

SEC # 801-112224

# EQ Wealth Management

This brochure provides information about EQ LLC dba EQ Wealth Management (“Advisor” or “Firm”) qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at (425) 434-1000 or by email at [q@eq-wm.com](mailto:q@eq-wm.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State Securities Authority.

Additional information about EQ LLC dba EQ Wealth Management is also available on the Investment Adviser Public Disclosure (IAPD) website <https://adviserinfo.sec.gov> (select “Firm” and type in “EQ LLC”). Results will provide you both Part 1 and 2 of our Form ADV.

We are a registered investment advisory firm. Our registration does not imply any level of skill or training. The oral and written communications we provide to you, including this brochure, are for you to evaluate us. Please use this information as factors in your decision to hire us or to continue our business relationship.

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**ITEM 1 – COVER PAGE ADV PART 2 A**

MARCH 28, 2024

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## ITEM 2—MATERIAL CHANGES

This brochure, dated March 28, 2024, has been prepared by EQ Wealth Management to meet SEC requirements. This section addresses material changes that have been incorporated since our last annual posting of this document on the public disclosure website (IAPD) <https://adviserinfo.sec.gov>.

ITEM 4 –

### **4e: Assets under Management (AUM)**

EQ Wealth Management, as of December 31, 2023, has \$438,234,457 in discretionary reportable Assets under Management and \$155,510,642 in non-discretionary Regulatory Assets under Management for a total of \$593,745,099 in Assets under Management.

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### ITEM 3—TABLE OF CONTENTS

Item 1 – Cover Page ADV Part 2 A.....	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business .....	4
Item 5 – Fees and Compensation.....	7
Item 6 – Performance-Based Fees and Side-By-Side Management .....	9
Item 7 – Types of Clients.....	10
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	10
Item 9 – Disciplinary Information.....	14
Item 10 – Other Financial Industry Activities and Affiliations .....	14
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	15
Item 12 – Brokerage Practices .....	16
Item 13 – Review of Accounts .....	17
Item 14 – Client Referrals and Other Compensation.....	18
Item 15 – Custody.....	19
Item 16 – Investment Discretion.....	19
Item 17 – Voting Client Securities .....	16
Item 18 – Financial Information .....	16
Item 19 – Requirements for State-Registered Advisers.....	20
ADV 2 B – John Michael Quigley .....	21
ADV 2 B – Stephen Patrick Emanuels .....	24
ADV 2 B – Jamika Symone Parker .....	28
ADV 2 B – Michael John Varga .....	30
ADV 2 B – Nathan Evan Tepp .....	32
ADV 2 B – David Ben Ruehr.....	35

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## ITEM 4—ADVISORY BUSINESS

### 4a: Firm Description

EQ Wealth Management was established in 2017 by John Michael Quigley and Stephen Patrick Emanuels. Our main office is located in Bellevue, Washington.

#### 4a1: Principal Members

- John Michael Quigley, Manager/Chief Compliance Officer: Mr. Quigley may be contacted by email at [q@eq-wm.com](mailto:q@eq-wm.com) or by telephone at (425) 434-1000.
- Stephen Patrick Emanuels, Manager: Mr. Emanuels may be contacted by email at [e@eq-wm.com](mailto:e@eq-wm.com) or by telephone at (425) 434-1000.

### 4b: Types of Advisory Services

EQ Wealth Management offers a variety of investment advisory services to our Clients with discretionary and non-discretionary authority. EQ Wealth Management's services include investment management and financial planning. Prior to providing advisory services, Clients are required to enter into a written agreement with EQ Wealth Management.

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 interests ahead of yours. As fiduciaries we are obligated to do the following:

- 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.

#### *Investment Management Services*

We work with our Clients to identify their investment goals, objectives, time horizon, and risk tolerance in order to create investment strategies designed to complement our clients' financial goals and objectives. We use interviews, questionnaires and/or other forms of data collection to establish Client goals and objectives. We employ various tools to help analyze Client information to gain an understanding of their goals and objectives. Our analysis helps us form opinions regarding whether or not a Client's objectives can be met by their resources and current course of action. We may use a variety of investment management strategies to diversify a Client's portfolio depending on their goals and objectives.

*EQ Models.* Clients may choose to invest in an EQ Model that has investment objectives consistent with their goals and objectives. EQ Models provide Clients access to a variety of investment strategies managed by EQ Wealth Management. We will buy and sell securities according to pre-established investment objectives of our strategy rather than the individual goals of Clients. We work with Clients to recommend the EQ Model or combination of EQ Models that have investment objectives consistent with the Client's goals and objectives. Client accounts may include mutual funds, exchange-traded funds (ETFs), stocks, bonds, notes, real estate investment trusts (REITs), options and futures, among other investments. We monitor accounts for imbalances resulting from changes in market conditions and may rebalance accounts as necessary to conform to our established strategy. Models generally consist of mutual funds and exchange traded funds designed to meet a particular investment objective such as, but not limited to, growth, growth and income, capital preservation, or income or are designed to provide a particular risk and return exposure such as, but not limited to, domestic large companies, domestic small companies, international, emerging markets, or fixed income.

*Managed Programs.* Clients may choose to invest in a Managed Program that has investment objectives consistent with their goals and objectives. Managed Programs provide Clients access to a variety of investment strategies

managed by third party money managers (Managers). Managers buy and sell securities according to pre-established investment objectives of their strategy rather than the individual goals of Clients. We work with Clients to recommend the Manager or combination of strategies that have investment objectives consistent with the Client's goals and objectives. Client accounts may include mutual funds, exchange-traded funds (ETFs), stocks, bonds, notes, real estate investment trusts (REITs), options and futures, among other investments. Managers monitor accounts for imbalances resulting from changes in market conditions and may rebalance accounts as necessary to conform to their established strategy.

Managed Programs through Envestnet are typically structured as a "wrap fee program." In wrap fee programs, Clients pay a single fee for both investment advisory, manager, and brokerage services. Our advisory fee is included in the wrap fee. Clients should carefully review the disclosure documents of the program managers for more information regarding these programs and investments.

*Sub-Advised Programs.* Clients may choose to invest in a Sub-Advised Program that has investment objectives consistent with their goals and objectives. Sub-Advised Programs provide Clients access to a variety of investment strategies managed by third party sub-advisors. Sub-advisors buy and sell securities according to pre-established investment objectives of their strategy rather than the individual goals of Clients. We work with Clients to recommend the sub-advisor or combination of strategies that have investment objectives consistent with the Client's goals and objectives. Client accounts may include mutual funds, exchange-traded funds (ETFs), stocks, bonds, notes, real estate investment trusts (REITs), options and futures, among other investments. Sub-advisors monitor accounts for imbalances resulting from changes in market conditions and may rebalance accounts as necessary to conform to their established strategy. Clients should carefully review the disclosure documents of Sub-Advisors for a full description of the services offered, investments, and strategies used.

*Customized Models.* We may create a customized model on a non-discretionary basis, consisting of, but not limited to individual stocks or bonds, exchange traded funds, no-load funds and/or load-waived funds (front-end commissions will not be charged). Each model will be initially designed to meet a particular investment goal which has been determined to be advisable to our Client's circumstances. Once the appropriate model has been determined, we will review the model and rebalance the account based upon our Client's individual needs, stated goals and objectives. We will obtain Client's prior approval of each specific transaction prior to executing any investment recommendations. EQ Wealth Management's strategy, generally, will be to seek to meet Client investment objectives while providing Clients with access to individualized advisory services. EQ Wealth Management may also provide advice about any type of long term holding positions or other investments held in Client models at Client request.

*Private Fund (affiliated with and managed by EQ, LLC).* EQ LLC dba EQ Wealth Management manages and advises on the EQ Income Fund I (the "Fund"), an affiliated private investment fund exempt from registration under the Investment Company Act of 1940, as amended. We manage and advise the Fund in accordance with the objectives and investment strategies described in the Fund's offering documents. We may, in the future, organize additional investment vehicles that follow an investment program similar to or different from, the investment program of the Fund.

The terms, conditions, risks, and fees pertaining to an investment in the Fund are outlined in the Confidential Private Placement Memorandum, Limited Liability Company Agreement, Subscription Agreement, or other applicable offering documents, all of which a prospective investor needs to read and understand before investing.

Investments made in the Fund are available only on a non-discretionary basis. We will not offer investments in the Fund to all of our Clients, and Clients are under no obligation to consider, or make, an investment in the Fund. The owners of EQ Wealth Management expect to personally invest in the Fund.

We serve as both the manager of the Fund and the investment advisor to it. This control creates certain conflicts of interest. See additional details regarding conflicts of interest below.

Investments in the Fund are available only to investors qualified to invest, and only through completion of a Subscription Agreement that requires certain representations by the investor, including that the investor understands and accepts the risks associated with the investment. Our advisory services are tailored to achieve the Fund's investment objectives and we have the authority to select which and how many securities and other instruments to buy or sell without consultation with the Fund or the investors in the Fund. Neither the Fund nor the investors in the Fund may impose restrictions on investing in certain types of securities. A more detailed

description of the investment strategy and related risks of the Fund are included in Item 8 below and in the Fund's offering documents.

**Private Real Estate Investments.** EQ Wealth Management principals, Stephen Emanuels and Michael Quigley, have individual ownership in Axiom-West LLC, a real estate project development company ("Axiom"). Mr. Emanuels' and Mr. Quigley's combined ownership interest in Axiom is twenty-five percent (25%). Axiom serves as a founder and manager of real estate-related projects in the United States. Mr. Emanuels, Mr. Quigley, and EQ Wealth Management may invest in certain Axiom real estate-related projects. EQ Wealth Management, on a selective basis, may recommend investment in certain Axiom-related projects to those EQ Wealth Management clients for which it is advisable based on the client's portfolio, objectives, and time horizon. The terms, conditions, risks, and fees pertaining to an investment in an Axiom-related project will be outlined in a Confidential Private Placement Memorandum, Limited Liability Company Agreement, Subscription Agreement, and other applicable offering documents from Axiom, all of which a prospective investor needs to read and understand before investing.

### **Financial Planning Services**

EQ Wealth Management offers a broad range of financial planning services for our Clients. Financial Planning Services are included as a part of EQ Wealth Management's Investment Advisory Services. The plan considers your assets, liabilities, goals, and objectives and includes gathering information necessary to provide you with appropriate and agreed upon services, which may include recommendations on one or more of the following:

- Investment Planning
- Retirement Planning
- Budgeting and Cash Flow Planning
- Capital Needs Analysis (Goal Funding)
- Executive Compensation Planning
- Comparative Executive Compensation Reviews
- Employee Stock Option Planning
- Consolidated Performance Reporting (on outside accounts which we do not manage)
- Tax Planning
- Debt Management
- Trust and Estate Planning
- Charitable Giving Planning
- Business Planning
- Education Planning
- Insurance Planning
- Risk Management (Life and Disability Insurance) Planning

Our Financial Planning Service includes, in all or part, but is not limited to, the following process:

- *Gathering Information.* We work with Clients to mutually define their objectives prior to making recommendations. We endeavor to collect sufficient information to understand the resources and objectives of Clients. We use interviews and/or other forms of data collection to establish Client's goals and objectives.
- *Analyzing and Evaluating Goals and Objectives.* We employ various tools to help analyze Client's information and gain an understanding of their goals and objectives. We may use Client's information to create models and illustrations for analysis. Our analysis helps us form opinions regarding whether or not Client's objectives may be met by their resources and current course of action.
- *Developing and Presenting Recommendations.* We develop and present recommendations designed to help Clients work toward achieving their goals and objectives. Our recommendations may include our *Investment Management* and *Financial Planning Services* and may be presented through verbal, electronic, or written formats.
- *Implementing Recommendations.* We work with Clients to mutually agree on appropriate recommendations for implementation. Clients are under no obligation to implement any recommendation we offer.
- *Monitoring Changes.* In order to ensure that our initial determination of appropriate recommendations continues to be advisable for Clients we maintain relevant Client information. You should notify us immediately of any change in your goals and objectives and are encouraged to review your plans on a regular basis.

We also recommend outside professionals when Clients require services we don't offer. Outside professionals are engaged by Clients directly and those services are separate from our services.

#### 4c: Client Tailored Relationships and Restrictions

As a fiduciary, EQ Wealth Management always acts solely in your best interests. Your portfolio and accounts may be customized based on your investment objectives. You may make requests or make suggestions regarding the investments made in your overall portfolio or in specific accounts. Restrictions on trading which, in our opinion, are not in your best interest cannot be honored and if forced may result in the termination of our agreement.

Similarly, you are under no obligation to act upon EQ Wealth Management's recommendations. If you elect to act on any of the recommendations, you are under no obligation to effect the transaction through EQ Wealth Management or our associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.

In order to ensure that our initial determination of appropriate recommendations continues to be advisable for Clients we maintain relevant Client information. Clients should notify us immediately of any change in their goals and objectives.

#### 4d: Wrap Fee Program

Our Managed Programs are typically structured as a “wrap fee program”. In a wrap fee arrangement Clients pay a single fee for advisory, brokerage and custodial services. EQ Wealth Management’s advisory fee is included in the wrap fee. Client’s investment transactions may be executed without a transaction charge in a wrap fee arrangement. The Client should also consider that depending upon the wrap fee charged, the amount of trading activity in the Client’s account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. EQ Wealth Management will review with Clients any separate program fees that may be charged to Clients.

#### 4e: Assets under Management (AUM)

EQ Wealth Management, as of December 31, 2023, has \$438,234,457 in discretionary reportable Assets under Management and \$155,510,642 in non-discretionary Regulatory Assets under Management for a total of \$593,745,099 in Assets under Management.

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## ITEM 5—FEES AND COMPENSATION

### 5a, b, c, d & e: Fee Schedules, Payments & Options

#### *Investment Management*

EQ Wealth Management charges a fixed percentage of assets under management. EQ Wealth Management’s advisory fee schedule is as follows:

Assets Under Management	EQ Advisory Fee
\$0 to \$999,999	1.00%
\$1 million to \$4,999,999	0.85%
Over \$ 5 million	0.575%

*Fees on Held-Away Assets:* Fees for held-away assets are .575% annually, billed quarterly in advance and are based on the value provided by the custodian holding the asset. If no custodial statement is available, the client will provide their cost basis as the value on which our fee is based.

*Additional Fee:* EQ Wealth Management has arranged for a back office service provider to perform administrative, billing, reporting, and trading services to clients regarding their account. If applicable, the annual fee for these services (up to 0.06% of the value of the account) will be deducted directly from the account on a quarterly basis in advance of the services being performed. In situations where the billing period for these services does not span an entire calendar quarter, the fee will be pro-rated based upon the number of days services were provided during the calendar quarter. Clients will see the fee as a separate deduction on the custodian’s periodic statements.

EQ Wealth Management fees are generally not negotiable. Fees may differ based on a number of factors:

- Size of the relationship – larger accounts may receive more favorable pricing.
- Level of services needed – certain accounts requiring less complexity or fewer services, such as a charitable fund and or foundation may receive more favorable pricing.
- Family or related accounts - certain family and or related accounts may receive more favorable pricing.

Our fee includes the time and activities necessary to work with your attorney, accountant, and/or other outside professionals in reaching agreement on solutions, as well as assisting them in implementation of all appropriate documents. We are not responsible for attorney, accountant, or other outside professional fees charged to you as a result of the above activities.

Compensation for our services will be calculated in accordance with what is set in the Client agreement. We may modify the terms of any agreement by written changes submitted to the Client for signature. While we strive to maintain competitive fees, the same or similar services may be available from other firms at higher or lower fees.

Unless otherwise authorized, EQ Wealth Management possesses written authorization from the Client to deduct advisory fees from an account held by a qualified custodian. EQ Wealth Management sends the qualified custodian written notice of the amount of the fee to be deducted from the Client's account. EQ Wealth Management fees are paid from your account by the custodian when we submit an invoice to them. If there is insufficient cash in your account to pay your fees, an equal balance of securities in your portfolio may be sold to pay our fee. In addition to our fees, there may be custodial, mutual fund, 12b-1 fees or similar third party management fees and charges (see 5c below).

Clients will execute a separate agreement for held-away assets which reflect the services and fees provided.

EQ Wealth Management fees are paid quarterly in advance, with payment due within 10 days from the date of the invoice. Our fee is determined by taking the percentage rate we charge, divided by four, times the market value of the account. The market value is the sum of the values of all assets in the account, not adjusted by any margin debit. In cases where there are partial fees at the commencement or termination of our agreement, they will be billed or refunded on a pro-rated basis contingent on the number of remaining days. Quarterly fee adjustments for additional assets received into the account during a quarter or for partial withdrawals will also be provided on the above pro rata basis. Because the custodian does not calculate the amount of fee to be deducted, it is important for Clients to carefully review their custodial statements to verify the accuracy of this calculation. Clients should contact us directly if they believe there may have been an error in the calculation of their fee, or any other information provided in the custodian statement.

Clients may cancel our Investment Advisory Agreement within 5 business days of entering into the contract and receive a full refund of all fees paid to EQ Wealth Management related to the cancelled Investment Advisory Agreement.

*Private Fund.* EQ Wealth Management receives compensation from the EQ Income Fund I (the "Fund") in the form of a 1.00% annual asset-based management fee. Since this compensation is a flat fee and not subject to the decreasing breakpoints in our standard advisory fee, a potential conflict of interest exists. For example, a reasonable investor would assume that we may be incentivized to recommend a Client to move assets away from investment strategies that provide EQ Wealth Management lower annual fees, to the Fund that provides us a 1.00% annual fee. We seek to address this conflict by emphasizing our duty to place the interests of our clients/Fund investors first. Management fees are outlined in the EQ Income Fund LLC Agreement. Clients will receive quarterly statements showing deducted management fees.

Operating expenses for the fund are typically passed on to investors on a pro rata basis. Clients may be able to invest directly in the underlying funds without incurring EQ Wealth Management's Fee. Other fees and expenses may still apply.

#### *Financial Planning Services*

EQ Wealth Management does not charge additional fees for its Financial Planning Services. Financial Planning Services are included as a part of our EQ Wealth Management's Investment Advisory Services.



## **5c: Third Party Fees**

EQ's advisory fee schedule does not include third party fees such as:

*Third Party Service Provider Fees.* EQ Wealth Management may use third party service providers to provide Clients with services including but not limited to account administration, reporting, and billing. These fees are separate and distinct from the EQ advisory fee and may be automatically deducted from your account or in certain instances, billed via a separate invoice. If invoiced, the full balance is due within (30) days of invoice. In certain circumstances a portion of our fees may be used to pay them. The specific fees and other terms and conditions under which a Client engages a third party service provider will be set forth in a separate written agreement with the designated provider. Fees for third party sub-advisor service providers range from .03 % to .25 % of assets under management. The combination of fees for EQ Wealth Management and third-party services providers will not exceed the industry standard of excessive fees which is 3%.

*Sub-Advisor Fees.* In cases where a third party sub-advisor under the Sub-Advised Program is used, those fees are separate and distinct from the EQ advisory fee and may be automatically deducted from your account or in certain instances, billed via a separate invoice. If invoiced, the full balance is due within (30) days of invoice. In certain circumstances a portion of our fees may be used to pay them. Fees for third party sub-advisors range from .2% to 1% of assets under management and will be defined in the written Client agreement.

The combination of fees for EQ Wealth Management and third-party sub-advisors will not exceed the industry standard of excessive fees which is 3%. Information regarding the services and strategies provided by sub-advisors can be found in the specific sub-advisor's ADV 2A. Clients are encouraged to carefully review each sub-advisor's ADV 2A disclosure brochure for service level, fee, conflict of interest, and professional background information applicable to each sub-advisor.

### *Private Fund Operating Expenses:*

You are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, 12b-1 fees, transaction fees, etc.). Those fees are also separate and distinct from the fees we charge. EQ Wealth Management does the best we can to minimize all fees and transaction costs. All brokerage commissions, stock transfer fees, 12b-1 fees and other similar charges incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to the investment management fees paid to us. While we take measures to ensure the fees charged are accurate, it is your responsibility to ensure the amount of fee charged is correct. In addition to statements sent by us, you will receive statements directly from these brokers, custodians or mutual funds or other investments you hold. We strongly urge you to compare these statements for accuracy.

## **5.d: Termination**

Either EQ Wealth Management or our Clients can terminate our agreement upon receipt of written notice to the other party.

When an agreement is terminated, we will refund any pre-paid, unearned fees based on the number of days remaining in the quarter after termination. Refunds will be made in the month following the end of the quarter in which the contract was terminated.

When an agreement is terminated, all assets may need to be transferred from the current custodian. You will be responsible for paying all fees including full quarterly custodial administrative fees, account closure fees, mutual fund fees and all trading costs due to the termination. The custodian may assess additional fees for transfer of illiquid investments. If there is insufficient cash in the account, the liquidation of some securities may be used to pay the fees. Prior to termination of an agreement, we can provide a good faith estimate of these fees.

## **5e: Other Investment Compensation**

*Private Fund.* EQ Wealth Management receives compensation from EQ Income Fund I (the "Fund") in the form of a 1.00% annual asset-based management fee. Management fees are payable by investors quarterly, in advance, as of the beginning of each quarter and are deducted directly from the investor's capital account. Management fees payable by a Fund investor for any incomplete or partial fiscal quarter will be prorated over the applicable period of such fiscal quarter. Management fees shall be refunded proportionately as of the date of withdrawal with respect to

any investor permitted or required to withdraw as of any time other than the end of a quarter.

*Private Real Estate Investments.* EQ Wealth Management principals, Stephen Emanuels and Michael Quigley, may individually receive compensation from their ownership in Axiom, including their pro-rata interest in profits and fees received by Axiom through its real estate investments and management fees it receives. EQ Wealth Management will not receive compensation. Axiom may receive a management fee of one percent (1%) of collected revenues, a project-related acquisition fee, and profits related to an ownership interest. Detailed compensation information pertaining to an investment will be outlined in a Confidential Private Placement Memorandum, Limited Liability Company Agreement, Subscription Agreement, and other applicable offering documents from Axiom, all of which a prospective investor needs to read and understand before investing.

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## **ITEM 6—PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

EQ Wealth Management does not charge advisory fees on the performance of fund interests or securities in your account.

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## **ITEM 7—TYPES OF CLIENTS**

EQ Wealth Management generally provides asset management and financial planning services to the following types of Clients:

- Individuals
- High-Net-Worth Individuals
- Trusts
- Estates
- Charitable Organizations
- Corporations
- Private Funds

*Minimum Account Size:* EQ Wealth Management generally requires a minimum portfolio size of \$1,000,000, although we may aggregate related accounts for the purposes of achieving our minimum. Our minimum may be negotiable. Clients should carefully review the disclosure documents of third party sub-advisors and managers regarding account minimums and whether those account minimums are negotiable.

*Private Fund.* As noted above, EQ Wealth Management manages and advises on the EQ Income Fund I (the "Fund"). The Fund has a separately stated minimum investment requirement of \$250,000 per investor which may be adjusted in the sole discretion of EQ Wealth Management. Prospective investors should carefully review the terms, conditions, risks, and fees pertaining to an investment in the Fund, as outlined in the Fund's offering documents.

*Private Real Estate Investments.* As noted above, EQ Wealth Management principals, Stephen Emanuels and Michael Quigley, have individual ownership in Axiom-West LLC, a real estate project development company. EQ Wealth Management, on a selective basis, may recommend investment in certain Axiom-related projects to those EQ Wealth Management clients that meet certain regulatory qualifications and for whom we believe it is advisable based on the client's portfolio and objectives. The terms, conditions, risks, and fees pertaining to an investment in an Axiom-related project will be outlined in offering documents.

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## **ITEM 8—METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **8a & b: Methods of Analysis and Investment Strategies**

*Investment Policy Committee.* Stephen Patrick Emanuels and John Michael Quigley comprise our Investment Policy Committee. They are responsible for analyzing investment opportunities, constructing EQ Models, selecting

Managers (for Managed Programs) and Sub-Advisors (for Sub-Advised Programs) and helping Clients diversify Portfolios. During regularly scheduled meetings Stephen and Michael review economic cycles, market conditions, Client Portfolios, EQ Models, and the performance of mutual funds and Managers. We use fundamental and cyclical analysis to form opinions on the economy, markets, Portfolios, EQ Models, mutual funds, and Managers.

*Evaluating Investment Opportunities.* Our investment recommendations include the use of Managers, Sub-Advisors, mutual funds, exchange-traded funds (ETFs), stocks, bonds, notes, real estate investment trusts (REITs), options, futures, and the EQ Income Fund, among other investments. We use fundamental and cyclical analysis to evaluate the background, strategy, and performance of the recommendations considered for our Clients. Our goal is to find investments with clear investment strategies that we believe may be successful in the future. Managers, sub-advisors, mutual funds, exchange-traded funds (ETFs), stocks, bonds, notes, real estate investment trusts (REITs), options and futures, among other investments are selected on the basis of their investment objectives, their style and philosophy, their track record, and their fee structure among other factors.

Our analysis is based on information obtained from research providers, investment firms, academic sources, subscription services, and interviews. We use software and other tools to analyze this information and track the performance of investments on an ongoing basis. While we believe this information is reliable, there is a risk that it may contain errors and we may rely on such erroneous information when making decisions and recommendations.

*Constructing EQ Models.* EQ Models are designed to achieve a diversified strategy with risk and return characteristics similar to those desired by our Clients. We use diversification as a technique designed to reduce the risks associated with having too much money in a single asset category. Clients should recognize that a diversified model won't enable them to fully profit from sharp increases that may occur in a single asset category. In addition, a diversified Model may include asset categories that may be out of favor for extended periods of time. Models may change over time and may no longer be appropriate for Client's goals and objectives.

*Private Fund.* EQ Wealth Management manages and advises on the EQ Income Fund I (the "Fund"), which pursues returns primarily through investments in private real estate funds in what we deem to be well managed entities. This is called a "fund of funds" strategy.

Investors in the Fund will not be limited partners in any of the underlying funds, will have no direct interest in any of the underlying funds, will have no voting rights in any of the underlying funds, will not be party to any underlying fund's governing documents, and may not bring an action for breach of any such governing documents. Returns, if any, to investors in the Fund will be lower than returns, if any, to direct investors in the underlying funds as result of the fees and expenses charged by the Fund. Underlying funds in which the Fund invests may take direct investors. Therefore, an investment in the Fund may not be necessary in order to participate in one or more of the underlying funds.

We seek to mitigate risk, which we define as the probability of the long-term loss of capital, by investing with a number of different management groups that we believe are proven franchises as evidenced by a well-established track record of underwriting, cash flow generation, and default management over complete real estate cycles. There is no guaranty that we will be successful in mitigating risk, and investors in the Fund must be prepared to bear the risk of losing their entire investment. Risks associated with investing in the Fund are described in the Fund's offering documents, particularly the Confidential Private Placement Memorandum.

We have full discretion in respect of the types of funds in which the Fund invests. We generally utilize the fundamental method of analysis, performing due diligence on historical and present data, with the goal of making financial forecasts. For a more detailed description of the investment strategies applicable to the Fund, please refer to the Fund's offering documents.

There can be no assurance that the Fund will achieve its investment objectives or that the investments that we have the Fund make will be successful. Investment in the Fund involves a substantial degree of risk, including that of complete loss of capital. Nothing herein is intended to imply, and no one is or will be authorized to represent, that the Fund is either low risk or risk free. The Fund is appropriate only for sophisticated persons who fully understand and are capable of bearing the risks of our investment strategy and additional risks are set forth in the Fund's offering documents.

*Private Real Estate Investments.* As noted above, EQ Wealth Management principals, Stephen Emanuels and Michael Quigley, have individual ownership in Axiom-West LLC, a real estate project development company. Axiom serves as a founder and manager of real estate-related projects in the United States. Mr. Emanuels, Mr. Quigley,

and EQ Wealth Management may invest in certain Axiom real estate-related projects. EQ Wealth Management, on a selective basis, may recommend investment in certain Axiom-related projects to those EQ Wealth Management clients for which it is advisable based on the client's portfolio and objectives. The terms, conditions, risks, and fees pertaining to an investment in an Axiom-related project will be outlined in offering documents.

*Diversifying Client Portfolios.* We may recommend Clients diversify their Portfolio among different types of investment strategies depending on their goals and objectives. A risk of diversifying Client Portfolios among different investment strategies is that the Client may have assets with a strategy that may be out of favor for an extended period of time. Portfolios may change over time and may no longer be appropriate for Client's goals and objectives.

*Held-Away Assets.* In situations where we have accepted oversight and reporting responsibility for held-away assets, our process includes initial and ongoing due diligence. Our initial due diligence starts with interviewing with key sponsors, checking references, and performing background checks. We then analyze the qualitative and quantitative components of the investment process, deliverable, and fees. We also ensure proper legal and accounting vendors are in place. We then assess Client's overall liquidity needs and suitability of incorporating held-away assets that may be illiquid for a period of time. Our ongoing due diligence involves routine verification of investment metrics, periodic market updates, and product updates. We also provide performance reporting.

### **8c: Risk of Loss**

Our **Investment Management Solutions** involve several types of risks including the risk of loss that Clients should be prepared to bear. Investing with us involves risks including but not limited to: losing money; reinvesting at lower rates in the future; losing purchasing power due to inflation or currency risk; investing with an underperforming mutual fund or *Manager*; not being able to sell at a given moment; and not participating in other, better performing opportunities. There is also a risk that our recommendations may have different risk or return characteristics than the Client desired. As with any investment, there is the risk that our timing with respect to transactions may be less than ideal or result in unfavorable tax events such as short term or long term losses and gains.

A mutual fund or Manager who has been successful in the past may not be able to replicate success in the future. Past performance does not guarantee future results. Since we don't control the underlying investments in a fund or ETF it is possible that mutual funds and Managers may purchase essentially the same securities that a Client may already own. This overlap may reduce the benefits of diversification. There is also a risk that mutual funds and Manager(s) may deviate from their stated investment strategy which may make the investment less advisable for a Client.

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

*Mutual Funds:* Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. Mutual funds may be investing in broad asset categories such as bond "fixed income" nature (lower risk) or stock "equity" nature. Additionally, mutual funds may be investing in specific asset categories with varying risk and return characteristics including but not limited to large companies, small companies, international companies, emerging market companies, corporate debt, and junk bonds. Further mutual funds may employ trading strategies designed for specific risk return characteristics including but not limited to buy and hold, tactical management, long short, momentum, and rotation.

*Exchange Traded Funds (ETFs):* An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

*Annuities* are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life

insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not advisable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

*Equity* investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments. Investing in Equities carries the risk of capital loss (sometimes up to a 100% loss in the case of bankruptcy).

*Fixed income* investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Investing in fixed income carries the risk of capital loss (sometimes up to a 100% loss in the case of bankruptcy).

*Real Estate Investment Trusts (REITs).* A REIT, or real estate investment trust, is a company that owns – and typically operates – income-producing real estate or real estate-related assets. *Publicly traded REITs* are listed on an exchange and can be purchased or sold with relative ease. An investment in publicly traded REITs is typically a liquid investment. *Non-traded REITs* are **not** listed on an exchange. Non-traded REITs are illiquid investments, which mean that they cannot be sold readily in the market. Non-traded REITs typically charge high upfront fees to compensate a firm or individual selling the investment and to lower their offering and organizational costs. *Distributions may come from principal.* The initial distributions may not represent earnings from operations since non-traded REITs often declare these distributions prior to acquiring significant assets. Because non-traded REITs are not publicly traded, there is no market price readily available. *Conflicts of interest.* Non-traded REITs are typically externally managed, meaning the REITs do not have their own employees. External managers may manage or be affiliated with other companies that may compete with the REIT in which you are invested or that are paid by the REIT for services provided, such as property management or leasing fees. Investing in REITs carries the risk of capital loss (sometimes up to a 100% loss in the case of bankruptcy).

*Use of Third Party Investment Managers.* EQ Wealth Management may select certain third party investment managers to manage a portion of our Clients' assets. In these situations, EQ Wealth Management continues to conduct ongoing due diligence of such managers, but such recommendations generally rely on the third party investment managers' ability to successfully implement their investment strategies. In addition, EQ Wealth Management generally may not have the ability to supervise the third party investment managers on a day-to-day basis. Investing with third party managers includes the risk of capital loss (sometimes up to a 100% loss in the case of bankruptcy and or the failure or design of an investment strategy).

*Options.* Options investment generally refers to buying or selling options contracts known as puts and calls. Options investing is not advisable for everyone and each client must go through additional suitability requirements prior to adopting an option strategy. The value of option contracts may fluctuate in response to specific situations for each company, industry conditions, the general economic environments, and the erosion of time value. Investing in options carries a substantial risk of capital loss (in some cases up to 100% and in other cases beyond 100%).

*Private Fund.* The EQ Income Fund I (the "Fund") is not registered under the Investment Company Act of 1940, as amended, in reliance on the exemptions provided in Sections 3(c)(1) and 3(c)(5) thereunder, as applicable. Additionally, the interests, shares, or units (as applicable) are not registered under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "Securities Act") pursuant to an exemption from registration under Regulation D of the Securities Act.

Prospective investors are directed to the Fund's offering documents, including the disclosure of risks, all of which they need to understand prior to making an investment. This is a brief summary of risks involved in an investment in the Fund. This summary cannot be relied upon as a substitute for reading and understanding the Fund's offering documents.

The Fund's investment strategy involves many risks, including and especially those associated with investments in the real estate industry and market. While the Fund will attempt to limit risks by aiming to achieve current income rather than speculative long-term capital return, investors nevertheless may lose money by investing in the Fund; there is no guarantee of any return on an investment in the Fund. An investment in the Fund is advisable only for investors who are qualified to invest by virtue of their investment experience, net worth, ability to incur the risk of loss of their entire investment, have no need for liquidity, and otherwise meet the requirements for investment set forth in the Fund's offering documents. There is no research that the Fund will be successful or that its investment objectives will be achieved. No secondary market for the limited liability company interests issued by the Fund is expected to develop, and there are severe restrictions on an investor's ability to withdraw and transfer limited liability company interests. Each potential investor should carefully review the offering documents and obtain the advice of legal, investment, accounting, tax, and other advisors before deciding to invest in the Fund.

*Private Real Estate Investments.* As noted above, EQ Wealth Management principals, Stephen Emanuels and Michael Quigley, have individual ownership in Axiom-West LLC, a real estate project development company. Axiom serves as a founder and manager of real estate-related projects in the United States. EQ Wealth Management, on a selective basis, may recommend investment in certain Axiom-related projects to those EQ Wealth Management clients for which it is advisable based on the client's portfolio and objectives. The terms, conditions, risks, and fees pertaining to an investment in an Axiom-related project will be outlined in offering documents.

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## ITEM 9—DISCIPLINARY INFORMATION

### 9a: Civil or Criminal Actions

EQ Wealth Management and our managers have never been found guilty, convicted, or plead no contest to a criminal or civil action in a domestic, foreign, or military court.

### 9b: Administrative Enforcement Proceedings

EQ Wealth Management and our managers have never been found by the SEC, any other state or federal agency or any foreign regulatory agency to have caused loss of the ability of an investment-related business to do business or been sanctioned, barred or limited in investment-related activities.

### 9c: Self-Regulatory Organization Enforcement Proceedings

EQ Wealth Management and our managers have never been found by a self-regulatory agency to have caused loss of the ability of an investment-related business to do business. Additionally, EQ Wealth Management and our managers have never been found in violation of self-regulatory agencies rules such that they were barred, suspended, limited in advisory functions, or fined.

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## ITEM 10—OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### 10a: Broker Dealers and Registered Representatives

EQ Wealth Management is not registered as a broker-dealer and our employees are not registered representatives of any broker-dealer.

### 10b: Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither EQ Wealth Management nor our employees hold any of the above registrations.

### 10c: Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

The principal business of EQ Wealth Management is that of a registered investment advisor and provider of financial planning services. Some of our associated persons may be insurance agents. When acting in the capacity of an insurance agent, the advisor and associated persons may receive the usual and customary commissions or fees associated with the insurance products that the Client purchases. Receiving commissions on insurance products may cause a conflict of interest. At all times, you are free to choose an outside agency to avoid the possibility of there being a conflict of interest.

*Private Real Estate Investments.* EQ Wealth Management's principals are affiliated with Axiom-West LLC, a real

estate project development company ("Axiom"). EQ Wealth Management principals, Stephen Emanuels and Michael Quigley, have individual ownership in Axiom. Mr. Emanuels' and Mr. Quigley's combined ownership interest in Axiom is twenty-five percent (25%). EQ Wealth Management may invest in certain Axiom real estate-related projects. EQ Wealth Management, on a selective basis (see *Types of Advisory Services: Private Real Estate Investments*). As Mr. Emanuels and Mr. Quigley have ownership interest in Axiom this creates a conflict of interest as they have incentive to drive additional funds to Axiom projects.

EQ Wealth Management will disclose any material conflict of interest relating to EQ Wealth Management, our representatives, or any of our associates which could reasonably be expected to impair the rendering of unbiased and objective advice.

#### **10d: Selection of Other Advisors and How this Advisor is Compensated for those Selections**

EQ Wealth Management may select outside money managers or sub-advisors. We are not compensated for that selection. A portion of the fees you pay us may be used to compensate the third party or money manager or fees may be separately charged. The fees paid, and parties involved are clearly set forth in the agreements between EQ Wealth Management and our Client or between our Client and the third party money manager or sub-advisor.

Outside money managers and sub-advisors may provide research, analysis, or other advice to EQ Wealth Management that creates a potential conflict of interest since EQ Wealth Management may utilize the outside money manager's or sub-advisor strategies or other products in client portfolios.

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### **ITEM 11—CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

#### **11a: Code of Ethics Description**

We have adopted a Code of Ethics to which all investment advisor representatives and employees are bound to adhere. The key component of our Code of Ethics states that EQ Wealth Management and our investment advisor representatives and employees shall always:

- Act with integrity, competence, dignity, and ethically when dealing with the public, Clients, prospects, employers, and employees.
- Exercise our authority and responsibility for the benefit and interest of our Clients first and to refrain from having outside interests that conflict with the interests of our Clients. EQ Wealth Management must avoid any circumstances that might adversely affect or appear to affect our duty of complete loyalty to our Clients.
- Refrain from disclosing any nonpublic personal information about a Client to any nonaffiliated third party unless our Client expressly gives permission to EQ Wealth Management to do so. All Client information will otherwise be treated as confidential.
- Maintain the physical security of nonpublic information, including information stored on computers.

This Code of Ethics is in place to guide the personal conduct of our team and embodies our fiduciary duties and responsibilities to you and sets forth our practice of supervising the personal securities transactions of employees with prior or concurrent access to Client trade information. A copy of the EQ Wealth Management Code of Ethics is available, free of charge, upon request.

#### **11b, c & d: Participation or Interest in Client Transactions**

EQ Wealth Management, or our employees, may buy and sell some of the same securities for our own accounts that we buy and sell for our Clients. Neither EQ Wealth Management nor any related person recommends to Clients, or buys or sells for Client accounts, securities in which EQ Wealth Management or a related person has a material financial interest. We will always buy or sell from our Clients' accounts before we buy or sell from our accounts. In some cases, EQ Wealth Management, or our employees, may buy or sell securities for our own accounts and not for Clients' accounts, as it may not meet the objectives or plans for the Client. There are possible conflicts of interest, which our Code of Ethics addresses. We will always evaluate our activity from the view of our Clients to ensure that any and all required disclosures are made. For example, we will disclose anything that would cause you to be unfairly influenced to make any decision regarding actions or inactions in your account.

EQ Wealth Management does not buy or sell between EQ Wealth Management, our employees, or our Clients' accounts.

EQ Wealth Management always tries to get the best price for the Client. EQ Wealth Management has in place internal controls and processes to allow contemporaneous trading (submitting EQ Wealth Management or employee orders at the same time as Client order) in block or aggregate trades. In other cases, except in the case of unaffiliated mutual funds, we will always trade individual securities in a Client account before we trade EQ Wealth Management or employee accounts.

*Private Real Estate Investments.* As noted above, EQ Wealth Management principals, Stephen Emanuels and Michael Quigley, may individually receive compensation from their ownership in Axiom, including their pro-rata interest in profits and fees received by Axiom through its real estate investments. EQ Wealth Management will not receive compensation. Axiom may receive a management fee of one percent (1%) of collected revenues, a project-related acquisition fee, and profits related to an ownership interest. Detailed compensation information pertaining to an investment will be outlined in the offering documents. Mr. Emanuels, Mr. Quigley, and EQ Wealth Management may invest in certain Axiom real estate-related projects.

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## **ITEM 12—BROKERAGE PRACTICES**

### **12a: Selecting Brokerage Firms**

Except to the extent that you direct otherwise, EQ Wealth Management will recommend a broker-dealer. We have selected our broker-dealers based on price, reliability, speed of processing, tools and “best execution” in addition to other considerations. And while you are not required to effect transactions through any broker-dealer recommended by us, we feel we have made our selections based on a totality of benefits they offer and can only offer our services based on our recommendations. By directing brokerage, you may be unable to achieve most favorable execution of your transactions and this practice may cost you more money.

EQ Wealth Management may purchase software, tools, training programs or seminar services from our broker-dealer. Additionally, broker-dealers may provide services, tools, or other non-financial benefits to us as a benefit for using the broker-dealer's services. However, we endeavor at all times to put the interests of our Clients first. You should be aware, however, that the receipt of the types of benefits discussed above can create a potential conflict of interest by influencing our choice of a broker-dealer.

To avoid creating a possible conflict of interest in recommending broker-dealers, we have established the following restrictions in order to ensure our fiduciary responsibilities:

1. EQ Wealth Management adheres to our Code of Ethics as outlined in Item 11 above.
2. If EQ Wealth Management receives separate compensation for transactions, we will fully disclose them.
3. EQ Wealth Management emphasizes the unrestricted right of you to select and choose your own broker or dealer.
4. EQ Wealth Management will always act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

### **Products and Services Available to Us**

Custodians may provide EQ Wealth Management and our Clients with access to our institutional brokerage—trading, custody, reporting and related services—many of which are not typically available to retail customers. Various support services may be provided that help us manage or administer our Clients' accounts or help us manage and grow our business. These services and research are known as “soft dollars.”



**Services that Benefit You.**

You gain access to a broad range of investment products, execution of securities transactions, and custody of your assets. The investment products available through some brokers include some to which might not otherwise be available or would require a significantly higher minimum initial investment by our Clients.

**Services that May Not Directly Benefit You.**

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 from the broker 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 broker from which we received benefit. In addition to investment research, brokers may also make available software or 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;
- reports, publications and data on matters such as the economy, industries, sectors and individual companies or issuers, statistical information, account and law interpretations, political analyses, legal developments affecting portfolio securities, technical market actions, credit analyses, risk management and analyses of corporate responsibility issues; and
- on-line news services and financial and market database services.

**Services that Generally Benefit Only Us.**

Some services intended to help us manage and further develop our business enterprise. These services include:

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

These services may come directly from a Custodian or in other cases, it will be arranged for third-party vendors to provide the services to us. The Custodian may also discount or waive its fees for some of these services or pay all or a part of a third party's fees or us with other benefits such as occasional business entertainment of our personnel.

The availability of these services benefits us because we do not have to produce or purchase them. You should be aware, however, that the receipt of the types of benefits discussed above can create a potential conflict of interest by influencing our choice of a custodian/broker-dealer. We endeavor at all times to put the interests of our Clients first.

**Brokerage for Client Referrals**

Neither EQ Wealth Management nor a related person receives Client referrals from a broker-dealer or third party.

**12.b: Sales Aggregation**

EQ Wealth Management is authorized to aggregate purchases and sales and other transactions made for your account with purchases and sales and other transactions in the same or similar securities or instruments for other clients of ours. When we aggregate transactions, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities or instruments involved at the average price obtained. Stock exchange regulations may in certain instances prevent the executing broker-dealer from delivering to the account a confirmation slip with respect to its participation in the aggregated transaction and, in such event, we will advise you in writing of any purchase or disposition of instruments for the account with respect to any such aggregated transaction. We will direct that confirmations of any transactions effected for the account will be sent, in conformity with applicable law, to you.

## ITEM 13—REVIEW OF ACCOUNTS

### 13a: Periodic Reviews

Accounts are reviewed by John Michael Quigley and Stephen Patrick Emanuels, or qualified staff members. All reviews are either conducted or supervised by John Michael Quigley and Stephen Patrick Emanuels. The frequency of reviews is determined based on your investment objectives, but no less than annually.

Our advisors endeavor to meet with Clients at least annually to review their financial status, investment objectives, account performance, and investment suitability. During these meetings we also review specific questions or concerns our Clients may have. As part of this process, we review the Client's information in an effort to ensure that our recommendations continue to be advisable and that the Client's account is managed appropriately. If we determine that a change may be necessary we will make appropriate recommendations to Client. More frequent reviews may be done at the Client's request.

At least quarterly, we review accounts for imbalances related to market activity, investment performance, and other factors. If we determine that an account change may be necessary we may rebalance the account or contact Clients in accordance with our discretionary authority.

At least quarterly, our Investment Policy Committee reviews the investments, mutual funds, and Managers in our Investment Management Services accounts. As part of this process, we review the performance of mutual funds and Managers in an effort to monitor progress towards achieving objectives. If we determine that a change is necessary we may increase or decrease account allocations, change mutual fund(s) or Manager(s), or contact the Client in accordance with our discretionary authority.

### 13b: Review Triggers

More frequent reviews are triggered by a change in your investment objectives; tax considerations; large deposits or withdrawals; changes in income and or expenses; large sales or purchases; loss of confidence in corporate management; or, changes in economic climate.

### 13c: Regular Reports

All investment advisory Clients receive reports as needed, but no less than annually, on representative investments recommended specifically by EQ Wealth Management. Investment advisory Clients also receive standard account statements from the custodian of their accounts on at least a quarterly basis.

Financial planning Clients do not normally receive investment reports.

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## ITEM 14—CLIENT REFERRALS AND OTHER COMPENSATION

### 14a: Economic Benefits Provided by Third Parties for Advice Rendered to Clients

#### Client Referrals

We may compensate solicitors either directly or indirectly for Client referrals. Referral fees are paid from our normal advisory fees and do not increase Client fees. Referral fees are paid in accordance with applicable regulations. Referred Clients receive appropriate disclosures regarding referral arrangements and any fees to be paid to a solicitor for referrals. We maintain a record of Client's signed acknowledgement of such disclosures. This practice creates a conflict of interest to the extent that solicitors are not unbiased and are partially motivated by financial gain. Therefore, referrals may be made even if our services are not the most advisable to a particular Client's needs. Referred Clients are carefully screened to ensure that our fees, services, and investment strategies are advisable to Client's investment needs and objectives.

We may refer our Clients to other professionals or firms when we believe it is in the best interest of our Clients. We are under no obligation to make referrals and we provide them as a professional courtesy and to help Clients toward their objectives. We do not receive any direct compensation for these referrals; however, we may receive other benefits that could be considered a form of non-cash compensation. The benefits we may receive include, but are not limited to, access to professionals for advice, speaking opportunities or reciprocal referrals from these professionals or firms. Our employees may also be invited to entertainment events or exchange de minimis gifts. This creates a conflict of interest as we may have a desire to receive these referrals and other benefits from the

professionals and firms. Clients, however, are under no obligation to use the services of any professional or firm we may recommend. The implementation of our recommendation is solely at the Client's discretion. As these situations present conflicts of interest, we have established appropriate policies and procedures including the monitoring of gifts we give and receive to protect the interest of our Clients.

#### **14b: Compensation to Non-Advisory Personnel for Client Referrals**

As disclosed in **Item 10** of this brochure, certain employees of our firm are separately licensed as insurance agents with unaffiliated insurance companies. We may recommend the use of these employees to Clients for implementation of recommendations involving insurance products, provided that our recommendation is consistent with our fiduciary duty to our Client. Any commissions or other compensation received from the implementation of such recommendations is separate and distinct from our advisory fee. Our Clients are not obligated to use anyone associated with our firm to implement any recommended transactions.

Clients should be aware that lower commission costs may or may not be achieved if recommended transactions are placed through our employees in their separate capacity as insurance agents.

We receive an economic benefit from broker-dealers in the form of the support products and services they make available to us and other independent investment advisors whose Clients maintain their accounts at these broker-dealers. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices). The availability to us of such broker-dealers' products and services are not based on us giving particular investment advice, such as buying particular securities for our Clients.

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### **ITEM 15—CUSTODY**

EQ Wealth Management Clients' accounts are held by qualified custodians, as designated by the Client in writing. With the exception of our ability, when authorized by the Client in Client advisory agreement(s), (i) to debit EQ Wealth Management's agreed upon fees and (ii) to disburse Client funds and securities to third parties pursuant to standing letters of authorization, EQ Wealth Management does not have custody of Client assets. With the exception aforementioned custody, EQ Wealth Management shall have no liability to the Client for any loss or other harm to any property in the account. This includes harm to any property in the account resulting from the insolvency of the custodian or any unauthorized acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The Client understands that SIPC provides only limited protection for the loss of property held by a broker-dealer.

As a fiduciary, EQ Wealth Management will always act in the Client's best interests and in doing so, the above does not limit or modify that duty to our Clients. Custodial statements will include fees charged by EQ Wealth Management.

*Private Fund.* In its capacity as the Manager of EQ Income Fund I, EQ LLC is deemed to have custody of the assets managed on a discretionary basis in the Fund. In order to comply with the SEC's Custody Rule, the Fund is audited annually by an independent public accountant, registered with, and subject to regular inspection by the Public Company Accounting Oversight Board, and requires that a private fund of funds distribute its audited financial statement to all investors within 180 days of the Fund's fiscal year end. In addition, the third-party administrator of the Fund distributes capital account statements at least quarterly to each of the Fund's investors.

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### **ITEM 16—INVESTMENT DISCRETION**

**EQ Models.** We manage EQ Models on a discretionary basis, which means that we place trades in a Client's account as we deem appropriate without contacting Clients prior to trading. Our discretion includes the ability to determine the appropriate security and amounts to buy or sell in the Client's account. Clients grant us discretionary authority in our written investment management agreement. Client may place reasonable limits on this authority and amend these limitations in writing.

**Managed Programs.** We may request that Client give us written discretionary authority to move their assets between different Managers and to hire and fire Managers as we deem appropriate. We do not have discretionary

authority over the securities Managers select for Client accounts. Any limitations on our discretionary authority shall be included in the written authority signed by Client. Clients may amend these limitations in writing.

**Sub-Advised Programs.** We do not have discretionary authority over the securities Sub-Advisors select for Client accounts. Any limitations on our discretionary authority shall be included in the written authority signed by Client. Clients may amend these limitations in writing.

**Customized Models.** We do not have discretion over these accounts. Where EQ Wealth Management has non-discretionary authority for Client accounts, we will obtain your prior approval of each specific transaction prior to executing investment recommendations. Non-discretionary authority is granted once an election is made on the Investment Advisory Agreement and the agreement is signed by the Client.

**Private Fund.** We manage EQ Income Fund I (the "Fund") on a discretionary basis which means that we allocate capital in the Fund as we deem appropriate without contacting investors prior to doing so. Our discretion includes the ability to determine the appropriate allocation to outside entities (typically, real estate funds) and the ability to move money between those entities. Investors in the Fund grant us management authority in separate documents.

**Private Real Estate Investments.** As noted above, EQ Wealth Management principals, Stephen Emanuels and Michael Quigley, have individual ownership in Axiom-West LLC, a real estate project development company. Axiom serves as a founder and manager of real estate-related projects in the United States. EQ Wealth Management, on a selective basis, may recommend investment in certain Axiom-related projects to those EQ Wealth Management clients for which it is advisable based on the client's portfolio and objectives. The terms, conditions, risks, and fees pertaining to an investment in an Axiom-related project will be outlined in offering documents.

**Held-Away Assets.** We do not have discretion over any held-away assets. Any transactions in assets held in accounts away from our recommended custodian are implemented by the account holder of those assets. EQ Wealth Management reports on and provides due diligence services only for these assets.

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## ITEM 17—VOTING CLIENT SECURITIES

The Clients of EQ Wealth Management retain the authority to proxy vote. You should ensure that proxy ballots are mailed directly to you by selecting this option on your custodial application forms. You are welcome to delegate said proxy voting authority to a third-party representative (non-advisory personnel) by filing the appropriate custodial form. EQ Wealth Management will not accept authority to vote Client proxies. This policy is set forth in EQ Wealth Management's standard advisory agreements. Should EQ Wealth Management inadvertently receive proxy information for a security held in Clients' accounts, it would immediately forward such information on to Clients, but will not take any further action with respect to the voting of such proxy. Upon termination of the advisory relationship, EQ Wealth Management will make a good faith and reasonable attempt to forward proxy information inadvertently received on behalf of Clients to the forwarding address provided by Clients. Clients may contact EQ Wealth Management for advice or information about a particular proxy vote; however, EQ Wealth Management shall not be deemed to have proxy voting authority solely as a result of providing such advice to Clients.

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## ITEM 18—FINANCIAL INFORMATION

### 18a: Balance Sheet

EQ Wealth Management does not solicit prepayment of more than \$1200 in fees per Client six (6) months or more in advance.

### 18b: Financial Conditions

EQ Wealth Management has no financial issues that could impair our ability to carry out our fiduciary duty to our Clients.

### 18c: Bankruptcy Petition

EQ Wealth Management has never been the subject of a bankruptcy petition.

