

Firm Brochure
(Part 2A and 2B of Form ADV)

Rainsberger Wealth Advisors, Inc. (RWA)

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This brochure provides information about the qualifications and business practices of Rainsberger Wealth Advisors, Inc. (RWA) If you have any questions about the contents of this brochure, please contact us at: 719-328-1944, or by e-mail at: bud@rwapartners.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 Rainsberger Wealth Advisors, Inc. (RWA) is available on the SEC's website at www.adviserinfo.sec.gov

April 4, 2013

Material Changes

Annual Update March 8,

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update in 2010

The U.S. Securities and Exchange Commission issued a final rule in July 2010 as a result of the recently enacted Frank-Dodd Financial Services reform Bill requiring advisers to provide a *Firm Brochure* in narrative “plain English” format. The new final rule specifies mandatory sections and organization. Accordingly, enclosed is our new Form ADV Part 2A *Firm Brochure* that provides complete disclosure about our firm.

We are also required to provide you with complete details about the advisers in our firm with whom you work. We have included the biographies and supervisory details of Form ADV Part 2B, *Firm Brochure Supplement*, as an integral part of our *Firm Brochure*. As a result, both Part 2A and Part 2B are provided as one document for ease of reading.

We appreciate your continued trust as we implement these new mandatory compliance regulations. You may request written copies of our *Firm Brochure* (Part 2A) and our *Firm Brochure Supplement* (Part 2B) at any time by calling our office at #719-328-1944.

Other changes that have taken place this past year include:

- We have hired a new financial planning and operations team member, Zack Bender, to our investment firm. His professional bio is included in the supplement 2B for your review.
- We have changed and updated our Assets under Management (AUM) fee structure as spelled out on page 13.

Full Brochure Available

Whenever you would like to receive a complete copy of our *Firm Brochure* is available upon request, please contact us by telephone at 719-328-1944 or by e-mail to Bud Rainsberger at: bud@rwapartners.com to request a copy.

Table of Contents

Material Changes	i
Annual Update dated March 8, 2012	i
Material Changes since March 8, 2011	i
Full Brochure Available	i
Advisory Business	1
Firm Description	1
Principal Owners	2
Personal Financial Planning Services	2
Financial Planning fees	3
Insurance	4
Ongoing Financial Planning Services	5
Investment Management Services	6
Investment Management fees	7
Annual Retainer fees	8
Third Party Investment Services	8
Retirement Planning Consulting fees	8
Current Client Information	9
Tailored Relationships	9
Types of Agreements	9
Commissions	10
Proxy Voting	10
Investment Advisory Service Agreement	10
Investment Management fees	11
Retainer Agreement	11
Tax Preparation Agreement	12
Hourly Planning Engagements	12
Asset Management	12
Termination of Agreement	12

Fees and Compensation	13
Description	13
Fee Billing	13
Other Fees.....	13
Expense Ratios.....	14
Past Due Accounts and Termination of Agreement.....	14
Performance-Based Fees	14
Types of Clients.....	14
Description	14
Account Minimums	15
Methods of Analysis, Investment Strategies and Risk of Loss	15
Methods of Analysis	15
Investment Strategies	15
Risk of Loss.....	16
Disciplinary Information.....	17
Legal and Disciplinary.....	17
Other Financial Industry Activities and Affiliations	17
Financial Industry Activities.....	17
Affiliations.....	17
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	17
Code of Ethics	17
Participation or Interest in Client Transactions	17
Personal Trading.....	18
Brokerage Practices	18
Selecting Brokerage Firms	18
Best Execution.....	18
Soft Dollars	18
Order Aggregation	18
Review of Accounts.....	19
Periodic Reviews.....	19
Review Triggers.....	19

Regular Reports	19
Client Referrals and Other Compensation	19
Incoming Referrals	19
Referrals Out.....	19
Other Compensation.....	19
Custody	20
Account Statements	20
Performance Reports	20
Net Worth Statements.....	20
Investment Discretion.....	20
Discretionary Authority for Trading	20
Limited Power of Attorney.....	21
Voting Client Securities	21
Proxy Votes	21
Financial Information.....	21
Financial Condition	21
Business Continuity Plan.....	21
General.....	21
Disasters.....	21
Alternate Offices	22
Loss of Key Personnel	22
Information Security Program	22
Information Security	22
Privacy Notice	22
Brochure Supplement (Part 2B of Form ADV)	23
Education and Business Standards.....	23
Professional Certifications	23
Ellis D. Rainsberger, CERTIFICATIONS	24
Zachary Bender, CERTIFICATIONS.....	25
Dave Stock, CERTIFICATIONS.....	25

Advisory Business

FIRM DESCRIPTION

Rainsberger Wealth Advisors, Inc. (RWA) was founded in 1990.

Rainsberger Wealth Advisors, Inc. (RWA) provides three primary financial advisory services: 1) personalized and confidential financial planning, 2) investment management services, and 3) retirement plan consulting and review. Each of these services may be engaged and billed separately as unique services to our clients, or in most cases, billings for these services may be integrated into an asset management fee or annual retainer fee as described below. Clientele may include the following: individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Some clients may use RWA only for financial planning, retirement plan consulting or investment management services, or any combination of the aforementioned.

Advice is provided through consultation with the client and may include one, several, or all of the following: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

RWA provides comprehensive personal fee-only financial advisory services. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is an integral part of financial planning. In addition, RWA advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

RWA does not act as a custodian of client assets. The client always maintains asset control. RWA places trades for clients under a *limited power of attorney* (LPOA).

In most cases, a written evaluation of each client's initial situation is provided to the client, often in the form of an Investment Policy Statement (IPS) or their personal net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone or in person is free of charge, and is considered an exploratory interview to determine the extent to which Rainsberger Wealth Advisors, Inc. (RWA) provision of financial planning and investment management may be beneficial to the client.

PRINCIPLE OWNERS

Ellis D. Rainsberger is a 95% stockholder and is not a subsidiary of any other firm or affiliate company.

Lisa L. Rainsberger is a 5% stockholder and is not a subsidiary of any other firm or affiliate company.

PERSONAL FINANCIAL PLANNING SERVICES

Rainsberger Wealth Advisors, Inc. (RWA) provides comprehensive personal financial planning services for a fee to a variety of clients including individuals, pension and profit sharing plans, trusts, estates, business owners, professionals, corporate executives, retirees, and charitable organizations. Our investment management services for such individuals, and as otherwise described, are part of the implementation process that occurs as an outcome of the financial planning. Use of our investment management services is not required by those who wish to use the personal financial planning services, although we believe clients who engage in both are best served. Not all clients who request financial planning as a sole service can be accommodated by RWA due to the time consuming nature of this service.

The comprehensive planning process in the initial year involves a series of meetings with the client typically, conducted over several months, using the following method:

- Establish and define relationship with the client
- Gathering of client data, including personal and financial data, goals, objectives, risk tolerances
- Analysis and evaluation of client's current financial status and assumptions
- Evaluation of alternative solutions
- Development and presentation of our financial planning recommendations
- Assistance with implementation as appropriate

In most cases, clients will receive a written analysis of recommendations that are developed and discussed during the time we work together. A comprehensive financial

plan does not include specific recommendations on specific individual investments, nor does it involve the preparation of any kind of income tax, gift or estate tax returns, or preparation of any legal documents, including wills or trusts. Specific investment recommendations are considered part of the implementation phase of the relationship. The others constitute legal or tax advice which are not provided by RWA.

Personal financial planning (the analysis, written report, and subsequent modifications and services) is a service *separate* from our investment management services. Clients have full discretion as to the extent to which, if at all, they choose to implement the recommendations discussed in the financial planning phase.

Depending on the scope of the assignment and complexity of the planning to be performed, the analysis, development of the recommendations, plan write-up and plan presentation can take from approximately 60 days up to one year. For most clients the initial year of planning is accomplished in the first six to eight months from the date the client provides us with all of the necessary documents. Meetings are generally held every 30-45 days during that period. Clients can stop the planning process at any point and the relationship will be considered terminated

Once an initial plan is completed and implemented, the client has several options with regards to ongoing financial planning services: 1) the client may feel that the questions which required the service in the first place have been adequately addressed and that there is no need for further involvement with RWA; 2) the client may wish to have access to ongoing services necessitating regular or periodic meetings to discuss changes in the client's financial situation or in the financial environment; or 3) the client may wish to wait to initiate contact with RWA as new questions arise.

FINANCIAL PLANNING FEES

At the client's discretion and based on the nature and scope of the planning work to be performed, clients may pay for the planning services provided by RWA in one of three ways:

a) Hourly fees at the rates set forth below. This approach is occasionally employed for shorter term consulting requests or for very limited financial planning and analyses. It may also be appropriate when the extent of the work to be done is unclear. Payment is required on completion of a distinct service, or monthly if the service is in process.

b) Project fees. These are *fixed fees* established at the beginning of the engagement and based on an estimate of the time required to complete the work multiplied times the hourly rates of the RWA members to be involved. The fees generally range between \$1,500 and \$15,000 and are negotiable based on the nature of the planning – basic planning up to more complex planning cases. Certain planning engagements may charge a project fee outside of the above range due to factors specific to that engagement. Payment arrangements will vary, but in all cases involve a partial payment upon the agreement being signed with remaining amounts due at pre-defined points in the process, most often 50% of the total is due upon the agreement being signed and

the remaining 50% due at the presentation of the financial plan. The fee amount may be negotiated, which could result in an adjustment in the number of hours to be spent by RWA's personnel on such project.

c) Annual retainer fees. RWA can propose a retainer fee at the beginning of the relationship based upon the scope of work to be performed and the nature of ongoing consulting desired. Financial Planning retainer fees will be updated annually. This approach is recommended where the nature of the planning work is complex and the client has multiple financial concerns requiring regular advice and guidance. Payment for retainer fees is required either on an annual or a quarterly basis, depending on the scope of the assignment. The retainer fee amount is designed to reflect the service to be provided and the RWA personnel to be involved, their hourly rates and the number of hours RWA expects to spend on the project. Due to the different circumstances of each client, the retainer fee amount is negotiated based on the services expected to be provided. Any unearned retainer fees are refunded upon termination of the engagement.

The current **hourly rates** charged to clients are:

Professional \$175 - \$250/hr
Paraprofessional \$90/hr
Clerical \$ 65/hr

Professional hourly fees are charged based on the adviser providing the planning service. Those with greater seniority charge a higher hourly rate. Some clients prefer to pay a combined financial planning and investment management fee rather than paying for those services separately. We can prepare a comprehensive retainer fee that includes our fees for both financial planning and Investment Management.

Hourly rates are not negotiable, although RWA may agree to limit the number of hours dedicated to a particular task at the client's request.

INSURANCE

Insurance is an essential element in the financial planning process and important in the creation of an appropriate Risk Management Analysis,. Rainsberger Wealth Advisors, Inc. (RWA) does not sell insurance nor insurance products and receives no commissions, rebates or referral fees when its clients purchase such products from others. At the same time, because of the variety, complexity and number of possible products available to meet various insurance needs, RWA prefers to be involved as much as possible when its clients consider the purchase of such products to meet their financial planning needs. When an insurance need arises, RWA will generally make a recommendation as to the generic type of product or products that would best address the specific need.

If the client has an existing agent who can provide the needed product and related service, RWA will, at the client's request, work with that agent to ensure the client is getting the best product for that need. If the client does not have a preferred agent, RWA may work with a "no-load" provider or refer the client to an agent whom RWA believes can best deliver the appropriate product(s) and related service. RWA has no formal affiliation with any such agent, nor does it receive any compensation for such referrals. However, experience and industry knowledge has given us some insights about who might be able to do the needed tasks in an appropriate manner.

ONGOING FINANCIAL PLANNING SERVICES

Financial planning should be an ongoing, life-long process. After the initial year's analysis is done and recommendations are presented to, and accepted by the client, ongoing planning and implementation is an important service provided by RWA.

For those clients who would like for us to continue to provide on-going financial planning services, the cost of ongoing financial planning services will be quoted to the client based on the scope of the planning engagement. The client may also elect to use our retainer fee to cover both financial planning and wealth management services. For such clients, except for the initial planning fees, there will be no additional charge over and above the investment fees if clients elect to use the retainer fee option for planning work and advice that reviews and/or updates planning previously performed for that client. An exception to this rule may arise if a client wishes RWA to provide advice and analysis well beyond the normal service offering. Planning services directed at previously unaddressed topics, extraordinary research or analysis may involve additional costs, which will be negotiated on an individual basis prior to beginning such work.

For clients who pay investment management fees of less than our annual minimum, a separate fee for financial planning will be presented for the client's acceptance based on the scope and detail of the planning engagement. Such separate financial planning fees may take any of the forms described above: hourly, project or retainer and will be based on the amount of work requested by the client.

If, for any reason, a client wishes to terminate a financial planning agreement in the first ten days after signing the agreement, the client will be entitled to a full refund of any fees paid to RWA under that agreement. After 10 days, a client may terminate the agreement at any time but will not be entitled to a refund of fees already paid and will compensate RWA at its hourly rates for the time spent on the client's behalf. Clients billed on an hourly basis will be liable for hours incurred through the date of termination. To ensure clear communication, a termination notice from the client must be issued in writing and is effective upon receipt by RWA.

If RWA chooses to terminate the planning relationship, all planning fees paid by the client, and as yet *unearned* as of the date of the termination, will be refunded.

The financial planning review may be the only service provided to the client and does not require that the client use or purchase the investment advisory services offered by RWA or other products and services offered by RWA. There is an inherent conflict of interest for RWA whenever a financial plan recommends use of professional investment management services or other financial products or services that we may provide. RWA or its associated persons may receive compensation for financial planning and the provision of investment management services. RWA does not make any representation that these products and services are offered at the lowest available cost and the client may be able to obtain the same products or services at a lower cost from other providers. However, the client is under no obligation to accept any of the recommendations of RWA or use the services of RWA in particular.

INVESTMENT MANAGEMENT SERVICES

Rainsberger Wealth Advisors, Inc. (RWA) provides investment management services exclusively on a fee-only basis. These services include:

- Design of an asset allocation investment strategy appropriate to the client's individual circumstances, often as determined by the financial planning process
- Development of an Investment Policy Statement, or other notation, which serves as the roadmap for making investment decisions and determines appropriate investments that can be included or excluded from a client's portfolio.
- Determination of individual investments to be bought or sold and selection of appropriate managers if appropriate
- Steps to reposition the portfolio to create the desired investment strategy, including which securities would be sold or held, as determined by the above steps
- Monitoring of the investments and making adjustments as necessary

Implementation of the plan or investment management of client portfolios follows a strict process of asset allocation based on client objectives and risk assessment. Investments are selected for client accounts from an "approved list", which is maintained by the firm's Investment Committee. This Committee is chaired by the Director of Investments and is comprised of key members of the firm. Securities are selected for the approved list based on numerous factors including diversifying the portfolio, the income needs of the client, sector weighting, dividend or interest rate, credit quality and duration, investment style, consistency of returns, expenses, manager tenure, and availability at the custodian(s) to be utilized.

Assets are generally held in custodial accounts either at Charles Schwab & Company, Fidelity Investments, or a similar custodial company. Any charges that may be assessed by the custodians are paid directly by the clients of RWA. RWA does not receive any compensation for the recommendation of any custodian.

To serve the variety of needs of its many different investment management clients, RWA utilizes multiple compensation structures as described below. The specific services and compensation arrangement appropriate to each client, as well as appropriate disclosures, are generally documented in a Letter of Engagement for Asset Management Services (Client Advisory Agreement) signed by the client prior to service being rendered.

A client's advisory agreement will reflect the fee schedule in effect at the time it was executed and may differ from the current fee schedules described below; it may also differ from the fee arrangements in force for other clients. Actual billings to clients are based on the then-effective Letter of Engagement signed by the respective client. Fees and/or minimums may be negotiable where special circumstances exist.

INVESTMENT MANAGEMENT FEES

For those clients making use of investment management services provided by RWA, the amount of the asset management fee will be based upon the total assets under management (AUM) and according to the following schedule:

1.00% per year of the first \$1 million of assets under management

0.75% per year for assets \$1,000,000 - \$3,000,000

0.65% per year for assets \$3,000,000 - \$5,000,000

Asset amounts above \$5 million we negotiate an appropriate fee for your situation

We reserve the right to negotiate our fees on a case by case basis

Our minimum quarterly fee is: \$1,250. *We reserve the right to negotiate our fees on a case by case basis*

Clients are invoiced in arrears at the end of each calendar quarter based upon the average daily balance of their account(s) during the quarter. Most investment assets are priced daily, which are available through electronic download. However, daily prices may not be available for certain assets, such as some annuities, or assets that are not held at our recommended custodians. In such cases, less frequent valuation, typically the month end or quarter end asset values may be used in calculating the average daily balance. Fees are deducted from client accounts after mailing of invoices, which typically occurs during the first two weeks of the month following the calendar quarter.

All fees paid to RWA for investment advisory services are separate and distinct from the fees and expenses charged by separate account managers or by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in most mutual funds

directly, without the services of RWA. In that case, the client would not receive the services provided by RWA which are designed, among other things, to assist the client in determining which investments are most appropriate to each client's financial objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by RWA to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

A client may terminate the agreement at any time but will be liable for the advisory fees earned to that date based on the fee schedule then in effect for that client. In such cases, the *fee will be pro-rated for the period* between the start of the period in question up to and including the date a notice of termination is received from the client, using the average daily balance during the calculated period. To ensure clear communication, a termination notice, from the client, must be issued in writing and is effective only upon receipt by RWA.

ANNUAL RETAINER FEES:

Some clients prefer to pay a combined financial planning and investment management fee rather than paying for those services separately. We can prepare a comprehensive retainer fee proposal that includes our fees for both Financial Planning and Investment Management. The *retainer fee* is based on the scope of work to be performed and the nature of ongoing level of services desired and can be updated annually. Payment for retainer fees is required either on an annual or a quarterly basis, depending on the scope of the assignment. The retainer fee amount is designed to reflect the level and number of services to be provided. Due to the different circumstances of each client, the retainer fee amount is negotiated based on the services expected to be provided. Any unearned retainer fees are refunded upon termination of the engagement.

THIRD PARTY INVESTMENT SERVICES:

This service refers to our retirement plan consulting services. In this area, RWA provides the following services, but not limited to:

- On-going plan consultation to the plan sponsors regarding their fiduciary obligations and requirements,
- Fund monitoring and performance analysis,
- Annual plan trustee reviews
- Providing general advice to employees on their investment options available to them in the plan, and basic financial planning questions.
- Development of the plan's Investment Policy Statement, (IPS)

RETIREMENT PLANNING CONSULTING FEES:

For those clients making use of our retirement plan consulting services provided by RWA, the amount of the consulting fee will be based upon the scope of services and based on total assets in the retirement plan and according to the following schedule:

1.00% per year of the first \$1 million
0.75% per year for assets \$1,000,000 - \$3,000,000
0.65% per year for assets \$3,000,000 - \$5,000,000
Asset amounts above \$5 million we negotiate an appropriate fee for your situation
We reserve the right to negotiate our fees on a case by case basis

RWA reserves the right to negotiate fees for each client based on the level of services desired and competitive nature of the retirement plan consulting industry.

For certain clients, RWA may employ third party investment service firms (e.g., First Mercantile Trust, The Principal for example for retirement plans) to provide investment and administrative services (TPA). These third party investment firms assume portions of the investment and/or administrative roles associated with servicing these client retirement accounts. In some cases, there may be a modified fee schedule and variation in how these remaining client accounts are billed and serviced. We provide clients with full disclosure of those fees and how RWA is compensated for our consulting or advisory services.

CURRENT CLIENT INFORMATION:

As of March 26, 2013 Rainsberger Wealth Advisors, Inc. (RWA) manages approximately \$104,853,970 in assets for approximately 104 clients. Approximately \$92,838,300 is managed on a discretionary basis, and \$12,015,670 is managed on a non-discretionary basis with the majority of that amount from our retirement plan consulting services clients.

TAILORED RELATIONSHIPS:

Information provided by the client, goals and objectives are documented in our client profile workbooks that are considered necessary for our financial planning engagements, the client Investment Policy questionnaire for our Investment Services clients and our client relationship management system for basic client information. Investment policy statements are created that reflect the stated goals and objectives. *Clients may impose restrictions such as minimum cash or investing in certain securities or types of securities.*

TYPES OF AGREEMENTS:

The following agreements define the typical client relationships.

A financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

General investment advice and sector or asset class recommendations are provided as part of a financial plan. Implementation of the recommendations *is at the discretion of the client*.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The fee range for a financial plan is between \$ 1,500 and \$15,000 and is negotiable depending on the scope of the client engagement. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

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

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one year. As part of our financial planning fee, we agree to work with the client each year for our retainer fee as quoted. .

COMMISSIONS:

Rainsberger Wealth Advisors, Inc. (RWA) does not accept commissions, rebates or referral fees as compensation for its services. RWA is currently compensated exclusively through fees paid by clients.

PROXY VOTING:

As the legal owner of the securities in their accounts, clients retain responsibility for voting any proxy material associated with the securities. Clients may designate RWA to vote their proxy on their behalf, and if so delegated, RWA generally votes with the board recommendations as they are required to act and represent the shareholders' best interests.

INVESTMENT ADVISORY SERVICE AGREEMENT:

Clients choose to have Rainsberger Wealth Advisors, Inc. (RWA) manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Investment Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. The scope of our investment advisory services requires completing our client Investor Profile Questionnaire and the development of a personalized Investment Policy Statement, (IPS). This IPS generally includes the following: investment management (including performance reporting), as well as the implementation of recommendations within each area.

The minimum annual fee is \$5,000 and is negotiable on the specific client situation. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

INVESTMENT MANAGEMENT FEES:

A Client Investment Advisory Agreement may be executed when financial planning is not provided as part of the relationship. The annual fee for an *Investment Management Agreement* is as follows:

1.00% per year of the first \$1 million of assets under management
0.75% per year for assets \$1,000,000 - \$3,000,000
0.65% per year for assets \$3,000,000 - \$5,000,000
Asset amounts above \$5 million we negotiate an appropriate fee for your situation

We reserve the right to negotiate our fees on a case by case basis

Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the time of the termination of the agreement is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

RETAINER AGREEMENT:

In some circumstances, a *Retainer Agreement* is executed in lieu of an *Asset under Management (AUM)* fee when it is more appropriate to work on a fixed-fee basis. The annual fee for a *Retainer Agreement* is between \$5,000 and \$50,000. *We reserve the right to negotiate our fees on a case by case basis*

Generally, the initial fee amount will remain in place for a 2 year (24 month) period. It will then be evaluated between the client and RWA. This fee can either be deducted from an existing account with RWA, or may be invoiced. How the fee will be paid is the decision of the client.

TAX PREPARATION AGREEMENT:

Tax and legal document advice or preparation work is not included in the scope of work that we perform. *We advise the client to consult with*

competent legal and tax advisors to provide specific tax and legal advice. We recommend that a client keep RWA advised of any specific legal or tax strategies and recommendations that may impact our financial planning and investment analysis and recommendations.

HOURLY PLANNING ENGAGEMENTS:

RWA provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements:

Professional \$175 - \$250/hr

Paraprofessional \$90/hr

Clerical \$ 65/hr

ASSET MANAGEMENT

Assets are invested in different security portfolios depending on their portfolio size, aptitude for risk and overall objectives.

These portfolios may include but not limited to the following types of investments: no-load mutual funds, actively managed and passively managed index mutual funds, exchange-traded funds, individual stocks and bonds, outside money managers executing specific investment strategies for the clients, hedge funds, private partnerships and money market accounts. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds, to execute a buy or sell for individual stocks and bonds, and each of the investments may have their separate fees and expenses that are in addition to our advisory fees.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. Rainsberger Wealth Advisors, Inc. *does not receive* compensation, in any form, from fund companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) are not available through Rainsberger Wealth Advisors, Inc. (RWA)

TERMINATION OF AGREEMENT

A Client may terminate any of the aforementioned agreements at any time by notifying Rainsberger Wealth Advisors, Inc. (RWA), in writing. The client will owe RWA their pro-rated earned fee and be sent a final billing statement which includes the pro-rated fee amount that was earned from the period from the last fee paid until the termination date.

Rainsberger Wealth Advisors, Inc. (RWA) may terminate any of the aforementioned agreements at any time by notifying the client in writing.

Fees and Compensation

DESCRIPTION

Rainsberger Wealth Advisors, Inc. (RWA) bases its fees on a percentage of assets under management, hourly charges, and Retainer Fees.

Some *Retainer Agreements* may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Financial plans are priced according to the degree of complexity associated with the client's situation.

Fees are *NEGOTIABLE*

FEE BILLING

Investment management or Retainer fees are billed quarterly, in *arrears*, meaning we invoice the client after the three-month billing period has ended. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account. We also bill certain clients directly for our services if they wish by providing an invoice or billing statement. Payment in full is expected upon receipt of invoice or billing statement. The client is furnished a billing summary at the end of each quarter which specifies the method of determining our fee calculation and amount of their fee due for payment.

Fees for financial plans are billed 50% in advance, with the balance due upon delivery of the financial plan.

OTHER FEES

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Rainsberger Wealth Advisors, Inc. (RWA) in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

New Advisory Service Agreement fees are calculated on a formula basis and adjusted for complexity of individual situations. *The formula is based on gross income, gross assets and other financial considerations.*

EXPENSE RATIOS

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to Rainsberger Wealth Advisors, Inc. (RWA)

Performance figures quoted by mutual fund companies in various publications are generally after their fees have been deducted. The expense ratio of a mutual fund should be taken into consideration when considering the purchase of such funds for investment purposes.

PAST DUE ACCOUNTS AND TERMINATION OF AGREEMENT

Rainsberger Wealth Advisors, Inc. (RWA). reserves the right to stop work on any account that is more than 90 days overdue. In addition, Rainsberger Wealth Advisors, Inc. (RWA) reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in RWA'S judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

Performance-Based Fees

Rainsberger Wealth Advisors, Inc. (RWA) does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

DESCRIPTION

Rainsberger Wealth Advisors, Inc. (RWA) generally provides investment advice to Clientele whom may include the following: individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Some clients may use RWA only for financial planning, retirement plan consulting or investment management services, or any combination of the aforementioned.

Client relationships vary in scope and length of service.

ACCOUNT MINIMUMS

The minimum account size is \$500,000 of assets under management,(AUM) which equates to an annual fee of \$5,000.

Rainsberger Wealth Advisors, Inc. (RWA) has the discretion to waive the account minimum when an account may be below our normal account minimums. Accounts of less than our minimum may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$500,000 within a reasonable time. Other exceptions will apply to employees of Rainsberger Wealth Advisors, Inc (RWA) and their relatives, or relatives of existing clients.

Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS

To help develop its strategies and recommendations, RWA uses commercially available services, specific financial publications, information services dealing with investment research and portfolio security analysis. Such analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information may include inspections of corporate activities, corporate rating services, research materials prepared by others, timing services, annual reports, prospectuses, or other resources available in print media, via the internet or some other electronic means, filings with the Securities and Exchange Commission, company press releases, and financial newspapers and magazines.

Other sources of information that Rainsberger Wealth Advisors, Inc. (RWA) may use include Morningstar Principia mutual fund information, Standard & Poor's, Dorsey Wright, Charles Schwab & Company's "SchwabLink" research services, Hayes , and the World Wide Web.

As an investment advisor, RWA has the frequent opportunity to access information from a variety of experts, whether through personal visits, telephone calls, or at industry-related meetings. Independent, third party registered investment advisors may also be employed to provide additional expertise in unique situations

INVESTMENT STRATEGIES

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach. This means that we use

passively-managed index and exchange-traded funds as the core investments, and then add actively-managed funds, individual equity and fixed income securities, hedge funds, real estate and fixed income where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time, in writing and received by the firm in a timely manner. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

RISK OF LOSS

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from

a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

LEGAL AND DISCIPLINARY

The firm and its employees have not been involved in any legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

FINANCIAL INDUSTRY ACTIVITIES

Rainsberger Wealth Advisors, Inc. (RWA) is a Registered Investment Advisor. (RIA) with the Securities Exchange Commission, (SEC)

AFFILIATIONS

Rainsberger Wealth Advisors, Inc. (RWA) has no outside arrangements that are material to its advisory practice or its clients with any related person or firm.

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

CODE OF ETHICS

The employees of Rainsberger Wealth Advisors, Inc. (RWA) have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Rainsberger Wealth Advisors, Inc. (RWA) and its employees may buy or sell securities that are also held by clients. Employees may not trade their own

securities ahead of client trades. Employees comply with the provisions of the *RWA Compliance Manual*.

PERSONAL TRADING

The Chief Compliance Officer of Rainsberger Wealth Advisors, Inc. (RWA) is Ellis D. Rainsberger. He reviews all employee trades each quarter. His trades are reviewed by Cindy Austin. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm do not receive preferential treatment. We require RWA employees to furnish their personal family client statements in order to facilitate their review.

Brokerage Practices

SELECTING BROKERAGE FIRMS

Rainsberger Wealth Advisors, Inc. (RWA) does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. RWA recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Rainsberger Wealth Advisors, Inc. (RWA) recommends discount brokerage firms and trust companies (qualified custodians), such as Charles Schwab, Fidelity, First Mercantile Trust and others.

Rainsberger Wealth Advisors, Inc. (RWA) does not receive fees or commissions from any of these arrangements.

BEST EXECUTION

Rainsberger Wealth Advisors, Inc. (RWA) reviews the execution of trades at each custodian each quarter. The review is documented in the *Rainsberger Wealth Advisors, Inc. (RWA) Compliance Manual*. Trading fees charged by the custodians is also reviewed on a quarterly basis. Rainsberger Wealth Advisors, Inc. (RWA) does not receive any portion of the trading fees.

SOFT DOLLARS

Rainsberger Wealth Advisors, Inc. (RWA) does not receive any soft dollar arrangements from any custodian or trust company.

ORDER AGGREGATION

Rainsberger Wealth Advisors, Inc. (RWA) attempts to aggregate client trades when that is available in order to facilitate any benefit where this may be available. Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

Review of Accounts

PERIODIC REVIEWS

Clients are assigned a personal advisor for purposes of being their firm advocate and ensuring proper portfolio and financial planning reviews are completed for the client. Reviews are conducted on a quarterly basis for each client by advisors of the RWA team. Account reviews are performed more frequently when market conditions dictate.

REVIEW TRIGGERS

Other conditions that may trigger a review are changes in the tax laws, new investment information and changes in a client's own situation if the client sends written information of a material change in their circumstances.

REGULAR REPORTS

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client and help to create a diversified portfolio.

Clients receive periodic communications on at least a quarterly basis. *Advisory Service Agreement* clients, *Investment Management* clients, and *Retainer Agreement* clients receive written quarterly updates on a quarterly basis. The written updates may include a net worth statement, portfolio statement and a summary of objectives.

Client Referrals and Other Compensation

INCOMING REFERRALS

Rainsberger Wealth Advisors, Inc. (RWA) has been fortunate to receive many client referrals over the years. The referrals come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm may provide nominal gifts (such as a gift certificate to a local restaurant or a bottle of wine for example) that do not exceed \$75 to the referring parties for these referrals.

REFERRALS OUT

Rainsberger Wealth Advisors, Inc. (RWA) does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

OTHER COMPENSATION

Ellis D. Rainsberger is the managing partner for two real estate related partnerships: Lincoln Lease Partners, and Sagebrush Partners.

Mr. Rainsberger may also receive a management fee as compensation for his time and efforts on behalf of the partnerships. In general, the total amount of those fees is less than \$1,000 annually.

Custody

ACCOUNT STATEMENTS

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

PERFORMANCE REPORTS

Clients are urged to compare the account statements received directly from their custodians to the quarterly performance report statements provided by Rainsberger Wealth Advisors, Inc.(RWA)

NET WORTH STATEMENTS

Clients are frequently provided net worth statements and net worth graphs that are generated from our financial planning engagements and subsequent client relationship management system. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price investments such as real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material or easily available to the financial planning tasks. We rely on the client to alert us of any material changes to their values.

Investment Discretion

DISCRETIONARY AUTHORITY FOR TRADING

Rainsberger Wealth Advisors, Inc. (RWA) accepts discretionary authority to manage securities accounts on behalf of clients. RWA has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

However, RWA consults with the client prior to each trade to obtain concurrence if discretionary authority has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. RWA does not receive any portion of the transaction fees or commissions paid by the client to the custodian to implement trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

LIMITED POWER OF ATTORNEY (LPOA)

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

Other LPOA approvals are:

Permission to deduct our fees from approved client accounts

Request from custodian to make distributions to the address of record at the client request

Voting Client Securities

PROXY VOTES

As the legal owner of the securities in their accounts, clients retain responsibility for voting any proxy material associated with the securities. Clients may designate RWA to vote their proxy on their behalf, and if so delegated, RWA generally votes with the board recommendations as they are required to act and represent the shareholders' best interests.

Financial Information

FINANCIAL CONDITION

Rainsberger Wealth Advisors, Inc. (RWA) does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because RWA does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$750 per client, and six months or more in advance.

Business Continuity Plan

GENERAL

Rainsberger Wealth Advisors, Inc. (RWA) has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

DISASTERS

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters

such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

ALTERNATE OFFICES

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

LOSS OF KEY PERSONNAL

Rainsberger Wealth Advisors, Inc. (RWA) has prepared a Business Continuation Policy with another financial advisory firm to support RWA in the event of Ellis D. Rainsberger's serious disability or death. This firm is Donnelly Wealth Advisors, (DWA) and is located in San Diego, California. DWA and RWA have committed to support the best interests of its respective families and clients.

Information Security Program

INFORMATION SECURITY

Rainsberger Wealth Advisors, Inc. (RWA) maintains an information security program to reduce the risk that your personal and confidential information may be breached. We keep both an off-site data back-up files as well as a web hosted daily back-up system.

In general, client/prospect personal information is not kept on site in "paper" form. It is scanned and saved to on-line folders that are saved on back-up files as explained above, or entered into a client relationship management site that is only accessible via user id and password.

PRIVACY NOTICE

Rainsberger Wealth Advisors, Inc. (RWA) is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we share a limited amount of information about you with your custodial firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

Brochure Supplement (Part 2B of Form ADV)

EDUCATION AND BUSINESS STANDARDS

Rainsberger Wealth Advisors, Inc. requires that advisors in its employ have a BA, BS or MBA degree and pursue further coursework demonstrating knowledge of financial planning and investment management. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

PROFESSIONAL CERTIFICATIONS

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP®): Certified Financial Planners are licensed by the CFP® Board to use the CFP® mark. CFP® certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP® Board (www.cfp.net).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

Part 2B- Firm Biographical's

Ellis D. Rainsberger, Principal

Year of Birth: 1956

Educational Background:

- University of Wisconsin, Civil Engineering 1974-1975
- Kansas State University BS Accounting 1979

Business Experience:

- A.G. Becker 1980- 1981
- Boettcher & Company 1981-1983
- A.G. Edwards 1983-1985
- B.C. Christopher 1985-1990
- Rainsberger Wealth Advisors, Inc. (and its predecessors) 1990 to Present

Married to Lisa Rainsberger, four children: Meghan, Kristopher, Katie and Ian.

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Zachary E. Bender

Year of Birth: 1978

Educational Background:

- University of Oklahoma, BS Business Administration 2000

Business Experience:

- A.G. Edwards 2003 - 2007
- UBS Financial Services 2007 - 2009
- SureAuto, Inc. 2009 - 2012
- Rainsberger Wealth Advisors, Inc. 2012 to Present

Supervision:

Zack Bender is supervised by Ellis d. Rainsberger, Principal of RWA. He reviews Zack's work through frequent office interactions, as well as formal reviews. He also monitors Zack's activities through our team based client quarterly review analysis and client relationship management system.

Married to Jenny Bender, 2 children: Nola & Rockwell

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Dave Stock

Year of Birth: 1974

Educational Background:

- University of Colorado – Masters of Business Administration 2005
- United States Air Force Academy 1996
- F-15C Fighter Training

Business Experience:

- United States Air Force Major 1996-2006
- Rainsberger Wealth Advisors, Inc Internship 2005-2006

- Morgan Stanley Fixed Income, 2006-2008
- Rainsberger Wealth Advisors, Inc. 2011 to Present

Supervision:

Dave Stock is supervised by Ellis D. Rainsberger, Principal of RWA. He reviews Mr. Stock's work through frequent office interactions, as well as formal reviews and also monitors his activities through our team based client quarterly review analysis and client relationship management system.

Married to Camilla (Cami) Stock

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None