

# Camarda Wealth Advisory Group

SEC File Number: 801 – 61028

## **ADV Brochure**

### **Part 2A**

**Dated 3/28/2018**

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This brochure provides information about the qualifications and business practices of Camarda Financial Advisors, LLC d/b/a Camarda Wealth Advisory Group (the “Registrant”). If you have any questions about the contents of this brochure, please contact us at (904) 278-1177. 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 Camarda Wealth Advisory Group also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

## Material Changes - None

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### Item 1 Advisory Business

- A. The Registrant firm Camarda Financial Advisors, LLC, d/b/a Camarda Wealth Advisory Group (the "Registrant") is a limited liability company formed in the state of Florida. Registrant began offering investment advisory services in 1998 and changed its status to a Limited Liability Company on July 1, 2009. The firm remains under the control and ownership of Jeff and Kim Camarda, with approximately 5% owned by the Jeffrey M. Camarda 2012 Irrevocable Trust (Kim Camarda, trustee) & approximately 95% owned by the Kim K. Camarda 2012 Irrevocable Trust (Jeff Camarda, trustee). Jeffrey Camarda is the Registrant's principal managing member.
- B. As discussed below, the Registrant offers to its clients (individuals, business entities, trusts, estates, charitable organizations, pension and profit sharing plans, etc.) a combination of investment management services on a discretionary basis and, to the extent specifically requested by a client, investment advisory, investment planning, financial planning and/or related consulting services.
- C. The Registrant provides services under the name(s) Camarda Wealth Advisory Group (CWAG), and (for qualified retirement plans). The CWAG offering is aimed at the ultra high net worth, high net worth, and mass affluent markets.

#### **D. INVESTMENT ADVISORY SERVICES**

The client can determine to engage the Registrant to provide discretionary investment management services on a *fee basis*. Registrant manages investment advisory accounts using proprietary research or model asset allocation portfolios. Each portfolio is designed by Registrant to meet a particular investment strategy. Strategy selection supervision is guided by the stated instructions of the client after

a discussion of risk tolerance and alternatives. For some qualified plans, a list of recommended mutual funds may be provided from which participants are responsible to construct their own portfolios; in these instances, registrant's investment advisory duty is limited to the proffered of recommended mutual funds lists. For other qualified plans, a list of recommended mutual funds and model portfolios may be provided from which participants are responsible to select their own portfolios; in these instances, registrant's investment advisory duty is limited to the proffering of recommended mutual funds lists and model portfolio allocations.

Through personal discussions with the client in which the client's goals, objectives, and preferences are discussed, Registrant will aid client in determining which of Registrant's portfolio(s) seem appropriate to the client's circumstances, then accept client's instructions on portfolio selection. As appropriate, Registrant may suggest an allocation among the portfolios it believes will more adequately address the client's individual needs, preferences, or instructions. Once the client has instructed Registrant as to portfolio selection, clients will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio, including particular securities or funds. Clients will retain individual ownership of all securities. In order to ensure that the account continues to be managed in accordance with client's objectives and instructions, Registrant will seek to maintain client suitability information in the client's file. Consequently, each client is advised to promptly notify the Registrant if there are ever any changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon Registrant's management services or modify existing restrictions.

Generally, Registrant will manage these advisory accounts on a discretionary basis only. However, certain clients may possess holdings which, for tax purposes or otherwise, the client does not wish to immediately liquidate. Where these assets neither fit within nor conform to an asset category of the selected model portfolio(s) ("Non-conforming Assets") the client may nonetheless choose to include these assets under Registrant's Investment Management Services. Registrant may accept and monitor these Non-conforming Assets under its Legacy Stock Watch program, and report opinions regarding their use and disposition (including, potentially, writing covered calls against such assets) on an ongoing basis separately or in conjunction with its management of model portfolio assets; Non-conforming Assets may also be liquidated in an orderly fashion in order to be deployed to one of Registrant's portfolios, may be margined in order to facilitate the overlay of options or other strategies, or may be otherwise managed or overseen per specific client instructions. Registrant may also, as appropriate, modify the composition of the client's model portfolio assets to account for Non-conforming Assets. However, Registrant will not sell or transition Non-conforming Assets into the model portfolio managed on a discretionary basis without first notifying the client and receiving the client's authorization.

Registrant will invest clients Accounts in one or more of the following in accordance with the selected model portfolio(s): individual equities, bonds or notes, no-load or load-waived mutual funds, exchange-traded funds (ETFs), options and/or other investment products. Registrant will endeavor to allocate the client's assets among various investments taking into consideration the overall management style and risk tolerance selected by the client. Clients will also receive a comprehensive service package including:

a regular newsletter, regular calls and performance reviews, and rebalance reviews, regular communication (e-mail or phone), secure client web portal, complimentary Non-Registrant managed account reviews/advice (such as for 401(k) accounts), and invitations to various client events that may be scheduled throughout the year.

Some smaller account relationships may receive a lower level of service. They will generally be invested only in no load or load waived mutual funds and ETF model portfolios. Such accounts are called Genesis and are generally designed for clients whose account size limits available Registrant strategies to mutual funds and ETFs with lower minimum investments while attempting to obtain adequate market exposure across asset classes as determined appropriate by Registrant's Portfolio Management Board; such strategies may contain few or single fund selections driven by account sizes. Genesis clients' service package is more limited than for general clients and includes a regular newsletter, secure client web portal, summary electronic statement (through web portal only) and annual mail-in rebalance review. The Genesis service is typically offered for accounts of under approximately \$100,000 but this may be individually negotiated depending on other factors.

Registrant will monitor securities in the various portfolios, including Nonconforming Assets, generally quarterly. If Registrant believes that a particular fund or other investment has less desirable attributes than others available, or if Registrant believes that a different fund or investment is more suitable, then Registrant may reinvest the client's assets in accordance with the discretionary authority granted.

Registrant will charge an annual investment management fee based upon the portfolio category and total assets under management, as follows:

**Monthly Portfolio Fee Schedule (1% = .01)**

\$100,000 –\$500,000	.002083	
\$500,001 –\$1,000,000	.001667	
\$1,000,001 –\$10,000,000	.00125	.000833
\$10,000,001 –\$15,000,000		.00667
\$15,000,001 and over		

Registrant will charge its advisory fee on both model portfolio assets and Non-conforming Assets, as applicable.

Investment advisory services are available for 401k's and similar omnibus qualified plans with individual participant for which the fee schedule appears below:

**WealthSpring (monthly (1% = .01)**

\$100,000 - \$500,000	.0021
\$500,001 –\$1,000,000	.00167
\$1,000,001 –\$10,000,000	.00125
\$10,000,001 and over	.000833

## **INVESTMENT PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent requested by a client, the Registrant *may* determine to provide investment planning/consulting services on a stand-alone separate fee basis. Registrant's planning and consulting fees are negotiable, but generally range \$100 to \$1000 on an hourly rate basis, depending upon the level and scope of the service(s) required and the staff level of the professional(s) rendering the service(s). Prior to engaging the Registrant to provide investment planning or consulting services, clients are generally required to enter into an *Investment Planning and Consulting Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services. In general and as client needs dictate the plan will address the following area of concern:

- INVESTMENTS: Analysis of investment alternatives and their effect on a client's portfolio or the construction of a portfolio
- Please note that the Registrant's Investment planning advice is limited to investments only and does not include "financial planning."

## **FINANCIAL PLANNING AND CONSULTING SERVICES**

Camarda may offer basic financial planning (including investment and non-investment related matters) services to its investment clients included as part of its investment management fees; more advanced planning & consulting services (including investment and non-investment related matters) are available on a stand-alone fee basis, though these fees may be waived.

Clients receiving Financial Planning Services may request to receive a written report and or "financial plan" describing how to target client's stated financial goals and objectives; such reports or plans may be limited to specific areas such as retirement or estate planning depending on clients wishes and needs.

In general and as client needs dictate the financial planning services may address planning areas such as investment planning, business planning, risk control and insurance planning, business planning, estate planning, asset protection planning, college planning, and tax planning.

Camarda gathers required information through personal interviews and document reviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are reviewed and a written report may be prepared. Advisory quality may be limited by the accuracy or completeness of information and documents provided by client.

Clients may also request Consulting Services to address a specific area(s) of concern. Consulting engagements typically do not result in a written report due to the nature of the service.

If requested by the client, Camarda may recommend the services of other professionals for implementation purposes. These professionals may include affiliates of Camarda, who may share common employees with Camarda. These professionals may or may not share revenue or make referrals to Camarda. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Camarda. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Camarda if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Camarda's previous recommendations and/or services.

Camarda's financial planning and consulting fees are negotiable, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s) and may be charged in one of two ways:

1. As a negotiated fixed fee for specific work, typically ranging from \$500 to \$50,000 depending on the intensity and complexity of the work; or
2. On an hourly basis, ranging from \$100 to \$1000 per hour. If appropriate, an estimate for total hours will be determined at the start of the engagement.

Prior to engaging Camarda to provide financial planning or consulting services, clients will generally be required to enter into a Financial Planning and Consulting Agreement with Camarda setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Camarda commencing services. All fees, fixed or hourly, are negotiable at the discretion of the Registrant, and may be reduced or waived depending on the facts and circumstances of the particular relationship. Note that such clients may also be referred to Camarda affiliate Taxmaster US, LLC or other affiliate or non-affiliates for non-investment advisory non-financial planning work.

**Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

## **MISCELLANEOUS**

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

**ERISA / IRC Fiduciary Acknowledgment.** If the client is: (i) a retirement plan ("Plan") organized under the Employee Retirement Income Security Act of 1974 ("ERISA"); (ii) a participant or beneficiary of a Plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (iii) the beneficial owner of an Individual Retirement Account ("IRA") acting on behalf of the IRA; or (iv) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then the firm represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by the firm or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

**Trade Error Policy.** Registrant shall reimburse accounts for losses resulting from the Registrant's trade errors, but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within the Registrant's custodian firm account and Registrant retains the net gains and losses.

**Client Obligations.** In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services. In addition, Registrant has a duty to inform client of the most appropriate risk tolerance strategies for client's situation and goals as best Registrant can ascertain, but client is advised that any deviations in client-selected strategies from those suggested by advisor may increase client's risk of loss or underperformance, and that client retains responsibility for such instructed deviations.

**Financial Planning and Non-Investment Consulting/Implementation Services.** To the extent requested and separately engaged by a client to do so, Registrant *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Registrant does not serve as an attorney, accountant, or insurance agent, and no portion of Registrant's services should be construed as same. To the extent requested by a client, Registrant may recommend



the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including representatives of Registrant in their separate individual capacities as licensed insurance agents (*see disclosure* at Item 10 below), or affiliates such as TaxMaster US, LLC. No client is under any obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant and/or its representatives. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note-Conflict of Interest:** The recommendation by a representative of the Registrant that a client purchase an insurance commission product from that representative in his/her separate individual capacity as an insurance agent, presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any insurance commission products from Registrant representatives. Clients are reminded that they may purchase insurance products recommended by Registrant through non-affiliated insurance agents. **Registrant's Chief Compliance Officer, Kimberly Camarda remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Please Note: Retirement Rollovers-No Obligation/Conflict of Interest:** A client or prospective client is under absolutely no obligation to engage Registrant as the investment adviser for his/her employer sponsored retirement account. Rather, a client can continue to self-direct his/her retirement account at his/her employer. If the client determines that he/she would like Registrant's assistance, Registrant shall charge a separate and additional advisory fee for its ongoing advisory services. The client will not incur this separate and additional advisory fee if he/she determines to continue to self-direct his/her account. As a result, any recommendation by Registrant that a client engage Registrant to manage his/her retirement account presents a conflict of interest since Registrant shall derive an economic benefit from such engagement. Again, a client is under absolutely no obligation to engage Registrant as the investment adviser for his/her retirement account. **ANY QUESTIONS:** Registrant's Chief Compliance Officer, Kimberly Camarda, remains available to address any questions that a client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement.

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

- E. The Registrant shall provide investment advisory services believed to be based on the specific needs and instructions of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, or other instructions, in writing, on the Registrant's services.
- F. The Registrant does not participate in a wrap fee program.
- G. As of December 31, 2017, the Registrant had \$247,535,000 in assets under management on a discretionary basis.

## Item 5 Fees and Compensation

- A. The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee* basis.

### INVESTMENT ADVISORY SERVICES

If a client determines to engage the Registrant to provide discretionary investment advisory services on

a *fee* basis. In an effort to best meet client needs, Registrant classifies its approach to Investment Management into two categories, each with distinct benefits and characteristics. Registrant will charge an annual investment management fee based upon the portfolio category and total assets under management, as follows:

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#### **Monthly Portfolio Fee Schedule (1% = .01)**

\$100,000 –\$500,000	.002083	
\$500,001 –\$1,000,000	.001667	
\$1,000,001 –\$10,000,000		.00125.000833
\$10,000,001 –\$15,000,000		\$15,000,001 and over .00667

Registrant will charge its advisory fee on both model portfolio assets and Non-conforming Assets, as applicable.

Investment advisory services are available for 401k's and similar omnibus qualified plans with individual participant for which the fee schedule appears below:

#### **WealthSpring (monthly (1% = .01)**

\$100,000 - \$500,000	.0021
\$500,001 –\$1,000,000	.00167
\$1,000,001 –\$10,000,000	.00125
\$10,000,001 and over	.000833

### INVESTMENT PLANNING/CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, the Registrant *may* determine to provide investment planning/consulting services on a stand-alone separate fee basis. Registrant's planning and consulting fees are negotiable, but generally range \$100 to \$1000 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

**Negotiability of Fees:** In certain circumstances, all fees and account minimums may be negotiable. In addition, certain family members and personal acquaintances of Registrant's representatives may receive advisory services at a discounted rate which is not available to advisory clients generally.

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant

shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.

- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that institutional custodians such as TD Ameritrade

(“*Ameritrade*”) serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Ameritrade* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). Clients will incur, in addition to Registrant’s investment management fee, brokerage commissions and/or transaction fees, and, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

- D. Registrant’s annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value (or fair market value in the absence of market value) of the assets on the last business day of the previous quarter. Unless another arrangement is agreed upon, some qualified retirement plans may pay fees monthly. The Registrant will charge its advisory fee on qualified plan assets, model portfolio assets and Non-conforming Assets, as applicable. Genesis client accounts will typically have assets totaling under \$100,000. Registrant, in its sole discretion, may waive minimums or charge a lesser investment management fee based upon certain criteria (i.e. anticipated future client earning capacity, anticipated referred clients’ anticipated future additional assets, total dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

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

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

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

## **Item 7 Types of Clients**

The Registrant’s clients can generally include individuals, business entities, trusts, estates, charitable organizations, pension and profit sharing plans, endowments, foundations, and etc. Genesis client accounts will typically have assets totaling under \$100,000. Registrant, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future client earning capacity, anticipated referred client’s anticipated future additional assets, total dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

**Methods of Analysis, Investment Strategies and Risk of Loss**

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

Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)

Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Registrant shall utilize the following investment strategies when implementing investment advice given to clients:

Long Term Purchases (securities held at least a year)

Short Term Purchases (securities sold within a year)

Trading (securities sold within thirty (30) days)

**Please Note: Inverse/Enhanced Market Strategies.** The Registrant may utilize “long/short” mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be **no assurance** that any such strategy will prove profitable or successful, or perform proportionately to the underlying index exposure. In light of these enhanced risks/rewards, a client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

**Please Note Risks and Limitations: Actively Managed Strategies.** The portfolio strategy(ies) may employ alternative trading methodologies that change the risk that client’s assets are exposed to.

This discourse applies to client requests to liquidate or deploy other portfolios in order to attempt market timing, or to change portfolio styles to attempt market timing.

“Higher-frequency” trading which entails more frequent purchases and/or dispositions of client securities may incur increased cost of trading that may increase total portfolio expenses and therefore reduce total profits or gains in a client account(s). “Higher-frequency” trading may involve an increased risk of not receiving “best-execution” of client trades. While “best-execution” does not require that trades be fulfilled at the “best” or “most advantageous” share price, it is an important

consideration.

Some portfolio strategy(ies) may employ “market-timing” trading methodology which seeks to utilize certain metrics, indicators or events that the portfolio manager or trader believe provides a “signal” or “trigger” to enter a new security position (buy) or exit an existing security position (sell). One such approach involves moving or investing client assets into and/or out of certain asset classes. Another approach may involve “moving” or “rotating” client assets from one sector to another, or so-called “sector-rotation”. Another may attempt to exploit believed trends in individual securities regardless of overall market trends. The client should be aware that there may be increased costs or expenses associated with such trading styles, including trade ticket charges, commissions or less than advantageous pricing of shares in a “fast-market” or in “hard-to-locate” securities.

The client must evaluate and determine whether “higher-frequency” trading or “market-timing” strategies are appropriate for their risk tolerance. Strategies which attempt market timing, and/or engage in higher frequency trading, are associated with higher risks of loss and should be considered as more aggressive than 100% equities exposure in many market conditions. **ANY QUESTIONS:** Camarda Wealth's Chief Compliance Officer, Kimberly Camarda, remains available to address them.

- B. The Registrant’s methods of analysis and investment strategies do not present any significant or unusual risks; however risk of loss – even significant loss – is endemic in the investment process.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant’s analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant’s primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental and/or technical investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies may require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

In addition to the fundamental and technical investment strategies discussed above, the Registrant may also implement and/or recommend use of margin, and/or options transactions. Each of these strategies has a high level of inherent risk. (See discussion below).

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by the Registrant in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to the Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential **conflict of interest** whereby the client's decision to employ margin *may* correspondingly increase the management fee payable to the Registrant. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by the Registrant shall be with the intent of offsetting or "hedging" a potential market risk in a client's portfolio. **Please Note:** Although the intent of the options-related transactions that may be implemented by the Registrant is to hedge against principal risk, certain options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.

**The Registrant's Chief Compliance Officer, Kimberly Camarda, remains available to address any questions that a client or prospective client may have regarding the above fee billing practice.**

- C. Currently, the Registrant primarily allocates client investment assets among various individual equity, mutual funds and/or exchange traded funds ("ETFs") (including inverse ETFs and/or mutual funds that are designed to perform in an inverse relationship to certain market indices), on a discretionary basis in accordance with the client's designated investment objective(s). Fixed or "traditional" income securities and client "legacy" positions may also be managed.

As disclosed above, the Registrant may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be **no assurance** that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts. (See Item 4.B)

## Item 9                    **Disciplinary Information**

The Registrant has not been the subject of any disciplinary actions

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

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

C.

### 1. **Consulting Firm**

One of the principal executive officers of Registrant also devotes a limited amount of time (varying but typically less than 15% total professional time with respect to non-investment clients or prospective clients) to TaxMaster.US, LLC and Camarda Consultants, LLC. TaxMaster.US, LLC is consulting firm, principally owned by the Registrant. it may provide estate planning, business planning, insurance consulting, tax services, accounting, and/or other non-investment financial advisory services to the public at large, which may include clients of the Registrant. If requested, TaxMaster.US, LLC may refer clients to third-party professionals and/or assemble a team of associated other professionals and others to help meet client needs. The services provided through TaxMaster.US, LLC are separate and distinct from Registrant's advisory services, and are provided for separate and typical compensation (see disclosure below). . Clients are not under any obligation to engage these individuals or TaxMaster.US, LLC when considering implementation of advisory recommendations. While these representatives endeavor at all times to put the interest of the clients first as part of Registrant's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interests, and that a fiduciary relationship may not inure from TaxMaster.US, LLC to clients of Registrant who choose to transact with it.

### 2. **Licensed Insurance Agency**

Camarda Consultants is a consulting firm principally owned by the Registrant. Camarda Consultants is separately licensed as an insurance agency with the State of Florida. The services provided through Camarda Consultants are separate and distinct from Registrant's advisory services, and are provided for separate and typical compensation. Several of the representatives of Registrant are licensed insurance agents for one or more insurance companies and provide these services through Camarda Consultants. These individuals, in their separate capacities as insurance agents will be able to purchase insurance and insurance-related investment products for clients, for which they will receive separate, yet customary compensation. Clients are not under any obligation to engage these individuals or Camarda Consultants when considering implementation of advisory recommendations. While these representatives endeavor at all times to put the interest of the clients first as part of Registrant's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interests, and that a fiduciary relationship may not inure from Camarda Consultants to clients of Registrant who choose to transact with it.

**Conflict of Interest:** The recommendation by any of the Registrant's representatives, acting in their separate capacity as a licensed insurance agent, that a client purchase an insurance commission product presents a *material conflict of interest*, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Registrant's representatives through the affiliated entity. Clients are reminded that they may purchase insurance products recommended by Camarda Consultants through other, non-affiliated insurance agents. **The Registrant's Chief Compliance Officer, Kimberly Camarda, remains**

**available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

3. **Sponsor or Syndicator of Limited Partnerships.**

The principal executive officers of Registrant, Jeffrey and Kimberly Camarda, wholly-own, manage, and may devote time to real estate matters, including the evaluation and management of real estate investments for Camarda Investment clients such as Real Estate Investment Trusts or clients' personally owned real estate assets or investments, and the management of various other Camarda real estate companies, including of , Camarda Real Estate Partners 1, LLP and Camarda Residential Partners, LLP, each a private real estate company (the "companies"). Jeffrey Camarda will typically spend greater than 51% of his time to this effort. Kimberly Camarda may devote up to 10% of her time to this effort. No client of the Registrant is associated with, invested in or solicited to invest in either company. These companies do not represent investment entities but rather are operating companies, some of which hold personal real estate holdings of the Camarda family.

D. The Registrant does not refer clients to Third Party Money Managers.

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

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

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

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

C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest.

Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

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

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

## **Item 12 Brokerage Practices**

- A. Clients should note that Registrant participates in the Institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Registrant also has an arrangement with Charles Schwab Advisor Services ("Schwab") through which Schwab provides Registrant with Schwab "platform" services. Through these Programs, Registrant receives certain benefits that it would not receive if it did not offer investment advice to clients. (See the disclosure at Item 12A.1).

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

Factors that the Registrant considers in recommending *TD Ameritrade* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of,

and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

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

**Registrant's Chief Compliance Officer, Kimberly Camarda, remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding perceived conflict of interest any such arrangement may create.**

2. Registrant does not have the discretionary authority to determine the broker dealer to be used for transactions made in client accounts or the commission rates to be paid. As such, clients must direct Registrant as to the broker dealer to be used. For clients in need of brokerage or custodial services, and depending on client circumstances and needs, Registrant may recommend the use of Ameritrade or Schwab, each FINRA-member broker dealers unaffiliated with Registrant. Registrant clients must evaluate these brokers before opening an account. The factors considered by Registrant when making this recommendation are the broker's ability to provide professional services, Registrant's experience with the broker, the broker's reputation, and the broker's quality of execution services and costs of such services, among other factors. Clients are not under any obligation to affect trades through any recommended broker.

Clients are free to select the broker dealer of his or her choice. However, Registrant reserves the right to decline acceptance of any client account for which the client directs the use of a broker dealer other than TD Ameritrade or Schwab if Registrant believes that this choice would hinder its fiduciary duty to the client and/or its ability to service the account. In directing the use of a particular broker it should be understood that Registrant will not have authority to negotiate commissions on a trade by trade basis or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients who may direct the use of another broker dealer. Clients should note, while Registrant has a reasonable belief that TD Ameritrade and Schwab are each able to provide best execution and competitive prices, Registrant will not be independently seeking best execution price capability through other broker dealers.

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be affected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients

differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

#### **Item 10            Review of Accounts**

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's representatives; this does not typically apply to qualified plan accounts like 401k's. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives, investment preferences or instructions, and/or financial situation. All clients (in person or via telephone) are encouraged to review investment planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant *may* conduct account reviews on another than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.1 and 12.2 above, the Registrant may receive an indirect economic benefit from *Ameritrade* and/or *Schwab*. The Registrant, without cost (and/or at a discount), may receive support services and/or products from *Ameritrade* and/or *Schwab*.

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

**The Registrant's Chief Compliance Officer, Kimberly Camarda, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, Registrant *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Registrant's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of the Registrant's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between the Registrant and the solicitor, including the compensation to be received by the solicitor from the Registrant.

From time to time, a new client may be referred to Camarda by an existing client. Under these circumstances, and in its sole discretion, Camarda may offer a gift of de minimis value to the referring client to show its appreciation. These may include a gift card, flowers, candy, a mug or a similar token. Pursuant to its fiduciary responsibility, Camarda will not favor any client over another in its provision of advisory services.

#### **Item 15 Custody**

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Clients who have their advisory fees debited directly from their custodial accounts are urged to compare any written statement provided by the Registrant with the account statements received from the account custodian to ensure that the proper advisory fee has been deducted from their custodial account. **Please also note** that the account custodian does not verify the accuracy of the advisory fee calculation.

#### **Item 16 Investment Discretion**

The Registrant requires that clients grant written discretionary authority to determine which securities and the amount of securities that are to be bought or sold for client's account(s). Prior to the Registrant assuming discretionary authority over a client's account, client shall be required to execute *Investment Advisory Agreement*, naming the Registrant as client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name for found in the discretionary account.

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

**Item 17                      Voting Client Securities**

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

**Item 18                      Financial Information**

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: The Registrant's Chief Compliance Officer, Kimberly Camarda, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**