

**Item 1 Cover Page**

Montz Marcus Wealth Management LLC  
Firm CRD #301963

Form ADV Part 2A – Disclosure Brochure

Effective: August 5, 2019

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**This brochure provides information about the qualifications and business practices of Montz Marcus Wealth Management LLC. If you have any questions about the contents of this brochure, please contact us at (504) 488-3700.**

**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. Registration as a registered investment advisor does not imply a certain level of skill or training.**

**Additional information about Montz Marcus Wealth Management LLC, CRD #301963 also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 Material Changes**

Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of Montz H Marcus Wealth Management LLC.

Montz H Marcus Wealth Management LLC believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide its clients with complete and accurate information at all times. Montz H Marcus Wealth Management LLC encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Initial Filing

Montz H Marcus Wealth Management LLC is a new Registered Investment Advisor.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Montz H Marcus Wealth Management LLC.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Advisor Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 4 Advisory Business**

### **A. Description of Advisor Firm.**

Montz Marcus Wealth Management LLC ("MHWM" or "Advisor") is formed as a Limited Liability Company in the state of Louisiana as of April 2, 2019. MHWM is registered as an Investment Advisor with the Securities and Exchange Commission (SEC). The Principal Owner of the firm is Christine C. Montz. The Advisor offers comprehensive financial planning services along with discretionary investment advisory services to individuals, trust, estates or charitable organizations and pension and profit sharing plans.

The following paragraphs describe our services and fees. As used in this Disclosure Brochure, the words "Advisor", "MHWM", "firm," "we," "our," and "us" refer to Montz Marcus Wealth Management LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### **B. Description of Advisory Services Offered**

Before MHWM enters into an advisor-client relationship, we offer a complimentary general consultation to discuss services available, give a prospective client time to review our services, and determine whether the client might benefit from a relationship with the Advisor. Our services begin only after we, together with the client, formalize the relationship with a properly executed agreement. We offer the following services to our clients:

#### **Comprehensive Financial Planning**

MHWM offers clients a broad range of financial planning services on a one-time basis. In general, financial planning will address any or all of the following areas of interest/concern. The client and advisor will work together to select the specific areas to cover. These areas may include, but are not limited to, the following services:

- **Monthly Cash Flow Management:** MHWM believes that what gets measured gets managed, and that personal financial management all begins with a basic understanding of your everyday spending habits. To gain this understanding, we will review your income and expenses and determine your current monthly savings, or deficits, along with advice on prioritizing how any savings should be leveraged, or how expenses could be reduced if they are exceeding your income. We may also recommend an appropriate cash reserve that should be considered for emergencies such as a loss of job, or an unexpected large repair, along with a review and recommendation of bank accounts (including higher interest paying money market funds) for these reserves, and strategies to meet these goals.
- **Debt/Loan Management:** We will provide advice on which loans to pay off first, or possibly refinance, based on factors such as your credit score, interest rates, maturity dates, and any income tax ramifications. MHWM believes that debt with favorable low interest rates can at times be advantageous, and leveraged to your advantage. Together we will review all outstanding loans, including but not limited to, credit cards, student loans, home mortgages, auto loans, and personal loans, and then create a prioritized debt management plan best suited for your situation.
- **Investment Analysis:** We will review your current portfolio, developing an asset allocation strategy that aligns with your financial goals and risk tolerance, providing information and strategies on investing in stocks, bonds and mutual funds, reviewing employee retirement plans and equity compensation plans, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.

- **Employee Benefits Optimization:** We will provide a review and analysis as to whether you, as an employee, are taking maximum advantage of the employee benefits offered to you by your employer. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Executive Compensation Review:** We will help with reviewing your total compensation package, including but not limited to; base salary, bonus incentives, retirement plan benefits, deferred compensation arrangements, equity compensation plans (e.g., stock options, restricted stock programs), employment agreements and severance arrangements, health/dental/short-term/long-term disability insurances, paid time off, HSA/FSA options, as well as discussing/recommending salary negotiation options, strategies and techniques.
- **Financial Goals:** We will help you identify specific financial goals and develop plans to attain each of them. Goals could include, but are not limited to, saving for a down payment for a home, paying off student debt, buying a new car, funding a child's education, saving for an upcoming vacation, making charitable contributions, or long-term wealth accumulation. We will identify what you wish to accomplish, create a budget/plan for each goal, determine how much to fund the plan and how often, and then track your progress and adjust accordingly if anything may change the timing, need or desire to achieve each goal.
- **College Savings:** We will provide analysis projecting the amount of funding that will be needed to pay for a child's public/private college or post-secondary education. Recommendations as to tax advantages savings plans and investing strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid and/or the best way to contribute to a grandchild's education (if appropriate).
- **Insurance Review:** We will review existing policies to ensure proper coverage for life, health, disability, liability, home and automobile, as well as an analysis/recommendation for any savings opportunities. Existing life insurance policies will be reviewed to evaluate cash value and policy performance relative to benchmark, as well as interpretation of the life insurer's illustrated projections. If your policy is not performing in line with expectations, advice may be given regarding strategies (such as increasing the premium, extending the payment duration, or reducing the death benefit).
- **Retirement Planning:** MHW's retirement planning services typically include projections of the likelihood that you will have enough money to comfortably retire at a desired age. For situations where projections show less than optimal results, we may make recommendations that present improved possible outcomes by adjusting certain variables (i.e., working longer, saving more, spending less, taking more risk with investments). If you are near retirement or already retired, advice may be given on appropriate investment and distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.
- **Tax Planning Strategies:** MHW's advice may include ways to minimize your current and future income taxes as a part of your overall financial planning strategy. For example, we may make recommendations on which type of account(s) or specific investments to be owned based in part on their "tax efficiency," or "tax deferred status," with consideration that there is always a possibility of future changes to federal, state and local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who

specialize in this area if you wish to hire someone for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your tax professional with your approval or request.

- **Estate Planning:** We will help you with reviewing elements of your estate plan, which typically includes an analysis of your exposure to estate taxes and establishing or reviewing your current estate plan, which may include whether you have a will, designated beneficiaries on your accounts, powers of attorney, trusts and other related documents/plans. Our advice also may include ways for you to minimize, or avoid, estate taxes through implementing appropriate estate planning strategies, such as the use of applicable trusts.

We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

Clients have full discretion whether to implement the financial plan prepared by MHW. Clients who elect to engage MHW to initiate the financial plan and have investable assets of \$250,000 or more the comprehensive financial planning fee will be waived. See Item 5A&B for all fees.

### **Project Consulting Services**

Consulting services are intended to serve as a periodic process to review and inform a client regarding specific issues or concerns regarding the client's existing investment account or financial planning needs. Our consulting services will include, but not be limited to, a consultation with the client to discuss the client's financial goals and objectives, discuss recommendations such as an investment portfolio, retirement needs, taxes, insurance needs, estate planning, business planning, executive compensation arrangements and other relevant topics with the client.

### **Advisor Agreements**

Investment supervisory and management services are provided under the terms of a written advisor agreement executed by Montz Marcus Wealth Management LLC and the client. Implementation of the recommendations made by the Advisor are at the discretion of the client.

### **Investment Supervisory and Management**

Should the client elect to engage MHW for the implementation of the financial plan, the Advisor offers ongoing investment supervisory and management services based on the individual goals, objectives, time horizons, and risk tolerance of each client. Once established, an Investment Policy Statement is created for each client, which outlines the client's current financial situation (age, income, tax levels, and risk tolerance). MHW evaluates the current investments of each client, and then constructs an investment plan and recommended portfolio that matches each client's specific situation. MHW will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction.

Clients may engage MHW to manage and/or offer investment advice on certain investments that are not maintained at their primary custodian, such as assets held in employer sponsored retirement plans, and/or assets held in qualified tuition plans (e.g., 401(k)'s, 529 plans). In these situations MHW directs or recommends the allocation of client assets among the various investment options available in each plan/custodian.

MHWM's recommended portfolios generally consist of exchange-listed securities, securities traded over the counter, corporate debt securities, commercial paper, certificates of deposit, municipal securities, variable annuities, mutual funds, United States government securities, options contracts on securities, interests in partnerships investing in real estate or oil and gas interests. Investing in these types of securities helps to diversify an investment portfolio.

### **C. Clients Tailored Services and Client Imposed Restrictions**

MHWM will tailor its advisory services to its client's individual needs based on meetings and conversations with the client. If clients wish to impose certain restrictions on investing in certain securities or types of securities, the Advisor will address those restrictions with the client to have a clear understanding of the client's requirements.

### **D. Wrap Fee Programs**

MHWM does not provide portfolio management services to wrap fee programs.

### **E. Assets Under Management**

As of July 17, 2019, MHWM has the following client assets under management:

Discretionary:	\$230,691,434
Non-Discretionary:	\$ 40,621,363

### **Item 5 Fees and Compensation**

#### **A. & B. Method of Compensation and Fee Schedule and Client Payment of Fees**

##### **Comprehensive Financial Planning**

Financial planning is a discovery process; therefore, situations occur wherein the client is unaware of certain financial exposures. The fee for a financial plan is predicated upon the facts known at the start of the engagement. The fee for a financial plan is \$2,000. For plans that take less than 10 hours to complete, clients will be billed at \$200 per hour with a cap not to exceed \$2,000. The fee is payable upon completion and delivery of the financial plan.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided by mutual agreement. The client must approve the change in scope in advance of the additional work being performed when a fee increase is necessary.

##### **Project Consulting Services – Hourly Fee**

The hourly fee for consultations or project work is based on our hourly rate of \$200. For hourly or project planning engagements, an estimate based upon the complexity of the client's particular situation and the involvement on the part of the Advisor will be provided to you prior to entering into an agreement to provide services. Hourly fee-based clients are billed upon project completion.

##### **Investment Management Fee**

Pursuant to an investment advisory contract signed by each client, the client will pay MHWM a quarterly management fee, payable in advance, based on the value of portfolio assets of the account managed by the Advisor as of the opening of business on the first business day of each quarter. The annual fee schedule is as follows:

<b>Assets Under Management</b>	<b>Annual Fee</b>
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\$0 - \$500,000	1.00%
\$500,001 - \$1,000,000	0.50%
\$1,000,001 - \$3,000,000	0.40%
\$3,000,001 - \$5,000,000	0.35%
\$5,000,001+	0.25%

The fee is negotiated at the sole discretion of the Advisor. The fee is negotiated based on anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc. Asset management fees will be automatically deducted from the client account on a quarterly basis by the qualified custodian. The client will give written authorization permitting MHWM to be paid directly from their account held by the custodian. The custodian will send a quarterly statement to the client.

### **C. Additional Client Fees Charged**

All fees paid to MHWM for investment advisory services are separate and distinct from the expenses charged by mutual funds to their shareholders and the product sponsor in the case of variable insurance products. These fees and expenses are described in each fund's or variable product's prospectus. These fees will generally include a management fee and other fund expenses.

At no time will MHWM accept or maintain custody of a client's funds or securities except for authorized fee deduction. Client is responsible for all custodial, securities and brokerage execution fees charged by the custodian and executing broker/dealer. The Advisors fee is separate and distinct from the custodian and execution fees. See Item 12 Brokerage Practices, for further information of brokerage and transaction costs.

### **D. Prepayment of Client Fees**

MHWM's investment management fee is payable in advance. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client.

### **E. External Compensation for the Sale of Securities to Clients**

Where acting in the capacity of a registered representative, investment advisory representatives of MHWM will, as broker or agent effect securities transactions for typical and customary compensation. Clients are not obligated to use investment advisory representatives of MHWM to execute such securities transactions.

**E.1.** This practice presents a conflict of interest by creating an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Representatives of MHWM will disclose all fees to clients, in advance.

**E.2.** A client will be able to invest in products recommended by the firm directly, without the services of MHWM. In that case, the client would not receive the services provided by MHWM which are designed, among other things, to assist the client in determining which products or services are most appropriate to each client's financial condition and objectives.

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



MHWM does not charge performance-based fees and therefore does not engage in side-by-side management.

#### **Item 7 Types of Clients and Minimum Account Size**

The Advisor will offer its services to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations.

The Advisor's cumulative minimum account requirement for opening and maintaining an account is \$250,000. However, based on facts and circumstances the Advisor, at its sole discretion, can negotiate to accept accounts with a lower value.

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

##### **A. Methods of Analysis and Investment Strategies**

The Advisor utilizes fundamental, technical or cyclical analysis techniques in formulating investment advice or managing assets for clients.

Fundamental analysis of businesses involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives; to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions and to calculate its credit risk. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

Cyclical analysis of economic cycles is used to determine how these cycles affect the returns of an investment, an asset class or an individual company's profits. Cyclical risks exist because the broad economy has been shown to move in cycles, from periods of peak performance followed by a downturn, then a trough of low activity. Between the peak and trough of a business or other economic cycle, investments fall in value to reflect the uncertainty surrounding future returns as compared with the recent past. The risks with this strategy are two-fold 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

The investment strategies the Advisor will implement include long term purchases of securities held at least for one year and short term purchases for securities sold within a year.

*Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.*

##### **B. Investment Strategy and Method of Analysis Material Risks**

The methods of analysis and investment strategies followed by MHWM are utilized across all of the Advisors clients, as applicable. One method of analysis or investment strategy is not more significant

than the other as the Advisor is considering the client's portfolio, risk tolerance, time horizon and individual goals. However, the client should be aware that with any trading that occurs in the client account, the client will incur transaction and administrative costs.

### **C. Security Specific Material Risks**

The Advisor does not primarily recommend a particular type of security.

Every type of investment, including mutual funds, involves risk. Risk refers to the possibility that you will lose money (both principal and any earnings) or fail to make money on an investment. A fund's investment objective and its holdings are influential factors in determining how risky a fund is. Reading the prospectus will help you to understand the risk associated with that particular fund.

Generally speaking, risk and potential return are related. This is the risk/return trade-off. Higher risks are usually taken with the expectation of higher returns at the cost of increased volatility. While a fund with higher risk has the potential for higher return, it also has the greater potential for losses or negative returns. The school of thought when investing in mutual funds suggests that the longer your investment time horizon is the less affected you should be by short-term volatility. Therefore, the shorter your investment time horizon, the more concerned you should be with short-term volatility and higher risk.

Below is a list of some of the risks to consider when investing in mutual funds.

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

**Country Risk.** The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.

**Credit Risk.** The possibility that a bond issuer will fail to repay interest and principal in a timely manner. Also called default risk.

**Currency Risk.** The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.

**Income Risk.** The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates.

**Industry Risk.** The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.

**Inflation Risk.** The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns.

**Interest Rate Risk.** The possibility that a bond fund will decline in value because of an increase in interest rates.

**Manager Risk.** The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.

**Market Risk.** The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.

**Principal Risk.** The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

Other risks with investing include the following:

**Asset Class Risk.** Securities in your portfolio(s) or in underlying investments such as mutual funds may underperform in comparison to the general securities markets or other asset classes.

**Concentration Risk.** To the extent that MHWB recommends portfolio allocations that are concentrated in a particular market, industry or asset class, your portfolio is susceptible to loss due to adverse occurrences affecting that market, industry, or asset class.

**Equity Securities Risk.** Equity securities are subject to changes in value that are attributable to market perception of a particular issuer or general stock market fluctuations that affect all issuers. Investments in equity securities are more volatile than other types of investments.

**Quantitative Investment Approach Risk.** There are market conditions in which a quantitative investment approach performs poorly. As a result, quantitative investment strategies are suitable only for those investors who have medium to long-term investment goals.

**Growth Securities Risk.** Growth companies are companies whose earnings growth potential appears to be greater than the market, in general, and whose revenue growth is expected to continue over an extended period. Stocks of growth companies or "growth securities" have market values that are more volatile than those of other types of investments. Growth securities typically do not pay a dividend, which helps cushion stock prices in market downturns and reduce potential losses.

**Issuer Risk.** Your account's performance depends on the performance of individual securities in which your account invests. Any issuers performing poorly, causing the value of its securities to decline. Poor performance is caused by poor management decisions, competitive pressures, changes in technology, disruptions in supply, labor problems or shortages, corporate restructurings, fraudulent disclosures, or other factors. Changes to the financial condition or credit rating of an issuer of those securities causes the value of the securities to decline.

**Management Risk.** The performance of your account is subject to the risk that our investment management strategy will not produce the intended results.

**Market Risk.** Your account will lose money over short periods due to short-term market movements and over longer periods during market downturns. The value of a security declines due to general market conditions, economic trends, or events that are not specifically related to the issuer of the security or to factors that affect a particular industry or industries. During a general downturn in the securities markets, multiple asset classes are negatively affected.

**Political Risk.** Government decisions can damage the value of your investments. Changes to social security, benefits law, and tax law impact your financial decisions. Any foreign investments are impacted by the decision of their local governments.

**Market Trading Risks.** Your investment account faces numerous market trading risks, including the potential lack of an active market for investments held in your account and losses from trading in secondary markets.

**Passive Investment Risk.** MHWM uses a passive investment strategy that is not actively managed where we do not attempt to take defensive positions in declining markets.

**Larger Company Securities Risk.** Securities of companies with larger market capitalizations underperform securities of companies with smaller and mid-sized market capitalizations in certain economic environments. Larger, more established companies might be unable to react as quickly to new competitive challenges, such as changes in technology and consumer tastes. Some larger companies are unable to grow at rates higher than the fastest growing smaller companies, especially during extended periods of economic expansion.

**Short Selling Risk.** Short selling is highly risky. Short selling stocks generate unlimited losses while the upside is capped, as the price of a stock can in theory rise infinitely but cannot drop below zero. Over the long term, stock prices overall tend to rise rather than fall. As a result, short selling is against the overall direction of the market. Shorting stocks also involves using borrowed money, which creates leverage risk. This strategy is also subject to the risk of inaccurate timing. Even if the price of a stock falls substantially eventually, the price could rise in the near term, leading to losses for the short sellers.

**Option Trading Risk.** There are multiple risks associated with options transactions, in particular, uncovered options transactions. Investors who buy options lose the premium paid, plus commissions or any other transaction expenses. Writing options generates higher risks than buying options. Writing options involves margin trading, creating leverage risk. The seller of an option has a legal obligation to purchase or sell the underlying asset if the option is exercised, subjecting the seller to the risk of price movement of the underlying asset. The risk of writing covered call options (the seller of the option already owns the underlying asset) is limited. However, writing uncovered options is highly risky and speculative. Writing uncovered call options (the seller of the option does not own the underlying asset) can lead to unlimited losses.

**Liquidity Risk.** A security is not able to be sold at the time desired without adversely affecting the price.

**Regulatory Risk.** Changes in government regulations adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

**Smaller Company Securities Risk.** Securities of companies with smaller market capitalizations, historically, tend to be more volatile and less liquid than larger company stocks. Smaller companies have no or relatively short operating histories, or be newly public companies. Some of these companies have aggressive capital structures, including high debt levels, or are involved in rapidly growing or changing industries and/or new technologies, which pose additional risks.

**Value Style Investment Risk.** Value stocks perform differently from the market as a whole and from other types of stocks. Value stocks purchased based upon the belief that a given security is out of favor. Value investing seeks to identify stocks that have depressed valuations, based upon a number of factors which are thought to be temporary in nature, and to sell them at superior profits when their prices rise

when the issues which caused the valuation of the stock to be depressed are resolved. While certain value stocks increase in value more quickly during periods of anticipated economic upturn, they also lose value more quickly in periods of anticipated economic downturn. Furthermore, there is a risk that the factors which caused the depressed valuations are longer term or even permanent in nature, and that there will not be any rise in value. Finally, there is the increased risk in such situations that such companies will not have sufficient resources to continue as ongoing businesses, which would result in the stock of such companies potentially becoming worthless.

**Small Firm Risk.** MHWB is reliant on research from Wall Street's leading firms—including hedge funds—to help us in our investment decisions. In addition, we do not have the financial resources that other, larger firms have to invest in market data systems or industry consultants to provide insight on specific companies or industries in which we invest.

**Interests in partnerships investing in real estate.** Real estate investment trusts ("REITs") allow individuals to invest in large-scale, income-producing real estate. A REIT is a company that owns and typically operates income-producing real estate or related assets. These include office buildings, shopping malls, apartments, hotels, resorts, self-storage facilities, warehouses, and mortgages or loans. Unlike other real estate companies, a REIT does not develop real estate properties to resell them. Instead, a REIT buys and develops properties primarily to operate them as part of its own investment portfolio.

Many REITs are registered with the Securities and Exchange Commission and are publicly traded on a stock exchange. These are known as publicly traded REITs. Others are registered with the Securities and Exchange Commission but are not publicly traded. These are known as non-traded REITs (also known as non-exchange traded REITs). This is one of the most important distinctions among the various kinds of REITs. Before investing in a REIT, you need to understand whether or not it is publicly traded, and how this could affect the benefits and risks to you.

There are some risks, especially with non-exchange traded REITs because they do not trade on a stock exchange, such as:

**Lack of Liquidity.** Non-traded REITs are illiquid investments. They cannot be sold readily on the open market. If you need to sell an asset to raise money quickly, you will not be able to do so with shares of a non-traded REIT.

**Share Value Transparency.** While the market price of a publicly traded REIT is readily accessible, it can be difficult to determine the value of a share of a non-traded REIT. Non-traded REITs typically do not provide an estimate of their value per share until 18 months after their offering closes. This can be years after you have made your investment. As a result, for a significant time period you will be unable to assess the value of your non-traded REIT investment and its volatility.

**Distributions Paid from Offering Proceeds and Borrowings.** Investors who are attracted to non-traded REITs is because of their relatively high dividend yields compared to those of publicly traded REITs. Unlike publicly traded REITs, however, non-traded REITs frequently pay distributions in excess of their funds from operations. To do so, they use offering proceeds and borrowings. This practice, which is typically not used by publicly traded REITs, reduces the value of the shares and the cash available to the company to purchase additional assets.

**Conflicts of Interest.** Non-traded REITs typically have an external manager instead of their own employees. This leads to potential conflicts of interests with shareholders. For example, the REIT pays the external manager significant fees based on the amount of property acquisitions and assets under management. These fee incentives likely will not necessarily align with the interests of shareholders.

**Oil and Gas Interest Risks.** Oil and gas drilling companies face substantial price risk due to the highly volatile relationship between supply of oil and gas and demand for energy. On a grand economic scale, price risk can increase with the presence of more competition, lower-quality oil and gas, adverse weather conditions in the drilling region, increased government regulations or the availability of energy substitutions. Price reductions in the oil and gas sector result in less profitability on drilling and the potential for companies to end operations.

**Geological Risks.** Another prevalent risk in oil and gas drilling is the limitation of geological information available to energy companies. Because it is impossible to know what is under the surface prior to drilling, oil and gas companies are operating only on information available from nearby sites. This could result in unsuccessful drilling, which equates to wasted capital resources for the drilling company.

**Cost Risks.** The greatest risk inherent to oil and gas drilling is the immense cost associated with ongoing operations. Companies need expensive equipment for hauling, storage and drilling, an extensive workforce, fuel for transportation, and costly insurance to cover any mishaps that could arise on site. To cover these expenses, oil and gas drilling companies must either tap into capital reserves, raise additional capital from investors or borrow from other financing outlets. Each of these funding sources has costs that increase the total operational expenses a drilling company must take on.

**Alternative Strategy Mutual Funds.** Certain mutual funds available in the program invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies will not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry.

**Closed-End Funds.** Client should be aware that closed-end funds available within the program are not readily marketable. In an effort to provide investor liquidity, the funds offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients will be unable to liquidate all or a portion of their shares in these types of funds.

**Exchange-Traded Funds (ETFs).** ETFs are investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company.

**Options.** Certain types of option trading are permitted in order to generate income or hedge a security held in the program account; namely, the selling (writing) of covered call options or the purchasing of put options on a security held in the program account. Client should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such cases, the security is called away and the program account will no longer hold the security. The risk

of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold by the program account.

**Variable Annuities.** If you purchase a variable annuity that is part of a program, you will receive a prospectus and need to rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. You need to also be aware that certain riders purchased with a variable annuity limit the investment options and the ability to manage the subaccounts.

If you are investing in a variable annuity through a tax advantaged retirement plan (such as a 401(k) plan or an IRA), you will get no additional tax advantage from the variable annuity. Under these circumstances, consider buying a variable annuity only if it makes sense because of the annuity's other features, such as lifetime income payments and death protection. The tax rules that apply to variable annuities can be complicated—before investing, you will want to consult a tax adviser about the tax consequences to you of investing in a variable annuity.

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

It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable. Investing in securities involves the risk of loss that clients should be prepared to bear.

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

There are no legal, regulatory or disciplinary events involving MHWB or any of its employees.

#### **Item 10 Other Financial Industry Activities and Affiliations**

##### **A. Broker-Dealer or Representative Registration**

Alexander B. Marcus and Christine C. Montz are Registered Representatives with Purshe Kaplan Sterling Investments ("PKS"), CRD #35747/SEC #8-46844 a FINRA registered broker/dealer firm.

##### **B. Futures or Commodity Registration**

Not applicable to MHWB or any of its management persons.

##### **C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Alexander B. Marcus and Christine C. Montz are Registered Representatives with Purshe Kaplan Sterling Investments ("PKS") a FINRA registered broker/dealer firm. Clients that use Mr. Marcus or Ms. Montz in this capacity will incur transactional costs in addition to the management fee for advisory services. This creates a conflict of interest. MHWB, Mr. Marcus and Ms. Montz address this conflict of interest by disclosing to its clients prior to initiating any transactional related business that by utilizing the Advisor or its representatives in this capacity the client will incur additional expenses. Those expenses are explained to the client in advance of offering these services. Clients always have the right to choose any firm or Registered Representative for the purchase of securities products.

Joseph C. Montz an Investment Advisor Representative with MHWB is also the owner of Physician Resource Group, an entity offering accounting services and insurance products to clients. Mr. Montz is a Certified Public Accountant (CPA) and Christine C. Montz, owner of MHWB is also a Certified Public

Accountant (CPA). Both individuals are available to provide accounting services to clients of MHW. Clients who engage either individual for accounting services will be charged a fee for this services. This creates a conflict of interest. Conflicts of interest exist because of the receipt of additional compensation by MHW and Mr. Montz and Ms. Montz. Clients always have the right to decide who to use for accounting services. If a client elects to use either individual for this service all fees related to the accounting service will be disclosed to the client in advance. Each individual will spend approximately 10 hours per month of their time on accounting related activities.

Mr. Marcus, Ms. Montz and Mr. Joseph Montz for MHW are also licensed and registered as insurance agents to sell life, disability and other lines of insurance for various insurance companies, through Physician Resource Group. Therefore, they will be able to purchase insurance products for any client in need of such services and will receive separate, yet typical compensation in the form of commissions for the purchase of insurance products. This creates a conflict of interest. A conflict of interest exists because Mr. Marcus, Ms. Montz and Mr. Montz can recommend products for which they can receive additional compensation, i.e. insurance. Also, Mr. Montz, as the owner of Physician Resource Group will receive compensation as a result his ownership of that firm. Clients always have the right to decide whether to purchase insurance recommended by Mr. Marcus, Ms. Montz and Mr. Montz and if they do purchase insurance, clients have the right to decide from whom to purchase insurance. In recommending an insurance product, Mr. Marcus, Ms. Montz and Mr. Montz will always act in the client's best interest under their fiduciary duty. Clients are not obligated to use MHW or its representatives for insurance product services. Mr. Marcus will spend approximately 10% of his time on insurance related activities; Ms. Montz will spend less than 5% of her time on insurance related activities; and Mr. Montz will spend approximately 10% of his time on insurance related activities.

#### **D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest**

MHW does not recommend or select other investment advisers for clients.

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

#### **A. Code of Ethics Description**

MHW is registered with the SEC and maintains a Code of Ethics pursuant to SEC rule 204A-1. MHW has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of MHW deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of MHW are conducted in a manner that avoids any conflict of interest between such persons and clients of the adviser or its affiliates. MHW collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve conflicts of interest. MHW maintains a code of ethics and they will provide a copy to any client or prospective client upon request.

#### **B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

##### Registered Representative

Where acting in the capacity of a registered representative, investment advisory representatives of MHW as broker or agent effect securities transactions for typical and customary compensation. This creates a conflict of interest. Clients are not obligated to use investment advisory representatives of MHW to execute such securities transactions. If the client elects to use the investment advisory representatives of MHW in this capacity, fees associated with these types of transactions will be disclosed to the client, in advance.



While MHWB endeavors at all times to put the interests of its clients first as part of their fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and affects the judgment of the individual making the recommendation.

### **C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

MHWB and/or its investment advisory representatives from time to time purchase or sell products that they recommend to clients. This practice presents a conflict where, because of the information the Advisor has, the Advisor or its related person are in a position to trade in a manner that adversely affect clients (e.g. place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients' trades). In addition to affecting the Advisor's or its related person's objectivity, these practices by the Advisor or its related person also harm clients by adversely affecting the price at which the clients' trades are executed. To mitigate this conflict, MHWB and/or its investment advisory representatives have a fiduciary duty to put the interests of their clients ahead of their own. The Advisor has adopted the following procedures in an effort to minimize such conflicts: The Advisor requires its related persons/access persons to preclear all transactions in their personal accounts with the Chief Compliance Officer, (Alexander B. Harcus), who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of its clients. All of the Advisor's related persons are required to disclose their securities transactions on a quarterly basis and holdings on an annual basis. All of the Advisor's related persons are also required to provide broker confirmations of each transaction in which they engage and a monthly certification of such transactions. Trading in employee accounts will be reviewed by the Chief Compliance Officer and compared with transactions for the client accounts. Also, the investment advisory representatives are required to adhere to MHWB's Code of Ethics as outlined above in Item 11A.

### **D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

See the response to Item 11C above.

## **Item 12 Brokerage Practices**

### **A. Factors Used to Select Broker-Dealers for Client Transactions**

MHWB will suggest brokers or dealers to be used based on execution and custodial services offered, cost, quality of service and industry reputation. MHWB will consider factors such as commission price, speed and quality of execution, client management tools, and convenience of access for both the Advisor and client in making its suggestion.

### **Research and Other Soft Dollar Benefits.**

MHWB receives proprietary research services or other products as a result of recommending a particular broker which results in the client paying higher commissions than those obtainable through other brokers. If MHWB does receive such products or services, it will follow procedures which ensure compliance with Section 28(e) of the Securities Exchange Act of 1934 or applicable state securities rules.

The firm seeks to obtain the most favorable net results for clients' price, execution quality, services and commissions. Although the firm seeks competitive commission rates, it will pay commissions on behalf of clients which may be higher than those available from other brokers in order to receive other services. The firm enters into such transactions so long as it determines in good faith that the amount of commission paid was reasonable in relation to the value of the brokerage and research services provided by the broker. The services considered in this determination of reasonableness include (1) advice, either

directly or through publications or writing, as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; (2) analysis and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; or (3) effecting securities transactions and performing functions incidental thereto. Such research furnished by broker/dealers are used to service any or all of MHWM's clients and used in connection with accounts other than those that pay commissions to the broker/dealers providing the research. In particular, third-party research provided by broker/dealers used to benefit all of the firm's clients. This creates a conflict of interest in that the firm has an incentive to select or recommend a broker/dealer based on its interest in receiving the research or other products or services, rather than on the clients' interest in receiving most favorable execution.

#### **Brokerage for Client Referrals.**

MHWM does not receive client referrals from any broker/dealer or third party as a result of the firm selecting or recommending that broker/dealer to clients.

#### **Directed Brokerage.**

MHWM recommends that all clients use a particular broker/dealer for execution and/or custodial services. The broker/dealer is recommended based on criteria such as, but not limited to, reasonableness of commissions charged to the client, tools and services made available to the client and the Advisor, and convenience of access to the account trading and reporting. The client will provide authority to MHWM to direct all transactions through that broker/dealer in the investment advisory agreement.

As an investment advisory firm, MHWM has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client. MHWM's primary objectives when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. MHWM may not necessarily pay the lowest commission or commission equivalent as specific transactions involve specialized services on the part of the broker.

#### **If the firm permits a client to direct brokerage, describe your practice.**

MHWM will allow clients to direct brokerage at the firm's sole discretion. Clients need to be aware that if they direct MHWM to a particular broker/dealer for execution MHWM will be unable to achieve most favorable execution of client transactions. Directing brokerage costs clients more money than if MHWM were to execute transactions at the broker/dealer where it has an established relationship. The client pays higher brokerage commissions because MHWM is not able to aggregate orders to reduce transaction costs or the client receives less favorable prices.

#### **B. Aggregating Securities Transactions for Client Accounts**

MHWM combines orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g. for the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of MHWM's investment advisory agreements. Equity trades are blocked based upon

fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability can be limited. Open orders are worked until they are completely filled, which can span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. MHWM could allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

### **Item 13 Review of Accounts**

**A. Indicate whether your firm periodically reviews client accounts or financial plans. If you do, describe the frequency and nature of the review and the titles of the supervised persons who conduct the review.**

Investment advisory client accounts are monitored on an ongoing basis. Financial Plans, once prepared and delivered to the client are not reviewed again unless the client requests a financial plan be updated. Client accounts (and/or financial plans) are reviewed by Alexander B. Marcus, Vice President and Christine C. Montz, President. The nature of the review is to determine if the client account is still in line with the client's stated objectives.

The client is encouraged to notify the Advisor and Investment Advisor Representative if changes occur in his/her personal financial situation that might materially affect his/her investment plan.

**B. If the firm reviews client accounts on other than a periodic basis, describe the factors that trigger a review.**

See Item 13A.

**C. Describe the content and indicate the frequency of regular reports the firm provides to clients regarding their accounts. State whether these reports are written.**

The client will receive written statements no less than quarterly from the custodian. In addition, the client will receive other supporting reports from mutual funds, asset managers, trust companies or other custodians, insurance companies, broker/dealers and others who are involved with client accounts.

MHWM does not provide written reports to clients.

### **Item 14 Client Referrals and Other Compensation**

**A. Economic Benefits Provided to the Advisory Firm From External Sources and Conflicts of Interest**

MHWM does not currently have any such arrangements therefore this question is not applicable.

**B. Advisory Firm Payments for Client Referrals**

MHWM does not currently have any such arrangements therefore this question is not applicable.

## **Item 15 Custody**

Under federal regulations, MHWM is deemed to have custody of client assets if you authorize us to instruct the qualified custodian to deduct our advisory fees directly from your account. The qualified custodian utilized by MHWM maintains actual custody of your assets. The client will receive written statements no less than quarterly from the custodian. The custodian will send a quarterly statement to the client. MHWM encourages clients to carefully review their account statements for any inaccuracies. Any discrepancies should be immediately brought to the firm's attention.

## **Item 16 Investment Discretion**

MHWM has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client for each transaction. However, these purchases or sales will be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by MHWM.

Discretionary authority will only be provided upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by MHWM will be in accordance with each client's investment objectives and goals.

## **Item 17 Voting Client Securities**

MHWM will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, MHWM cannot give any advice or take any action with respect to the voting of these proxies. The client and MHWM agree to this by contract. Clients will receive proxy solicitations from their custodian and/or transfer agent.

## **Item 18 Financial Information**

### **A. Balance Sheet**

MHWM does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, therefore a Balance Sheet is not included with this Brochure.

### **B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

MHWM has discretionary authority over client accounts and is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If MHWM does become aware of any such financial condition, this brochure will be updated and clients will be notified.

### **C. Bankruptcy Petitions During the Past Ten Years**

Not applicable to MHWM.

## Privacy Policy

Montz Marcus Wealth Management LLC

Effective: April 16, 2019

### Our Commitment to You

Montz Marcus Wealth Management LLC ("MHWM") is committed to safeguarding the use of your personal information that we have as your Investment Advisor. MHWM (referred to as "we", "our" and "us" throughout this notice) protects the security and confidentiality of the personal information we have and make efforts to ensure that such information is used for proper business purposes in connection with the management or servicing of your account. Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything we can to maintain that trust.

We do not sell your non-public personal information to anyone. Nor does MHWM provide such information to others except for discrete and proper business purposes in connection with the servicing and management of your account as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this privacy policy.

### The Information We Collect About You

You typically provide personal information when you complete the paperwork required to become our Client. This information includes the following:

Driver's License number	Date of Birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

In addition, we collect non-public information about you from the following sources:

- Information we receive on Brokerage Agreements, Managed Account Agreements and other Subscription and Account Opening Documents;
- Information we receive in the course of establishing a customer relationship including, but not limited to, applications, forms, investment questionnaires;
- Information about your transactions with us or others

### Information about You That MHWM Shares

MHWM works to provide products and services that benefit our customers. We share non-public personal information with non-affiliated third parties (such as brokers and custodians) as necessary for us to provide agreed services and products to you consistent with applicable law. We also disclose non-public personal information to other financial institutions with whom we have joint business arrangements for proper business purposes in connection with the management or servicing of your account. In addition,

your non-public personal information will also be disclosed to you, persons we believe to be your authorized agent or representative, regulators in order to satisfy MHWM's regulatory obligations, and is otherwise required or permitted by law. Lastly, we will disclose your non-public personal information to companies we hire to help administrate our business. Companies we hire to provide services of this kind are not allowed to use your personal information for their own purposes and are contractually obligated to maintain strict confidentiality. We limit their use of your personal information to the performance of the specific service we have requested.

To repeat, we do not sell your non-public personal information to anyone.

**Information about Former Clients**

MHWM does not disclose, and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our clients.

**Confidentiality and Security**

Our employees are advised about the firm's need to respect the confidentiality of our customers' non-public personal information. Additionally, we maintain physical, procedural and electronic safeguards in an effort to protect the information from access by unauthorized parties.

**We'll keep you informed**

We will send you notice of our privacy policy annually for as long as you maintain an ongoing relationship with us. Periodically we may revise our privacy policy, and will provide you with a revised policy if the changes materially alter the previous privacy policy. We will not, however, revise our privacy policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing. You can obtain a copy of our current privacy policy by contacting us at (504) 488-3700.