

Hawke Financial Group

Part 2A of Form ADV: Firm Brochure
SEC File Number: 301733

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208-855-9400

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This Brochure provides information about the qualifications and business practices of Hawke Financial Group, LLC (“the Registrant”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer Jason S. Hawke at 208-855-9400 or via email at jason@hawkefg.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Hawke Financial Group also is available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to Hawke Financial Group as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

This item discusses specific material changes to the Hawke Financial Group, LLC Disclosure Brochure. Throughout this Disclosure Brochure, Hawke Financial Group, LLC is referred to as “Registrant.”

The Registrant will ensure that clients receive a summary of any material changes to this and subsequent disclosure brochures within 120 days of the close of the firm’s fiscal year which occurs at the end of the calendar year. Registrant may further provide other ongoing disclosure information about material changes as necessary. Registrant will also provide clients with a new Disclosure Brochure as necessary based on changes or new information, at any time, without charge.

There are no material changes to report.

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Item 4 Hawke Financial Group Business

A. Hawke Financial Group, LLC (the “Registrant”) is a Limited Liability Company formed on February 20, 2002 in the state of Idaho and is owned equally by Jason S. Hawke, Chief Executive Officer.

B. The Registrant provides the following services:

Investment Advisory Services

The Registrant provides discretionary investment advisory services on a *fee-only* basis. The Registrant’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant’s management. Fees charged are negotiable and may differ from client to client based upon Investment strategies utilized, the amount of assets under management and the amount of work anticipated in servicing your account(s).

Financial Planning and Consulting Services

The Registrant provides financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. The Registrant’s planning and consulting fees are negotiable, the registrant charges up to \$300 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging the Registrant to provide planning or consulting services, clients are required to enter into a *Financial Planning and Consulting Agreement* with the Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to the Registrant commencing services. If requested by the client, the Registrant may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client’s responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising the Registrant’s previous recommendations and/or services.

Miscellaneous. Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. As indicated above, the Registrant may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. The Registrant **does not** serve as an attorney, accountant, or insurance agency, and no portion of its services should be construed as legal, accounting, or insurance brokerage services. Accordingly, the Registrant **does not** prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance agents, etc.). Clients are reminded that they are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation made by the Registrant or its representatives or any affiliated entities. **Please Note:** If the client engages any recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Independent Managers. The Registrant may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the Independent Manager(s) shall have day-to-day responsibility for the active discretionary management of the allocated assets. The Registrant shall continue to render investment services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which the Registrant shall consider in recommending Independent Manager(s) include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. **Please Note:** The investment management fee charged by the Independent Manager(s) is separate form, and in addition to, the Registrant's fee as set forth in the see schedule at Item 5 below.

Please Note: Non-Discretionary Service Limitations. Clients that determine to engage the Registrant on a non-discretionary investment basis **must be willing to accept** that the Registrant cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, the Registrant will be unable to effect any account transactions (as it would for its discretionary clients) **without first obtaining the client's consent.**

Retirement Rollovers-Potential for Conflict of Interest: If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest since the Registrant has an economic incentive to recommend that clients rollover assets from their existing plan because the Registrant will earn a fee on the additional assets. The client has options other than rolling over the assets to an account managed by the Registrant, including managing the assets without the assistance of the Registrant as part of their current employer sponsored retirement plan or by rolling over the assets to an IRA. In both cases, the client would not be required to pay additional fees to the Registrant and the client would be responsible for managing the assets on their own. **No client is under any obligation to rollover retirement plan assets to an account managed by the Registrant.**

Use of Mutual and Exchange Traded Funds: Most mutual funds and exchange traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that may be utilized by Registrant independent of engaging Registrant as an investment. However, if a prospective client determines to do so, he/she will not receive the Registrant's initial and ongoing investment services.

Please Note: In addition to Registrant's investment fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Portfolio Activity. Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment services, Registrant will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by Registrant will be profitable or equal any specific performance level(s)

Please Note: Cash Positions. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), the Registrant may maintain cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating the Registrant's fee.

Client Obligations. In performing its services, the Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising the Registrant's previous recommendations and/or services.

Disclosure Statement. A copy of the Registrant's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Agreement* or *Financial Planning and Consulting Agreement*.

C. The Registrant shall provide investment services specific to the needs of each client. Prior to providing investment services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.

D. The Registrant does not participate in a wrap fee program.

E. Hawke Financial currently has \$100,867,025.00 assets under management on a discretionary basis and \$0 assets under management on a non-discretionary basis as of 9/21/2019.

Item 5 Fees and Compensation

A. **Investment Advisory Services.** The Registrant provides investment advisory services on a *fee-only* basis. The Registrant's investment advisory fee is negotiable at Registrant's discretion, but generally ranges from negotiable up to 2.5%, depending upon various factors including but not limited to: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professional(s) rendering the service(s); prior relationships with the Registrant and/or its representatives, and negotiations with the client. As a result, similarly situated clients could pay different fees and the services to be provided by the Registrant to any particular client could be available from other advisers at lower fees.

The Registrant does not require a minimum asset level or account size for investment advisory services. The Registrant, in its sole discretion, may elect not to onboard a client if we determine we are not best suited to meet their investment needs. Registrant may also terminate a client relationship if Registrant determines it can no longer meet the client's stated investment needs. Registrants attempts to accommodate a wide range of custodians; however, Registrant may reject to onboard a client who does not use a suggested/recommended custodian.

Financial Planning and Consulting Services (Stand-Alone). The Registrant may provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. The Registrant's planning and consulting fees are negotiable, the registrant charges up to \$300 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both the Registrant's Investment Advisory Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter, with the exception of the initial month of engagement for which the Registrant may charge in arrears.

C. Unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend as the broker-dealer/custodian for client investment management assets. Broker-dealers charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged

for individual equity and fixed income securities transactions). In addition to the Registrant's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

D. The Registrant's annual investment fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter.

The Investment Agreement between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Agreement. Upon termination, the Registrant shall refund the prorated portion of the advanced fee paid based upon the number of days remaining in the billing quarter.

E. Neither the Registrant, nor its representatives, accepts compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither the Registrant, nor any supervised person of the Registrant, accepts performance-based fees.

Item 7 Types of Clients

The Registrant's clients shall generally include individuals and business entities. The Registrant does not generally require a minimum asset level for investment services. The Registrant, in its sole discretion, may charge a lesser investment management fee and/or reduce and/or waive its minimum asset level requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

A. The Registrant may utilize the following methods of security analysis:

Technical Analysis

Technical analysis involves the examination of past market data rather than specific company data in determining which securities to buy/sell. Technical analysis may involve the use of various quantitative-based calculations, variation metrics and charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of a company. These trends may include put/call ratios, pricing trends, moving averages, volume, and changes in volume, among many others.

These trends, both short and long-term, are used for determining specific trade entry and exit points and broad economic analysis.

Cyclical Analysis

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (e.g., the entire market/economy) or micro (e.g., company specific) level, rather than the overall fundamental analysis of the health of a particular company. Cyclical analysis involves the historical patterns and trends of securities, markets or economies as a whole in an effort to determine future behaviors, the estimation of price movement and an evaluation of a transaction before entry into the market in terms of risk and profit potential.

Fundamental Analysis

Fundamental analysis is a method of evaluating a security in an attempt to assess its intrinsic value, by examining related economic, financial, and other qualitative and quantitative factors. Fundamental analysts study anything that can affect the security's value, including macroeconomic factors (e.g. economy and industry conditions) and microeconomic factors (e.g. financial conditions and company management). The end goal of fundamental analysis is to produce a quantitative value that an investor can compare with a security's current price, thus indicating whether the security is undervalued or overvalued.

In conducting its security analysis, The Registrant may utilize the following sources of information: financial newspapers and magazines, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the U.S. Securities and Exchange Commission, data services, and company press releases.

Investing in securities involves risk of loss that each client should be prepared to bear. The value of a client's investment may be affected by one or more of the following risks, any of which could cause a client's portfolio return, the price of the portfolio's shares or the portfolio's yield to fluctuate:

Market Risk. The value of portfolio assets will fluctuate as the stock or bond market fluctuates. The value of investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.

Management Risk. A client's portfolio is subject to management risk because it is actively managed. The Registrant will apply its investment techniques and risk analysis in making investment decisions for a client's portfolio, but there is no guarantee that these techniques and The Registrant's judgment will produce the intended results.

Quantitative Tools Risk. Some of The Registrant's investment techniques may incorporate, or rely upon, quantitative models. There is no guarantee that these models will generate accurate forecasts, reduce risks or otherwise produce the intended results.

Interest Rate Risk. Changes in interest rates will affect the value of a portfolio's investments in fixed-income securities. When interest rates rise, the value of investments in fixed-income securities tend to fall and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations.

Credit Risk. An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security. Investments in fixed-income securities with lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.

Allocation Risk. The allocation of investments among different asset classes may have a significant effect on portfolio value when one of these asset classes is performing more poorly than the others. As investments will be periodically reallocated, there will be transaction costs which may be, over time, significant. In addition, there is a risk that certain asset allocation decisions may not achieve the desired results and, as a result, a client's portfolio may incur significant losses.

Foreign (Non-U.S.) Risk. A portfolio's investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. These securities may fluctuate more widely in price and may be less liquid due to adverse market, economic, political, regulatory or other factors.

Emerging Markets Risk. Securities of companies in emerging markets may be more volatile than those of companies in developed markets. By definition, markets, economies and government institutions are generally less developed in emerging market countries. Investment in securities of companies in emerging markets may entail special risks relating to the potential for social instability and the risks of expropriation, nationalization or confiscation. Investors may also face the imposition of restrictions on foreign investment or the repatriation of capital and a lack of hedging instruments.

Currency Risk. Fluctuations in currency exchange rates may negatively affect the value of a portfolio's investments or reduce its returns.

Derivatives Risk. Certain strategies involve the use of derivatives to create market exposure. Derivatives may be illiquid, difficult to price and leveraged so that small changes may produce disproportionate losses for a client's portfolio and may be subject to counterparty risk to a greater degree than more traditional investments. Because of their complex nature, some derivatives may not perform as intended. As a result, a portfolio may not realize the anticipated benefits from a derivative it holds or it may realize losses. Derivative transactions may create investment leverage, which may increase a portfolio's volatility and may require the portfolio to liquidate portfolio securities when it may not be advantageous to do so.

Capitalization Risk. Investments in small- and mid-capitalization companies may be more volatile than

investments in large-capitalization companies. Investments in small-capitalization companies may have additional risks because these companies have limited product lines, markets or financial resources.

Liquidity Risk. Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing The Registrant from selling out of such illiquid securities at an advantageous price. Derivatives and securities involving substantial market and credit risk also tend to involve greater liquidity risk.

Issuer Specific Risk. The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including, but not limited to, management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.

Concentrated Portfolios Risk. Certain investment strategies focus on particular asset classes, countries, regions, industries, sectors or types of investments. Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic price swings. In addition, the rise or drop in the price of any given holding is likely to have a larger impact on portfolio performance than a more broadly diversified portfolio.

Legal or Legislative Risk. Legislative changes or court rulings may impact the value of investments or the securities' claim on the issuer's assets and finances.

Use of Leverage. Some of the strategies can utilize levered index products. Leveraged ETFs are considered risky. The use of leverage strategies by a fund increases the risk to the fund and magnifies gains or losses on the investment. You could incur significant losses even if the long-term performance of the underlying index showed a gain. Most leveraged ETFs "reset" daily. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance of their underlying index or benchmark during the same period of time.

B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks.

The Registrant's securities analysis methods rely on the assumption that the companies whose securities the firm purchases and sells, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While the firm is alert to indications that data may be incorrect, there is always the risk that the analysis may be compromised by inaccurate or misleading information.

Technical Analysis

The primary risk in using technical analysis is that spotting historical trends may not help predict such trends in the future. Even if the trend will eventually recur, there is no guarantee that Registrant will be able to accurately predict such a reoccurrence.

Cyclical Analysis

The primary risk of cyclical analysis is that economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore, there is an attendant difficulty in predicting economic trends. Consequently, the changing value of securities that would be affected by these changing trends.

Technical Trading Models

The primary risk of technical trading models is that historical trends and past performance cannot predict future trends and there is no assurance that the mathematical algorithms employed are designed properly, are updated with new data or updated in a timely manner, or can accurately predict future market, industry and sector performance.

C. Risks Associated with Specific Securities Utilized

Equity Securities

The major risks associated with investing in equity securities relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk and the company's ability to create shareholder value (e.g., increase the value of the company's stock price).

Exchange Traded Funds

ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that when shares are sold they may be worth more or less than their original cost. ETF shares are bought and sold at market price (not Net Asset Value) and are not individually redeemed from the fund.

Equity Mutual Funds

The major risks associated with investing in equity mutual funds is similar to the risks associated with investing directly in equity securities, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Other risks include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold their shares in the fund.

Fixed-Income Mutual Funds

In addition to the risks associated with investing in equity mutual funds, fixed-income mutual funds also carry the following risks:

Credit Risk – the risk that a company or bond issuer may fail to pay principal and interest payments in a timely manner.

Interest Rate Risk – the risk that the market value of the bonds will go down when interest rates rise.

Prepayment Risk – the risk that a bond will be paid off early.

Indexed Funds

Indexed Funds have the potential to be affected by “tracking error risk” which means a deviation from a stated benchmark index. Since the core of a portfolio may attempt to closely replicate a benchmark, the source of the tracking error (deviation) may come from a “sample index” that may not closely align the benchmark. In addition, while many index mutual funds are known for their potential tax efficiency and higher “qualified dividend income” (QDI) percentages, there are assets classes within these funds or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of a fund's portfolio, may be considered “non-qualified” under certain tax code provisions.

Options

There are numerous risks associated with transactions in options on securities or securities indexes. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index. For example, the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well.

Alternative Investments

The performance of alternative investments (e.g., commodities, futures, hedge funds; funds of hedge funds, private equity or other types of limited partnerships) can be volatile. Alternative investments generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in the offering documents of each specific alternative investment. Due to the speculative nature of alternative investments a client must satisfy certain income or net worth standards prior to investing.

Additional Risks

Frequent Trading and Investment Performance

The Registrant's tactical strategies are actively managed on a daily basis and frequent trading may occur. Strategies involving frequent trading of securities can affect investment performance through increased brokerage and other transaction costs and taxes.

Concentrated Portfolios

Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic price swings. In addition, the rise or drop in the price of any given holding is likely to have a larger impact on portfolio performance, than a more broadly diversified portfolio.

Use of Leverage

Some of the strategies can utilize levered index products. Leveraged ETFs are considered risky. The use of leverage strategies by a fund increases the risk to the fund and magnifies gains or losses on the investment. You could incur significant losses even if the long-term performance of the underlying index showed a gain. Most leveraged ETFs "reset" daily. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance of their underlying index or benchmark during the same period of time.

Note that there may be other circumstances not described here that could adversely affect a client's investment and prevent their portfolio from reaching its objective.

The Registrant believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided under the Investment Advisory Agreement; and (2) the fees charged by other investment advisers offering similar services/programs. However, the Registrant's annual investment management fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to the Registrant's annual investment management fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses). **Please Note:** the Registrant's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual

client in a taxable account.

Item 9 Disciplinary Information

The Registrant has no disciplinary actions to disclose.

Item 10 Other Financial Industry Activities and Affiliations

A. Neither the Registrant, nor its representatives, are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trader or a representative of the foregoing.

C. The Registrant is affiliated with an insurance agency: Integrated Wealth Concepts, LLC which is owned by Jason S. Hawke. Fixed insurance product sales may be conducted through Integrated Wealth Concepts. Jason S. Hawke is compensated through payment of commissions when insurance products are sold through the entity.

D. The Registrant may recommend other investment advisors and may receive a portion of the fees you are charged by the unaffiliated adviser for the referral. Registrant and its representatives receive a portion of the fees you are charged by the unaffiliated adviser. This does not change the fee that you, the Client, pays.

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

A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of the Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of the Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

B. Neither the Registrant nor any related person of the Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of the Registrant has a material financial interest.

C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of the Registrant’s clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant’s “Access Persons”. The Registrant’s securities transaction policy requires that Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however, that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11.C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant’s Access Persons.

Item 12 Brokerage Practices

A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), the Registrant generally recommends that investment management accounts be maintained at Charles Schwab & Co. Inc. Prior to engaging the Registrant to provide investment management services, the client will be required to enter into a formal Investment Agreement with the Registrant setting forth the terms and conditions under which the Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending Charles Schwab & Co. Inc. (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by the Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge

to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although the Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, the Registrant's investment management fee. the Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, the Registrant may receive from Charles Schwab & Co. Inc. (or another broker-dealer/custodian, investment platform and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by the Registrant in furtherance of its investment business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

The Registrant's clients do not pay more for investment transactions effected and/or assets maintained at Charles Schwab & Co. Inc. as a result of this arrangement. There is no corresponding commitment made by the Registrant to Charles Schwab & Co. Inc. or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

2. The Registrant does not receive referrals from broker-dealers.

3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and the Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by the Registrant. As a result, the client may pay higher commissions or other transaction costs

or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs the Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through the Registrant.

B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

A. For those clients to whom the Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.

B. The Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

A. As referenced in Item 12.A.1 above, the Registrant receives an indirect economic benefit from Charles Schwab & Co. Inc. The Registrant, without cost (and/or at a discount), may receive support services and/or products from Charles Schwab & Co. Inc.

The Registrant's clients do not pay more for investment transactions effected and/or assets maintained at Charles Schwab & Co. Inc. as a result of this arrangement. There is no corresponding commitment made by the Registrant to Charles Schwab & Co. Inc. or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

The Registrant may enter into solicitor agreements and may recommend clients to certain unaffiliated investment advisers. In such instances, The Registrant acts as a solicitor and receives a portion of the fee paid to the unaffiliated adviser. This does not raise the fee paid by the client and the client receives all required disclosure forms disclosing the terms of the solicitor relationship at the time the solicitation is made.

B. The Registrant may retain solicitors to refer clients on its behalf. If a client is introduced to Registrant by a solicitor, Registrant pays that solicitor a referral fee in accordance with all requirements of the Investment Advisers Act and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Registrant's advisory fee, and shall not result in any additional charge to the client. If the client is introduced to Registrant by a solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of the solicitor relationship with Registrant, and shall provide each prospective client with a copy of this ADV 2A Brochure together with a copy of the written disclosure statement disclosing the terms of the solicitation arrangement between Registrant and the solicitor, including the compensation to be received by the solicitor for the referral.

Item 15 Custody

The Registrant is deemed to have custody only because it shall have the ability to have its fee for each client debited directly by the custodian on a quarterly basis from client accounts. Physical custody of client assets will be maintained with the independent custodian. The Registrant will not have custody of any assets in the client's account except as permitted for payment of advisory fees. Clients will be solely responsible for paying all fees or charges of the custodian.

Your custodian will deliver brokerage statements monthly (no less frequently than quarterly) with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide

a written periodic report summarizing account activity and performance.

Our recommended custodians are members of the Securities Investor Protection Corporation (SIPC), and brokerage accounts maintained with them are protected by SIPC, which protects brokerage accounts of each customer when a brokerage firm is closed due to bankruptcy or other financial difficulties and customer assets are missing from accounts. SIPC protects brokerage accounts of each customer up to \$500,000 in securities, including a limit of \$250,000 on claims for cash. Money market funds held in a brokerage account are considered securities. For more information on SIPC coverage, please review the brochure “How SIPC Protects You” available for free download at www.sipc.org. Certain assets are not eligible for SIPC protection. Among the assets typically not eligible for SIPC protection are commodity futures contracts, precious metals, as well as investment contracts (such as limited partnerships) and fixed annuity contracts that are not registered with the U.S. Securities and Exchange Commission under the Securities Act of 1933.

In accordance with the SEC rule 15c3-3, often known as the “Customer Protection Rule”, a custodian must protect client securities that are fully paid for by segregating them and ensuring that they are not used for any other purpose, such as for loans to investors or institutions, corporate investment purposes, and spending. This practice helps ensure that customers have access to these securities at all times. Customer assets may still be subject to market risk and volatility.

You have the option of using multiple custodians to provide yourself with greater SIPC coverage.

Clients are urged to carefully review statements received from the custodian to ensure the accurate reporting of such information.

Please Note: To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of the Registrant’s fee calculation.

Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client’s account, client shall be required to execute an *Investment Agreement*, naming the Registrant as client’s attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client’s name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, **in writing**, on the Registrant’s discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant’s use of margin, etc.).

Item 17 Voting Client Securities

A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

A. The Registrant does not solicit fees of more than \$500, per client, six months or more in advance.

B. The Registrant does not have any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

C. The Registrant has not been the subject of a bankruptcy petition.

Item 19 Requirements for State Registered Advisors

This Section does not apply to our firm.