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**ITEM 1 – COVER PAGE**

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February 1, 2019

Part 2A Brochure

This brochure provides information about the qualifications and business practices of Wealth Management Consultants Colorado, LLC. If you have any questions about the contents of this brochure, please contact us at (720) 697-7881. 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. Wealth Management Consultants Colorado, LLC. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Wealth Management Consultants Colorado, LLC. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Wealth Management Consultants Colorado, LLC. is 226545.

## ITEM 2 - MATERIAL CHANGES

### Summary of Material Changes

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our last annual filing was dated January 31, 2018. Since our last filing we have amended our Brochure to include the following:

- No material changes to report.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our CCO Mark Marquez at (720) 697-7881 or [mmarquez@wealth-manage.com](mailto:mmarquez@wealth-manage.com).

We encourage you to read this document in its entirety.

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## **ITEM 4 - ADVISORY BUSINESS**

This Disclosure document is being offered to you by Wealth Management Consultants Colorado, LLC. ("WMCC") in connection with the investment advisory services we provide. It discloses information about the services we provide and the manner in which those services are made available to you, the client.

We are a wealth management firm located in Denver Colorado, specializing in holistic investment advisory services for high net worth individuals and trusts. The firm was established by Mark Marquez, the firm's principal owner, in April 2015 and became a registered investment adviser in June 2015.

We are committed to helping clients build, manage, and preserve their wealth, and to provide assistance to clients to help achieve their stated financial goals. We offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and Wealth Management Consultants Colorado execute an engagement letter or client agreement.

### **Types of Planning Services**

WMCC provides a broad range of financial and investment counseling services to individuals. Those counseling services include:

- ☐ Estate Planning
- ☐ Income Tax Planning
- ☐ Cash Planning
- ☐ Debt Management
- ☐ Compensation and Employee Benefit Review
- ☐ Investment Allocation
- ☐ Personal Insurance Planning
- ☐ Financial Security Planning for Retirement and Death

### **Financial Counseling Advice to Corporate Executives**

Corporations may hire WMCC to provide investment, tax, estate, employee benefit, insurance, cash management and other advice to their corporate executives for an annual fee. Many corporations provide various perquisites such as a company car, tax return preparation and financial planning to their senior management as part of their compensation package. This financial planning perquisite is generally in the form of a dollar limit for prescribed financial planning services such as: investment advice, tax and/or estate planning, employee benefit planning, insurance review, cash management and other advice. WMCC frequently works with executives who have this perquisite available to them. The corporate reimbursement program dictates the fee to be paid to WMCC.

### **Financial Planning Services**

Financial advisory services provided by us includes the analysis of your situation and assistance in identifying and implementing appropriate financial planning and investment

management techniques to help you meet your specific financial objectives. Such services include a written financial analysis and specific or general investment and/or planning recommendations.

In preparing your financial plan, we address five areas of financial planning. These include: financial planning, money management, tax, legal and insurance orchestration.

Our specific services in preparing your plan may include:

- Review and clarification of your financial goals.
- Assess of your overall financial position including cash flow, balance sheet, investment strategy, risk management and estate planning.
- Create of a unique plan for each goal you have including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, and other personal goals.
- Develop of a goal oriented investment plan around tax suggestions, asset allocation, expenses, risk and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention.
- Design a complete risk management plan including risk tolerance, risk avoidance, mitigation and transfer, including liquidity as well as various insurance and possible company benefits.
- Craft and implement, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.
- Generate a retirement plan and risk management plan, if applicable.

### **Consulting Services**

We also provide clients investment advice on a more limited basis on one or more isolated areas of concern such as investment strategy/allocation, retirement planning, or any other specific topic. Additionally, we may provide advice on non-securities matters in connection with the rendering of estate planning, insurance, real estate, and/or annuity advice. The Client has the right to select their own investment managers, broker-dealer and/or insurance companies for the implementation of consulting recommendations. However, if Client requests assistance in locating brokerage and/or other financial services, Consultant may recommend the use of one of several investment managers, brokers, banks, custodians, insurance companies or other financial professionals ("Firms"). Then Client must independently evaluate these Firms before opening an account or transacting business, and has the right to effect business through any firm they choose.

### **Investment Management and Supervision Services**

We offer discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. These services include investment analysis, allocation of investments, quarterly portfolio reports and ongoing monitoring services for the portfolio.

We determine your portfolio composition based on your needs, portfolio restrictions, if any, financial goals and risk tolerances. We will work with you to obtain necessary

information regarding your financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This enables us to determine the portfolio best suited for your investment objective and needs.

In performing our services, we shall not be required to verify any information received from you or from other professionals. If you request, we will recommend and/or engage the services of other professionals for implementation purposes. You have the right to not engage the services of any such recommended professional.

Once we have determined the types of investments to be included in your portfolio, and allocated them, we will provide ongoing portfolio review and management services. This approach requires us to review your portfolio at least quarterly.

We will rebalance the portfolio, as we deem appropriate, to meet your financial objectives. We will trade these portfolios and rebalance them on a discretionary basis.

Our advisory services are tailored to meet your individual needs. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities. These standing instructions are delineated in the Investment Management Agreement.

While our advisory services are tailored to you as an individual, when using mutual funds this multi-fund manager approach makes it difficult for us to ensure that your portfolio will not invest in a particular industry or security. However, we are happy to discuss your preferences regarding socially conscious investment concerns and, we'll try as much as possible, to accommodate them.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the Custodian to deduct investment advisory fees, but only with the appropriate prior written authorization from you.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that may adversely affect an account's performance. This could result in capital losses in your account.

### **Third Party Managers ("TPM")**

We provide investment recommendations on the investment strategies of TPMs. All selected TPMs are evaluated by our Firm for client use. Our services include assisting you in identifying your investment objectives and matching personal and financial data with a select list of TPMs. The intent of this service is to have a selected list of high quality and recognizable third party investment management firms from which you select one or more TPMs to handle the day-to-day management of your account(s). Our Firm will assist you in completing appropriate documents for the TPM.

We assist clients with identifying their risk tolerance and investment objectives. We will recommend TPMs in relation to the client's stated investment objectives and risk tolerance. A client may select a recommended TPM based upon the client's needs. Clients will enter an Agreement directly with the TPM.

TPMs selected for your investments need to meet several quantitative and qualitative criteria established by our Firm. Among the criteria that may be considered are the TPM's experience, assets under management, performance record, client retention, the level of client services provided, investment style, buy and sell disciplines, capitalization level, and the general investment process. Our Firm shall be available to answer questions the client may have regarding their account and act as the communication conduit between the client and the TPM. TPMs may take discretionary authority to determine the securities to be purchased and sold for the client.

All accounts are managed by the selected TPM. The TPM will take discretionary authority of the trading within the account. Our Firm does not have any discretionary trading authority with respect to such accounts. Additionally, if selected and agreed upon in the Client Agreement, our Firm does have the ability to terminate the TPM on behalf of the client.

Information collected by our firm regarding TPMs is believed to be reliable and accurate but we do not independently review or verify it on all occasions. All performance reporting will be the responsibility of the respective TPM. Such performance reports will be provided directly to you and our Firm. We do not audit or verify that these results are calculated on a uniform or consistent basis as provided by a TPM directly to our Firm or through the consulting service utilized by the TPM.

Third-party managed programs generally have account minimum requirements that will vary from investment advisor to investment advisor. Account minimums are generally higher on fixed income accounts than equity based accounts. A complete description of the TPM's services, fee schedules and account minimums will be disclosed in the TPM's Form ADV or similar Disclosure Brochure which will be provided to clients prior to the time an agreement for services is executed and account is established.

### **Wrap Fee Programs**

We do not place client assets into a wrap fee program.

### **Assets**

As of December 31, 2018, WMCC had \$153,398,023 in assets under management. Of this \$153,398,023 is discretionary and \$0 is non-discretionary.

## **ITEM 5 - FEES AND COMPENSATION**

### **Planning Fees**

#### **Financial Counseling Advice to Corporate Executives**

Many corporations offer Financial Counseling as a perquisite to their senior executives. WMCC (through its consultants) has experience in, and a history of participation in these programs. Generally an Executive Financial Counseling program offers different levels of re-imbursement for financial counseling from pre-approved providers based on the level of the executive. They can be paid to the financial planning provider either directly or via reimbursing the executive for fees incurred.

Currently WMCC is involved in one such arrangement with annual reimbursement limits of \$7,500 or \$11,500.

#### **Financial Planning Fee**

Your fee for the designated planning services is a fixed fee. Under a fixed fee arrangement, any fee will be agreed in advance of services being performed. The fee will be determined based on factors including the complexity of your financial situation, agreed upon deliverables, and whether or not you desire WMCC to collaborate with other independent professionals of your choosing.

The type of fee and -- in the case of a fixed fee -- the amount must be agreed to prior to the signing of the financial planning agreement. The agreed upon fee is billed in arrears either quarterly or semiannually. The initial first year fees range between \$3,000 and \$25,000.

In no case are our fees based on, or related to, the performance of your funds or investments.

We will not require prepayment of more than \$500 in fees per client, six (6) or more months in advance of providing any services.

You may terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any earned portion of the fee will be invoiced to you based on an hourly rate of \$350.00.

As a financial planning client, you have the right to not to act upon any of our recommendations or effect the transaction(s) through us if you decide to follow the recommendations.

#### **Consulting Services**

Your fee for general consulting services is a fixed fee. Under a fixed fee arrangement, any fee will be agreed upon in advance of services being performed. The fee will be determined based on factors of the consulting project and fully detailed in our agreement. The fee is payable upon completion of the services. The fixed fee typically ranges between \$3,000 and \$25,000.

Client may request subsequent, additional, special reviews, or requests for consulting services. These additional services may be subject to an additional charge. Additional services will be based on an agreed annual fee of a percentage of assets under advisement or a fixed fee. Fees are disclosed in the Consulting Agreement, Exhibit B.

You may terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any earned portion of the fee will be invoiced to you based on an hourly rate of \$350.00.

#### **Investment Management Fees and Compensation**



Wealth Management Consultants Colorado charges a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account maintenance activities. The custodian charges custodial fees, transaction costs, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below.

In addition, some mutual fund assets deposited in the account may have been subject to deferred sales charges and 12 (b)(1) fees and other mutual fund annual expenses as described in the fund's prospectus (**Advisor does not share in these fees**). These fees are independent of our fees and should be disclosed by the custodian or contained in each fund's prospectus. You should also note that fees for comparable services vary and lower fees for comparable services may be available from other sources.

The fees for portfolio management are based on an annual percentage of assets under management and are applied to the account asset value on a pro-rated basis, billed quarterly in arrears. The fee will be based on the account value at the last trading day of the calendar quarter. The market value will be determined as reported by the Custodian. Fees are assessed on all assets under management, including securities, cash and money market balances.

Our investment advisory fees shall not exceed 0.75%. The specific advisory fees are set forth in your Investment Advisory Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. In certain circumstances, our fees and the timing of the fees may be negotiated.

You authorize us to debit your account quarterly for our fee. The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us.

You will provide written authorization permitting the fees to be paid directly from your account held by the independent qualified custodian who holds your funds and securities to us. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. Prior to our debiting your account, you will be provided an invoice with the fee calculation. See Item 15 for details. You are encouraged to review your account statements for accuracy. At our discretion, you may pay the advisory fees by check.

Either Wealth Management Consultants Colorado or you may terminate the management agreement, upon 30 day written notice to the other party. The management fee will be pro-rated to the date of termination, for the quarter in which the cancellation notice was given and earned fees billed to you. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

### **Third Party Management (“TPM Program” or “TPM”) Fees**

Fees and billing methods are outlined in each respective TPM’s Brochure and Advisory Contract. The Client pays an on-going fee directly to the TPM based upon a percentage of your assets under management with respect to each TPM. You will receive disclosure of all fees by the TPM, which include the terms of the compensation arrangement and a description of the compensation paid, at the time of signing an advisory agreement with the TPM. Our firm’s advisory fee is in addition to the fee billed by the TPM.

The minimum account size for participating in a TPM Program will vary from TPM to TPM. All such minimums will be disclosed in the respective TPM’s Brochure. Our Firm may have the ability to negotiate such minimums for you.

You may terminate your relationship in accordance with the respective TPMs’ disclosure documents. A TPM relationship may be terminated at your or your IAR’s discretion. If indicated by the Client in your Agreement, our Firm may at any time terminate the relationship with a TPM that manages your assets. Our Firm will notify you of instances where we have terminated a relationship with any TPM you are investing with. We will not conduct on-going supervisory reviews of the TPM following such termination.

Factors involved in the termination of a TPM may include a failure to adhere to their stated management style or your objectives, a material change in the professional staff of the TPM, unexplained poor performance, unexplained inconsistency of account performance, or our decision to no longer include the TPM on our list of approved TPMs.

TPM programs may have higher or lower fees than other programs available through our firm or available elsewhere. Investment management programs may differ in the services provided and method or type of management offered, and each may have different account minimums. Because managers pay different fees to the referring party, there is a conflict of interest when referring clients to various TPMs. We recognize the fiduciary responsibility to act in your best interest. Our Firm will act in your best interest at all times. We have established policies in this regard to mitigate any conflicts of interest. You, the Client, always has right to decide whether to engage the TPM that our firm recommends to you.

### **Additional Fees and Expenses**

Wealth Management Consultants Colorado may provide advice regarding investment company securities (mutual funds and ETFs). You should be aware that, in addition to the advisory fees you pay Wealth Management Consultants Colorado each Investment Company also pays its own separate investment advisory fees and other expenses (internal management fees). Such fees and expenses are disclosed in the mutual fund’s and ETF’s prospectus. In addition, clients should be aware that they have the right to purchase mutual funds and ETFs separately and independent of the investment management services of Wealth Management Consultants Colorado.

Our fees do not include out of pocket costs associated with travel, special projects, printing, or other extraordinary expenses. Travel time and related expenses for the on-site will be invoiced to the firm as follows: All out of pocket travel costs (i.e. airfare, hotels, rental cars, tolls, fuel, meals, etc.) incurred in a reasonable manner (e.g. coach fares on flights,

etc.) and will be invoiced to the client with the subsequent quarterly invoice. Travel expenses shall be disclosed to client prior to their being incurred.

Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your Account(s). The following list of fees or expenses are what you may pay directly to third parties, whether a security is being purchased, sold or held in your Account(s) under our management.

- Brokerage commissions;
- Transaction fees;
- Exchange fees;
- SEC fees;
- Advisory fees and administrative fees charged by Mutual Funds (MF) and Exchange Traded Funds (ETFs)
- Custodial Fees;
- Deferred sales charges (on MF or annuities);
- Transfer taxes;
- Wire transfer and electronic fund processing fees;
- Commissions or mark-ups / mark-downs on security transactions;

Please refer to the “Brokerage Practices” below for discussion of Wealth Management Consultants Colorado’s brokerage practices.

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

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We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance based fees). Our advisory fee compensation is charged only as disclosed above in Fees and Compensation.

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**ITEM 7 - TYPES OF CLIENTS**

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We provide investment advice to corporate executives, high net worth individuals and trusts. We do not have a minimum account value.

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

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WMCC develops investment strategies based upon the individual needs, goals and objectives developed in conjunction with the client. The starting point is a long-term Financial Security analysis designed to determine a level of return the client needs to be financially secure. Utilizing asset allocation software, we then work with the client to determine an allocation of assets that provides a reasonable probability of meeting this target return, but also falls within the clients risk tolerance. This discipline allows us to identify an appropriate mix of cash, fixed income, equity, real property and low correlation assets for the client’s target return and risk tolerance level. This analysis is reviewed at least annually and the allocations are revised as necessary.

We emphasize a long-term view in the acquisition of a diversified portfolio of investments intended to provide a target after-tax, inflation-adjusted, economic return. We explain to our clients that investing is inherently risky, and risks exist that we may not be able to foresee and investing in securities involves risk of loss that they must be prepared to bear.

Our investment strategies may include any of the following types of investments:

- Cash or near-cash instruments
- Corporate debt securities (other than commercial paper)
- Certificates of Deposit
- Municipal securities
- United States government securities
- Investment company securities, Mutual Fund shares
- ETFs

In most cases we use passively managed ETFs and mutual funds to implement the investment strategy; primarily through Vanguard, Dimensional Fund Advisors and BlackRock (iShares); in some cases we will also use actively managed funds. In certain cases, WMCC may recommend third party managers. These recommendations are developed with the objective of selecting a well-diversified fund with good historical performance and a level of volatility (risk) determined to be appropriate for each client based upon data provided by Morningstar Investor Services or other performance surveys. We believe that minimizing costs is an important part of investment success and thus Mutual funds and managed products are selected at least partially on the basis of what fees are charged.

While WMCC believes that its investment program and research techniques mitigate risk through the development of an appropriate allocation and a careful selection of mutual funds and other financial instruments, no assurance can be given that the investment program will be successful. A Client should be aware that it may lose all or part of its investment. While investments in mutual funds or companies in certain industries offer the opportunity for significant capital gains, such investments involve a high degree of business, financial, technological and regulatory risk which can result in substantial losses.

### **Risks**

Clients must understand that 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 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.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through Wealth Management Consultants Colorado.

You should be aware that your account is subject to the following risks:

- **Stock Market Risk** – The value of securities in the portfolio will fluctuate and, as a result, the value may decline suddenly or over a sustained period of time.
- **Managed Portfolio Risk** – The manager's investment strategies or choice of specific securities may be unsuccessful and may cause the portfolio to incur losses.
- **Industry Risk** – The portfolio's investments could be concentrated within one stock (generally that of a client's employer) with pre-existing or mandatory portfolio concentrations. Any factors detrimental to the performance of such industries will disproportionately impact your portfolio. Investments focused in a particular stock are subject to greater risk and can be more greatly impacted by market volatility than less concentrated investments.
- **Non-U.S. Securities Risk** – Non-U.S. securities are subject to the risks of foreign currency fluctuations, generally higher volatility and lower liquidity than U.S. securities, less developed securities markets and economic systems and political and economic instability.
- **Emerging Markets Risk** – To the extent that your portfolio invests in issuers located in emerging markets, the risk may be heightened by political changes and changes in taxation or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- **Currency Risk** – The value of your portfolio's investments may fall as a result of changes in exchange rates.
- **Interest Rate Risk**. The value of fixed income securities rises or falls based on the underlying interest rate environment. If rates rise, the value of most fixed income securities could go down.
- **Credit Risk**. Most fixed income instruments are dependent on the underlying credit of the issuer. If we are wrong about the underlying financial strength of an issuer, we may purchase securities where the issuer is unable to meet its obligations. If this happens, your portfolio could sustain an unrealized or realized loss.
- **Inflation Risk**. Most fixed income instruments will sustain losses if inflation increases or the market anticipates increases in inflation. If we enter a period of moderate or heavy inflation, the value of your fixed income securities could go down.
- **ETF and Mutual Fund Risk** – When we invest in an ETF or mutual fund for a client, the client 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 the ETF or mutual fund holds. Clients may also incur brokerage costs when purchasing ETFs.
- **Management Risk** – Your investment with us varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

## **ITEM 9 - DISCIPLINARY INFORMATION**

Wealth Management Consultants Colorado does not have any legal, financial or other “disciplinary” item to report.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Wealth Management Consultants Colorado Investment Advisor Representatives do not have any other financial industry activities or affiliations to report in this section.

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

Wealth Management Consultants Colorado and persons associated with us are allowed to invest for their own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for your account, and may own or transact in open ended mutual funds that are the same as or different than the funds recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our clients by deterring misconduct, educate personnel regarding the firm’s expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Wealth Management Consultants Colorado, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm’s ethical principles.

If an Associated person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that the Associated person buys or sells the same securities for their own (or the related person's own) account, the advisor must find the best deal for the client. A pre-clearance process described in the Firm’s Code of Ethics is used to prevent a conflict of interest. If a conflict of interest does arise, then the client account always comes first. In an instance of allocation, better prices will always be given to client accounts.

We have established the following restrictions in order to ensure our firm’s fiduciary responsibilities:

1. A director, officer or employee of Wealth Management Consultants Colorado shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No

- director, officer or employee of Wealth Management Consultants Colorado shall prefer his or her own interest to that of the advisory client.
2. We maintain a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Wealth Management Consultants Colorado.
  3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.
  4. We emphasize the unrestricted right of the client to select and choose any broker-dealer (except in situations where we are granted investment management authority, in which we use Charles Schwab Institutional) he or she wishes.
  5. We require that all individuals affiliated with the firm must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
  6. Any individual not in observance of the above may be subject to termination.
  7. We will not trade in individual securities of companies where any client is employed, on the board of, or acts in an advisory capacity to.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; attn: Chief Compliance Officer.

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#### **ITEM 12 - BROKERAGE PRACTICES**

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We participate in the Charles Schwab & Co, Inc. Institutional program. ("Schwab") member FINRA/SIPC/NFA. Schwab is an independent and unaffiliated SEC-registered broker-dealer. Schwab offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive certain additional economic benefit "(Additional Services" or soft dollars) that may or may not be offered to retail clients of Charles Schwab. Examples of the Additional Services may include newsletters, industry conferences and research provided to those who participate in the Schwab Advisor Program.

Schwab provides the Additional Services to Advisor in its sole discretion and at its own expense, and Advisor does not pay any fees to Schwab for the Additional Services. Advisor and Schwab have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Advisor's receipt of soft dollars raises conflicts of interest. In providing Additional Services or soft dollars to Advisor, Schwab most likely considers the amount and profitability to Schwab of the assets in, and trades placed for, Advisor's Client accounts maintained with Schwab. Schwab has the right to terminate the Additional Services Addendum with Advisor, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from Schwab, Advisor has an incentive to recommend to its Clients that the assets under management by Advisor be held in custody with Schwab and to place transactions for Client accounts with Schwab. Advisor's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

In the event you request us to recommend a broker/dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at Schwab. We may recommend that you establish accounts with Schwab to maintain custody of your assets and to effect trades for your accounts. You have the right to not act upon any recommendations, and if you elect to act upon any recommendations, you have the right to not place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

We do not select or recommend broker/dealers based upon receiving client referrals from a broker/dealer or third party. We do not routinely recommend, request or require that you direct us to execute transaction through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage.

We place trades for your account subject to our duty to seek best execution and other fiduciary duties. We may use broker-dealers other than your custodian to execute trades for your account, but this practice may result in additional costs to you so that we are more likely to place trades through your custodian rather than other broker-dealers. Your custodian's execution quality may be different than other broker-dealers.

We do not aggregate trades.

As a matter of policy and practice, we do not utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a commission basis.

### **Trade Errors**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

## **ITEM 13 - REVIEW OF ACCOUNTS**

### **Account Reviews and Reviewers**



The frequency and nature of the reviews varies from client to client, depending upon the contractual arrangement, the client's request, the changing circumstances of the client's affairs and the level of assets currently held. A complete assessment of each client's accounts is reviewed at the discretion of WMCC, but no less often than every year. Generally, all matters relevant to the client's situation including income, balance sheet, state and federal income taxes, long-term cash flow projections and company benefits and compensation plans are reviewed.

The underlying securities within the investment supervisory services are monitored at least quarterly. These reviews will be made by Mark Marquez. Client meetings are typically held at least annually and are conducted in person or by telephone.

The purpose of all these reviews is to ensure that the investment plan continues to be implemented in a manner which matches your objectives and risk tolerances. More frequent reviews may be triggered by material changes in variables such as your individual circumstances, or the market, political or economic environment. You are urged to notify us of any changes in your personal circumstances.

#### Statements and Reports

Reports are also provided at every client meeting. Communication to clients will be done on an as needed basis with a minimum of 1 contact per calendar quarter. The client receives a written report each time a review is completed.

The Custodian will provide quarterly statements of the assets in your Account, the purchase date, the cost and the current market value for the period (or since the opening of the Account). The quarterly fee will be reflected on the periodic account statement provided by the Custodian. The Custodian will make available to you a statement no less than quarterly showing all amounts paid from the Account including all management fees paid by Custodian to WMCC. In case of an error in such reports, you shall notify WMCC promptly, and WMCC will use good faith efforts to make corrections to such reports in a timely manner. Additionally, WMCC will send the Client a notice of amount invoiced as part of its quarterly reporting. You are urged to compare the reports and invoices provided by Wealth Management Consultants Colorado against the account statements you receive directly from your account custodian.

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#### **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

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WMCC does not receive any economic benefits from someone who is not a client, and WMCC does not compensate clients or third parties for client referrals.

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#### **ITEM 15 - CUSTODY**

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Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Wealth Management Consultants Colorado is deemed to have custody of client funds and securities whenever Wealth Management Consultants Colorado is given the written authority by the client to have fees deducted directly from client accounts. However, this is the only form of custody Wealth Management Consultants Colorado will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Wealth Management Consultants Colorado is deemed to have custody, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports and invoices received from Wealth Management Consultants Colorado. When clients have questions about their account statements, they should contact Wealth Management Consultants Colorado or the qualified custodian preparing the statement.

When fees are deducted from an account, Wealth Management Consultants Colorado is responsible for calculating the fee and delivering instructions to the custodian. At the same time Wealth Management Consultants Colorado instructs the custodian to deduct fees from the client's account; Wealth Management Consultants Colorado will send the client an invoice itemizing the fee. Itemization shall include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

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#### **ITEM 16 - INVESTMENT DISCRETION**

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Prior to engaging Wealth Management Consultants Colorado to provide investment advisory services, clients enter into a written Agreement with Wealth Management Consultants Colorado granting the firm the authority to supervise and direct, on an on-going basis, investments- in accordance with the client's investment objective and guidelines. Clients will also execute any and all documents required by the Custodian so as to authorize and enable Wealth Management Consultants Colorado, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your account. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any stocks, bonds, or other securities or assets or and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority will be communicated by you to us in writing (as written in the Advisory Agreement).

The limitations on investment and brokerage discretion held by Wealth Management Consultants Colorado for you are:

1. For discretionary clients, we require that it be provided with authority to determine which securities and the amounts of securities to be bought or sold
2. Any limitations on this discretionary authority shall be included in the investment management agreement. You may change/amend these limitations as required. Such amendments shall be submitted in writing.

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#### **ITEM 17 - VOTING YOUR SECURITIES**

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We will not vote proxies under our limited discretionary authority. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies.

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#### **ITEM 18 - FINANCIAL INFORMATION**

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This item is not applicable to this brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.