fee portion from another account (i.e. pay the fee for a retirement account from a non-retirement account).

If Alliance or the client terminates the fee arrangement, a pro-rated fee for the billing period will be calculated for the period beginning on the first date of the billing period through and including the date of termination and the amount of the pro-rated fee will be credited to the client's account.

#### **For funds Held at American Funds:**

Unless otherwise agreed to in writing, fees are generally calculated by AFS for each quarterly period ending the last business day of February, May, August and November and shall be the product of: (i) the flat rate selected by the firm on page 1 above multiplied by (ii) the average daily net asset value of the Client's assets invested in the funds through the program during the quarter and divided by (iii) the number of days in the year multiplied by the number of days in the quarter. The fees shall be paid within 30 days following the end of the quarter for which such fees are payable.



## **Annuities**

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Annuities purchased by Clients are subject to either Alliance's Investment Management Fee or a commission, but not both (See Item 10 – Other Financial Industry Activities and Affiliations). For annuities subject to Alliance's Investment Management Fee, the portion of the fee charged for Client funds held in annuities may, at the Client's election, be debited from the client's account at Raymond James or Schwab, or from the Client's annuity account held by the issuer of the annuity. If the client elects to have Investment Management fee debited from their account at Raymond James or Schwab, the fee will be debited monthly in advance based on the value of the annuity on the last business day of the prior month. If the client elects to have the fee debited from the Client's annuity account held by the issuer of the annuity, the fee will be determined as follows:

### **For annuities held at Lincoln Financial:**

The investment management fee will be paid in accordance with the instructions given by the client in the separate Authorization to Debit Advisory Fees.

### **For annuities held at Jackson:**

Fees are calculated on the first market day of the calendar month following the billing cycle.

Fees are calculated by Jackson using an average daily value method. Jackson will capture the contract accumulation value at the end of each market day. The daily accumulation value is determined by calculating the sum of the daily accumulation values divided by the number of market days in the billing cycle. A similar approach will calculate the rate applied to the average daily value for the selected billing frequency. The rate entered at the contract level will be divided by the number of market days in a year. The daily rate will be added up by the number of market days in the selected billing frequency. The average daily accumulation value is multiplied by the billing frequency rate to determine the fee that will be paid for the specified billing frequency.

The payment of fees will be treated as a withdrawal under the terms of the contract. Please note that funds will be generated on a pro rata basis across all selected allocations to the fixed and subaccounts.

## **Alliance's Retirement Plan Consulting Program Fee**

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The fee for the Alliance Retirement Plan Consulting Program is negotiated based on the client's level of assets under management. The fee generally ranges up to 1.25% with a minimum monthly fee of \$250 per month per plan as a flat fee for smaller plans. The Retirement Plan Consulting fee is payable monthly or quarterly, either in advance or in arrears, depending on the plan provider.

## **Brokerage fees and Commissions**

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As discussed in Item 12, for clients in the Alliance Investment Management Program, your custodian may charge brokerage commissions, mark-ups/mark-downs and fees for services that will be deducted from a client's account in addition to the management fees charged by Alliance. Moreover, certain investments such as mutual funds, ETFs and annuities include a management fee charged by the fund's manager. These fees are not charged directly to the client but are included in the fund's overall investment return.

## **Financial Planning Fee**

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Alliance Financial Planning clients will generally be charged a separate fee for financial planning. Financial planning fees start at \$500. The fee is based on the complexity of the client's financial situation, number

of goals and meetings per year, however it is negotiable and in some cases it may be waived or combined with the Alliance Investment Management fee. Arrangements can be made to deduct the financial planning fee from another account (i.e. pay the fee for a retirement account from a non-retirement account, or to have the fee paid directly to Alliance.

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#### **Fixed Income Portfolios**

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As described below in Exhibit B of PIMCO's Investment Management Agreement and in PIMCO's Form ADV Part 2A Disclosure Brochure, PIMCO charges a separate fee for its management services that is in addition to the fee charged by Alliance for the assets managed by PIMCO.

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#### **Alliance Center for Investor Education**

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Fees are negotiated based on the size and nature of the engagement. Please contact us at 570-961-1516 for additional information.

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

Alliance does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

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

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#### **Alliance Management Program**

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Alliance Wealth Advisors provides services primarily to individuals, institutions, businesses, trusts and Pension, 401(k) and Profit Sharing Plans.

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

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#### **Investment Strategy**

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Alliance takes a comprehensive, financial planning approach with our clients. There are many factors that go into designing a portfolio, we take the time up front to learn about our clients' financial goals, objectives, perspective on risk, and liquidity needs.

We then develop an asset allocation strategy to support their goals through professional investment management, research, and analysis. Once we develop their asset allocation, we build a customized portfolio by selecting the proper mix of securities to best fulfill the client's individual circumstances. After establishing their portfolio, we continue to monitor its progress toward their objectives, update if necessary, and provide ongoing support.

Alliance may use one or more the following analytical criteria to select the funds and securities in its recommended portfolio:

- i. Fundamental Analysis - involves analyzing individual companies and their industry groups by reviewing financial statements, management and industry outlook.
- ii. Past risk-adjusted performance and expense ratios relative to other investments within the same asset class having similar investment objectives.
- iii. Consistency of performance and rankings over time.
- iv. The historical volatility and downside risk of each proposed investment.
- v. Consistency of investment style and tenure of the portfolio manager.

- vi. How each investment complements the others in the portfolio.
- vii. Economic conditions and comparisons to other investment opportunities.

Each quarter Alliance reevaluates portfolios and rebalances them as necessary. We use our proprietary research along with research from Morningstar, Raymond James, Fidelity Advisor, JPMorgan, and Fi360: Fund and ETF screener for equity, fund research and asset allocation research. For portfolio risk assessment, the company utilizes Riskalyze. Riskalyze is a software service that provides risk management analytics for investing. Based on the risk metrics of each portfolio, the software assigns Risk Number and projects the potential investment outcomes on the upside and downside for investment portfolios. Projections on potential investment outcomes are no guarantees of outcomes and Riskalyze is only used as a reference in the investment decision making process. Based on the risk metrics of each portfolio, the software projects the potential investment outcomes on the upside and downside for investment portfolios. Clients have access to this information via the company's client web portal. Projections on potential investment outcomes are no guarantees of outcomes and may be only used as a reference in the investment decision making process.

### **Risks of Loss**

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Past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, bonds, and pooled investment vehicles) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

We do not represent to any client, either directly or indirectly, any level of performance or any representation that our professional services will not result in a loss to the Client's invested assets. We do our very best as an investment adviser to manage risk exposures and to prevent losses; however, losses cannot be prevented in all cases. Below are certain additional risks associated when investing in securities through our investment management program.

- **Market Risk** – Any market, whether stocks, bonds, or other asset classes goes up and down as a result of overall market conditions. When markets go down, this can result in a decrease in the value of client investments. This is also referred to as systemic risk.
- **Equity (stock) market risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- **Fixed Income Risk** – When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk. **Interest Rate Risk** - The value of fixed income investments tends to decline as interest rates rise. As a result, investors who own fixed income investments through pooled vehicles such as ETFs or mutual funds, and investors who seek to sell fixed income investments prior to maturity, may incur losses.
- **ETF and Mutual Fund Risk** – When our firm invests in an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including

the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund, including equities, fixed income, commodities, and derivatives on such securities. In addition, ETFs and closed-end mutual funds may trade at a premium or discount to the net asset value of their underlying portfolio securities. As a result, there is a risk that an investment in an ETF or a closed end mutual fund may result in the client paying more for, or selling for less, the portfolio securities, than a direct investment in the underlying securities. This risk, however, is offset by the additional costs of investing directly in the underlying securities.

- Master Limited Partnerships (“MLPs”) - MLPs are collective investment vehicles, the partnership interests in which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation and interest rate fluctuations, and environmental risks among other such factors. In addition, MLPs operate as pass-through tax entities, meaning that investors are liable for their pro rata share of the partnership taxes, regardless of the types of accounts where the interests are held.
- Real Estate Investment Trusts (“REITs”) - REITs are collective investment vehicles, the interests in which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle’s shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.
- Liquidity Risk – High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client from selling their securities at all, or at an advantageous time or price because Alliance and the Client’s broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Some securities (including ETFs) that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios.
- Concentration Risk – Portfolios managed by Alliance may from time to time be concentrated in a single security, geographic region, or asset class. The value of Client accounts will vary considerably in response to changes in the market value of that individual security, region or asset class. This may result in higher volatility.
- Foreign Investing and Emerging Markets Risk – Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing

contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

- **Inflation, Currency, and Interest Rate Risks** – Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by Alliance may be affected by the risk that currency devaluations affect Client purchasing power.
- **Legislative and Tax Risk** – Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations (particularly for ETF securities dealing in natural resources). In certain circumstances a Client may incur taxable income on their investments without a cash distribution to pay the tax due.
- **Counterparty Risk** – Counterparty risk is the risk to Alliance that the counterparty to a services contract will not fulfill its contractual obligations. Should the counterparty fail to fulfill its obligations to AWA, clients could potentially incur significant losses and may have access to their accounts and investments limited or restricted.
- **Advisory Risk** – There is no guarantee that Alliance judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. Alliance judgment may prove to be incorrect, and a Client might not achieve her investment objectives. In addition, it is possible that we fail to manage our business such that Alliance remains a going concern which would be disruptive to our Clients as they would need to find a new investment advisor.

**Options Risk** – Options are not suitable for all investors. A portfolio's use of options is subject to greater market risk, liquidity risk and volatility risk from wider swings in the price of an option compared to that of the underlying security. Consequently, the use of options in a portfolio may result in greater losses than a portfolio that does not use options. For additional information about the characteristics and risks of standardized options please visit <https://www.theocc.com/company-information/documents-and-archives/options-disclosure-document> or ask us for a copy of the Option Clearing Corporation's publication Characteristics and Risks of Standardized Options.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in any or all of the strategies managed by Alliance. Prospective Clients should read this entire Form ADV and all accompanying materials provided by Alliance before deciding whether to invest with us. In addition, as our investment philosophy develops and changes over time, an investment with Alliance may be subject to additional and different risk factors. Alliance will promptly amend this Brochure if and when any information regarding its investment risks becomes materially inaccurate.**

#### **Cybersecurity**

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The computer systems, networks and devices used by Alliance and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or

interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

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**COVID Risk Disclosure:**

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The transmission of COVID and efforts to contain its spread have resulted in border closings and other travel restrictions and disruptions, market volatility, disruptions to business operations, supply chains and customer activity and quarantines. With widespread availability of vaccines, the U.S. Centers for Disease Control and Prevention has revised its guidance, travel restrictions have started to lift, and businesses have reopened. However, the COVID pandemic continues to evolve and the extent to which our investment strategies will be impacted will depend on various factors beyond our control, including the extent and duration of the impact on economies around the world and on the global securities and commodities markets. Volatility in the U.S. and global financial markets caused by the COVID pandemic may continue and could impact our firm's investment strategies.

Although currently there has been no significant impact, the COVID outbreak, and future pandemics, could negatively affect vendors on which our firm and clients rely and could disrupt the ability of such vendors to perform essential tasks.

## Item 9 Disciplinary Information

Alliance is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Alliance does not have any required disclosures for this Item.

## Item 10 Other Financial Industry Activities and Affiliations

Alliance is affiliated with Producers Choice Network ("PCN"), an insurance agency made available to us through Raymond James Insurance Group ("RJIG"). PCN offers insurance-related products to investment advisory clients of Alliance on a commission basis and not as part of the client's managed portfolio. In addition, certain of Alliance's representatives, in their individual capacities, serve as licensed insurance agents with various insurance companies, and may, in such individual capacities, recommend the purchase of certain insurance-related products on a commission basis and not as part of the client's managed portfolios.

Accordingly, insurance products purchased by Clients are subject to either an investment management fee or a commission, but not both. (See Item 5 - Fees and Compensation). The recommendation by Alliance or Alliance's representatives that a client buy an insurance commission product from PCN through RJIG and/or Alliance's representatives presents a conflict of interest, as the receipt of commissions provides an incentive to recommend products based on commissions to be received, rather than on a particular client's need. As a result, Alliance has procedures in place to require that our representatives believe that any recommendations made by such Supervised Persons be in the best interest of its clients. In addition, no client is under any obligation to purchase any commission products from PCN and RJIG and/or Alliance's representatives. Clients are reminded that they may purchase insurance products recommended by Alliance through other non-affiliated insurance agents.

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

Alliance and persons associated with Alliance ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Alliance policies and procedures.

Alliance has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). Alliance Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by Alliance or any of its associated persons. The Code of Ethics also requires that certain Alliance personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When Alliance is engaging in or considering a transaction in any security on behalf of a client, no Access Person may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Access Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by Access Persons to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

Clients and prospective clients may contact Alliance to request a copy of its Code of Ethics.

## Item 12 Brokerage Practices

### **The custodians and brokers we use**

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Alliance does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a

broker-dealer or bank. We recommend that our clients use Raymond James' Investment Adviser Division ("RJ") or Charles Schwab & Co., Inc. ("Schwab"), each a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with either RJ or with Schwab. Either custodian will hold your assets in a brokerage account and buy and sell securities when we instruct them to. You will decide which custodian to use and will open your account by entering into an account agreement directly with the selected custodian. We do not open the account for you, although we may assist you in doing so.

#### **How we select brokers/custodians**

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We seek to recommend a custodians that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds ETFs, etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below.

Any commissions paid by Alliance clients comply with its duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Alliance determines that the commissions are 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 Financial Institution's services, including among others, the value of research provided, if any, execution capability, commission rates, and responsiveness. Alliance seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Alliance periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

The client may direct Alliance in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution, and Alliance will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by Alliance (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best



execution, Alliance may decline a client's request to direct brokerage if, in Alliance sole discretion, such directed brokerage arrangements would result in additional operational difficulties

Transactions for each client generally will be effected independently, unless Alliance decides to purchase or sell the same securities for several clients at approximately the same time. Alliance may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Alliance clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Alliance clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Alliance determines to aggregate client orders for the purchase or sale of securities, including securities in which Alliance Supervised Persons may invest, Alliance generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Alliance does not receive any additional compensation or remuneration as a result of the aggregation. In the event that Alliance determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, Alliance may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

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**Raymond James**

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RJ provides us with access to its institutional brokerage services – trading, custody, reporting and related services – many of which are not typically available to RJ's retail customers. RJ 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. RJ's support services described below are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The availability to us of RJ's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. Here is a more detailed description of RJ's support services:

RJ'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 Raymond James include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. RJ's services described in this paragraph generally benefit the client and the client's account.

RJ also makes available to us other products and services that benefit us but may not directly benefit the client or its account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Raymond James' 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 RJ. In addition to investment research, RJ also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
  - facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
  - provide pricing and other market data;
  - facilitate payment of our fees from our clients' accounts; and
  - assist with back-office functions, recordkeeping and client reporting.
- RJ also offers other services intended to help us manage and further develop our business enterprise.

These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and,
- access to employee benefits providers, human capital consultants and insurance providers.

RJ may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. RJ may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. RJ may also provide us with other benefits such as occasional business entertainment of our personnel.

The availability of services from RJ benefits us because we do not have to produce or purchase them. We don't have to pay for these services, and they are not contingent upon us committing any specific amount of business to RJ in trading commissions or assets in custody.

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#### **Expenses Support and Credit Facility**

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Some of the products, services and other benefits provided by RJ, benefit Alliance and may not benefit Alliance client accounts.

As discussed in Item 10 above, the recommendation by Alliance or Alliance representatives that a client buy a commission product presents a conflict of interest, as the receipt of commissions and maintenance of the credit facility may provide an incentive to recommend investment products based on commissions to be received, and benefits of the credit facility, rather than on a particular client's need.

Alliance recommendation or requirement that a client place assets in RJ's custody may be based in part on benefits RJ provides to Alliance, or Alliance agreement to maintain certain Assets Under Management at RJ, and not solely on the nature, cost or quality of custody and execution services provided by RJ.

Alliance places trades for its clients' accounts subject to its duty to seek best execution and its other fiduciary duties. Alliance may use broker-dealers other than RJ to execute trades for client accounts maintained at RJ, but this practice may result in additional costs to clients so that Alliance is more likely to place trades through RJ rather than other broker-dealers. RJ's execution quality may be different than other broker-dealers.

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#### **Charles Schwab**

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For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, stocks, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. Although Schwab's commission rates and fees applicable to our client accounts were negotiated based on the condition that

our clients collectively maintain a certain total level of assets in accounts at Schwab, similar benefits may be available to clients who contact Schwab directly to arrange for electronic delivery of documents. This commitment benefits you because the overall commission rates asset-based fees you pay may be lower than they would be otherwise. In addition to commissions, Schwab charges you 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 your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for accounts that use Schwab as the custodian. We have determined that having Schwab execute most trades for accounts that use Schwab as the custodian is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”).

***Products and services available to us from Schwab***

Schwab Advisor Services is Schwab’s business serving independent investment advisory firms like Alliance. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab 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. Following is a more detailed description of Schwab’s support services:

**Services that benefit you.** 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 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 you and your account. Schwab has also offered to reimburse certain Transfer of Account Exit Fees charged by clients’ former custodian(s).

**Services that may not directly benefit you.** Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. 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 a substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

**Services that generally benefit only us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

- Schwab Advisor Services offers Alliance Wealth Advisors up to \$20,000 to use towards technology, marketing and research related expenses. Under this limited one-time offer, these payments are distributed based on the level of client assets on deposit at Schwab.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

**Our interest in Schwab's services.** The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. This creates an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business and Schwab's payment for services for which we would otherwise have to pay rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as a custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

## Item 13 Review of Accounts

### Account Reviews

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Alliance monitors its clients' investment management portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. Where Alliance provides advisory and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by the Partners of Alliance. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the firm and to keep Alliance informed of any changes thereto. The firm contacts ongoing investment advisory clients at least annually to review its previous services and recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### Account Statements and General Reports

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for their accounts. Clients may also receive reports from Alliance that includes relevant account and/or market-related information such as an inventory of account holdings and account performance on a monthly basis or as otherwise agreed upon with the client. Clients should compare the account statements they receive from their custodian with any supplemental reports they receive from Alliance and/or the Third-Party Managers.

## Item 14 Client Referrals and Other Compensation

Alliance is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, Alliance is required to disclose any direct or indirect compensation that it provides for client referrals.

Alliance has entered into an agreement with a public accounting firm (Referring Firm) to refer clients to us and pay them a percentage of the investment advisory fees we receive from the clients referred to us. Referral arrangements inherently give rise to potential conflicts of interest, particularly when the person recommending the adviser receives an economic benefit for doing so. The Advisers Act addresses this

conflict of interest by requiring disclosures related to the referral, including a description of the material terms of the compensation arrangement with the Referring Firm. We pay third-party Referring Firms a percentage of the advisory fees we receive from the clients referred to us. We require third party Referring Firms who introduce potential clients to us to provide the potential client, at the time of the solicitation, with a copy of this disclosure brochure and a copy of a disclosure statement which explains that the solicitor will be compensated for the referral and contains the terms and conditions of the solicitation arrangement, including the percentage of the advisory fees or other compensation the solicitor is to receive.

In addition, the firm may occasionally refer clients to members of the community such as lawyers and accountants who have made, or may make, referrals to the firm. Consequently, there is the potential for a conflict of interest where Alliance makes such referrals.

Alliance receives an economic benefit from RJ and Schwab in the form of the support products and services each makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under Item 12 Brokerage Practices. The availability to us of products and services from RJ and Schwab is not based on us giving particular investment advice, such as buying particular securities for our clients.

## Item 15 Custody

An outside Financial Institution will act as the qualified custodian for client accounts. The client's selected Financial Institution will be the custodian for clients' assets in the Alliance Investment Management Program.

As previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure, the outside Financial Institution will debit advisory fees from client accounts and remit them to Alliance or the client may arrange to pay them directly. As a result, under government regulations, we are deemed to have custody of a client's assets if the client authorizes us to instruct their custodian to deduct our advisory fees directly from the client's account.

Clients receive account statements directly from their custodian at least quarterly. They will be sent to the email or postal mailing address the client provides to their custodian. Clients should carefully review those statements promptly when received. We also urge clients to compare the account statements to the periodic portfolio reports clients receive from us.

## Item 16 Investment Discretion

For discretionary accounts, we have full trading authority under a limited power of attorney assigned to us in the client agreement. As a result, we will determine both the investments, and how much of each, should be purchased or sold on each client's behalf. In making investment decisions, we adhere to the investment strategy outlined in each client's Investment Policy Statement.

Nondiscretionary accounts are managed for clients who are unwilling or unable to provide limited power of attorney to us.

## Item 17 Voting Client Securities

Alliance is required to disclose if it accepts authority to vote client securities. Alliance does not vote client securities on behalf of its clients. Clients' proxies are voted either by the Third-Party Managers or the clients themselves.

## Item 18 Financial Information

Alliance is not required to disclose any financial information pursuant to this Item due to the following:

- The firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance;
- The firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The firm has not been the subject of a bankruptcy petition at any time during the past ten years.