

**Item 1 – Cover Page**

**Lumia Wealth, LLC**

**6420 West 95<sup>th</sup> Street, Suite 202  
Overland Park, KS 66212-1434**

**(913) 381-0280**

**[WWW.LUMIAWEALTH.COM](http://WWW.LUMIAWEALTH.COM)**

**August 30, 2018**

This Brochure provides information about the qualifications and business practices of Lumia Wealth, LLC [“LUMIA”]. If you have any questions about the contents of this Brochure, please contact us at (913) 381-0280. 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.

LUMIA is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about LUMIA also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for LUMIA is 124276.

## Item 2 – Material Changes

This Item of the Brochure will discuss only specific material changes that are made to the Brochure since the last annual update and provide clients with a summary of such changes. The last annual update of our Brochure was March 14, 2017.

Our current Brochure contains the following Material Changes:

- Our name has changed from Cornerstone Wealth Advisors, LLC to Lumia Wealth, LLC.
- We updated our fee schedule.

Historical changes made to our Brochure on March 14, 2017:

- We have updated the Assets Under Management information in Item 4 in accordance with the filing of our Annual Updating Amendment.
- Item 14 was amended to reflect that we may compensate individuals for referrals.

(Brochure Date: 08/30/2018)

(Date of Most Recent Annual Updating Amendment: 03/14/2018)

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Brian R. Brush Member & CCO at 913-948-6923.

Item 3 -Table of Contents

Item 1 – Cover Page..... i

Item 2 – Material Changes ..... ii

Item 3 -Table of Contents..... iii

Item 4 – Advisory Business ..... 1

Item 5 – Fees and Compensation ..... 4

Item 6 – Performance-Based Fees and Side-By-Side Management ..... 6

Item 7 – Types of Clients ..... 7

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss ..... 7

Item 9 – Disciplinary Information ..... 9

Item 10 – Other Financial Industry Activities and Affiliations ..... 9

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading ..... 10

Item 12 – Brokerage Practices ..... 11

Item 13 – Review of Accounts ..... 13

Item 14 – *Client* Referrals and Other Compensation ..... 15

Item 15 – Custody ..... 16

Item 16 – Investment Discretion ..... 16

Item 17 – Voting *Client* Securities..... 17

Item 18 – Financial Information..... 17

Addendum – Kansas Professional Liability Insurance Coverage ..... 18

Brochure Supplements (provided to clients)

## Item 4 – Advisory Business

LUMIA is owned by Mr. David Imhoff and Mr. Brian R. Brush and LUMIA has been providing advisory services since 2002.

As of December 31, 2017, LUMIA managed \$126,267,246 on a discretionary basis and \$7,402,757 on a nondiscretionary basis. In addition, we advised on \$1,317,348 in participant directed retirement plans.

### **Investment Management Services:**

LUMIA manages investment portfolios for individuals, qualified retirement plans, trusts, charitable organizations, corporations and small businesses. LUMIA will work with a client to determine the client's investment objectives and investor risk profile and will design a written investment policy statement. LUMIA uses investment and portfolio allocation software to evaluate alternative portfolio designs. LUMIA evaluates the client's existing investments with respect to the client's investment policy statement. LUMIA works with new clients to develop a plan to transition from the client's existing portfolio to the desired portfolio. LUMIA will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold review meetings with the client regarding the account as necessary.

LUMIA will typically create a portfolio of no-load mutual funds, and may use model portfolios if the models match the client's investment policy. LUMIA will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. LUMIA primarily recommends portfolios consisting of passively managed asset class and index mutual funds. LUMIA primarily recommends mutual funds offered by Dimensional Fund Advisors (DFA), The Vanguard Group (Vanguard), Bridgeway Capital Management (Bridgeway) and Applied Quantitative Research (AQR). DFA, Vanguard, Bridgeway and AQR sponsored mutual funds follow a passive asset class/index investment philosophy with low holdings turnover. Consequently, the DFA, Vanguard, Bridgeway and AQR fund fees are generally lower than fees and expenses charged by other types of funds. Client portfolios may also include some individual equity securities in situations where disposition of these securities would present an overriding tax implication or the client specifically requests they be retained for a personal reason.

LUMIA manages mutual fund and equity portfolios on a nondiscretionary and discretionary basis. A client may impose any reasonable restrictions on LUMIA's discretionary authority, including restrictions on the types of securities in which LUMIA may invest client's assets and on specific securities, which the client may believe to be appropriate.

LUMIA may also recommend fixed income portfolios to investment management clients, which consist of managed accounts of individual bonds. LUMIA will request discretionary authority from investment management clients to manage fixed income portfolios, including the discretion to retain a third party fixed income manager. LUMIA will prepare a Fixed Income Investment Policy Statement for any client qualifying for separate fixed income portfolio services.

Pursuant to its discretionary authority, LUMIA will retain a fixed income securities manager. The fixed income securities manager will be provided with the discretionary authority to invest client assets in fixed income securities consistent with the client's Fixed Income Investment Policy Statement. The manager will also monitor the account for changes in credit ratings, security call provisions, and tax loss harvesting opportunities (to the extent that the manager is provided with cost basis information). The manager will obtain LUMIA's consent prior to the sale of any client securities.

On an ongoing basis, LUMIA will answer clients' inquiries regarding their accounts and review periodically with clients the performance of their accounts. LUMIA will periodically, and at least annually, review clients' investment policy and risk profile in order to discuss the re-balancing of each client's accounts to the extent appropriate. LUMIA will provide to investment manager any updated client financial information or account restrictions necessary for investment manager to provide sub-advisory services.

In addition to managing the client's investment portfolio, LUMIA may consult with clients on various financial areas including income and estate tax planning, business sale structures, college financial planning, retirement planning, insurance analysis, personal cash flow analysis, establishment and design of retirement plans and trust designs, among other things. LUMIA, through its affiliated accounting firm, may also prepare a client's tax returns as part of its wealth management services.

#### **Employee Benefit Retirement Plan Services:**

LUMIA also provides advisory services to participant-directed employee retirement benefit plans. LUMIA will analyze the plan's current investment platform, and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. LUMIA will recommend investment options to achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles.

LUMIA will recommend changes in the plan's investment vehicles as may be appropriate from time to time. LUMIA generally will review the plan's investment vehicles and investment policy as necessary.

For certain retirement plans, LUMIA also works in coordination and support with BAM Advisor Services, LLC ("BAM"). Retirement plan clients will engage both LUMIA and BAM. BAM will provide to the client additional discretionary investment management services and will exercise discretionary authority to select the plan investments made available to the plans' participants by selecting and maintain the plans' investments according to the goals and investment objectives of the plan.

LUMIA will continue to work with plans to monitor plan investments, provide fiduciary plan advice including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

#### **Financial Planning Services:**

LUMIA also provides advice in the form of a Financial Plan. Clients purchasing this service will receive a written financial plan, providing the client with a detailed financial plan designed to achieve their stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern:

- PERSONAL: Family records, budgeting, personal liability, estate information and financial goals.
- TAX & CASH FLOW: Income tax and spending analysis and planning for past, current and future years. LUMIA may illustrate the impact of various investments on a client's current income tax and future tax liability.
- DEATH & DISABILITY: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- RETIREMENT: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
- INVESTMENTS: Analysis of investment alternatives and their effect on a client's portfolio.

LUMIA gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client, and a written report is prepared. Should a client choose to implement the recommendations in the plan, LUMIA suggest the client work closely with

his/her attorney, accountant or insurance agent. Implementation of financial plan recommendations is entirely at the client's discretion.

Typically the financial plan will be presented to the client within 90 days of the contract date, provided that all information needed to prepare the financial plan has been promptly provided by the client.

## Item 5 – Fees and Compensation

LUMIA has contracted with BAM Advisor Services, LLC (BAM), for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. LUMIA has also contracted with BAM for sub-advisory services with respect to clients' fixed income accounts. LUMIA pays a fee for BAM services based on management fees paid to LUMIA on accounts which use BAM Advisor Services. The fee paid by LUMIA to BAM consists of a portion of the fee paid by clients to LUMIA and varies based on the total client assets participating in BAM Advisor Services through LUMIA. These fees are not separately charged to advisory clients.

**Commented [LC1]:** Deleting as this is accounted for in the language I drafted below.

The specific manner in which fees are charged by LUMIA is established in a client's written agreement with LUMIA. Generally, Investment Management clients will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value based on independent third party sources or fair market value in the absence of market value; client account balances on which LUMIA calculates fees may vary from account custodial statements based on independent valuations and other accounting variances, including mechanisms for including accrued interest in account statements) of the client's account at the end of the previous quarter. New accounts are charged a prorated fee for the remainder of the quarter in which the account is incepted (date of first trade or date assets transferred in).

For Investment Management and Employee Benefit Plan Services, LUMIA will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to LUMIA or its designated service provider, BAM, to withdraw fees from the account. Clients will receive custodial statements showing the advisory fees debited from their account(s). Certain third party administrators will calculate and debit LUMIA's fee and remit such fee to LUMIA. Clients should verify the accuracy of the fee calculations in such invoices. Client custodians will send at least quarterly statements directly to the client. Custodial statements will only show the amount of the advisory fee.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account at any time after the required 30-day notice, any prepaid, unearned fees will be promptly refunded.

LUMIA's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. These fees will generally include a management fee and other fund expenses. All fees paid to LUMIA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders.

Such charges, fees and commissions are exclusive of and in addition to LUMIA's fee, and LUMIA shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that LUMIA considers in recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

### **Advisory Fees**

#### **Investment Management Services:**

The annual fee for investment management services will be charged as a percentage of assets under management, according to the schedule below:

<b>Assets under management</b>	<b>Annual Fee (%)</b>
On the first \$1,000,000	1.00%
On the next \$3,000,000	0.70%
On the next \$6,000,000	0.30%
On all amounts \$10,000,001 or greater	0.15%
Annual Minimum Fee is	\$5,000



Fees may be negotiable based on family relations or individual circumstances including account size, potential future account growth, business relationships and the level and scope of the services requested. Individual accounts for immediate family members (such as husband, wife and dependent children) are aggregated, and the fee is charged based on the total value of all family members' accounts.

Certain pre-existing Investment Management Services clients may be on a different fee schedule.

#### **Employee Benefit Retirement Plan Services:**

The annual fee for plan services will be charged as a percentage of assets within the plan.

<u>Assets Under Management</u>	<u>BAM's Annual Fee</u>	<u>LUMIA's Annual Fee</u>	<u>Total Fee</u>
<u>On the first \$1,000,000</u>	<u>0.20%</u>	<u>0.70%</u>	<u>0.90%</u>
<u>On the next \$4,000,000</u>	<u>0.15%</u>	<u>0.45%</u>	<u>0.60%</u>
<u>On the next \$5,000,000</u>	<u>0.08%</u>	<u>0.25%</u>	<u>0.33%</u>
<u>On all amounts above \$10,000,000</u>	<u>0.05%</u>	<u>0.15%</u>	<u>0.20%</u>

Fees may be negotiable based on individual circumstances including account size, potential future account growth, business relationships and the level and scope of the services requested.

LUMIA and BAM Advisor Services share this fee according to a percentage negotiated between LUMIA and BAM Advisor Services. Certain pre-existing employee benefit plan services clients may be on a different fee schedule.

#### **Financial Planning Services:**

Financial planning fees will be charged as a fixed fee, typically ranging from \$2,000 - \$10,000, depending on the nature and complexity of each client's circumstances and upon mutual agreement with the client. 50% of the estimated fee may be due upon signing the advisory agreement, with the balance due upon presentation of the plan to the client. Advance payment will never exceed \$1,200 for work that will not be completed within six months.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

LUMIA does not charge any performance-based fees (fees based on a share of capital gains

on or capital appreciation of the assets of a client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

## **Item 7 – Types of Clients**

LUMIA provides services individuals, qualified retirement plans, trusts, charitable organizations, corporations and small businesses.

A minimum of \$500,000 of assets under management is generally required for Investment Management Services. Client accounts where the total balance of all accounts is less than \$500,000 will be accepted only on a case by case basis. Minimum account sizes may be negotiable under certain circumstances.

A minimum Annual Fee of \$5,000 is generally required for Investment Management Services. The minimum Annual Fee may be negotiable under certain circumstances.

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

### *Methods of Analysis and Investment Strategy*

LUMIA's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. LUMIA's investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. LUMIA recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds. LUMIA selects or recommends to clients portfolios of securities, principally broadly-traded open end mutual funds or conservative fixed income securities to implement this investment strategy.

Although all investments involve risk, LUMIA's investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients the investment directly in conservative fixed income securities to represent the fixed income class. LUMIA's investment philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that LUMIA's strategy seeks to minimize.

In the implementation of investment plans, LUMIA therefore primarily uses mutual funds and, as appropriate, portfolios of conservative fixed income securities. LUMIA may also utilize Exchange Traded Funds (ETFs) to represent a market sector.

Clients may hold or retain other types of assets as well, and LUMIA may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client.

LUMIA's strategies do not utilize securities that we believe would be classified as having any unusual risks, and we do not recommend frequent trading, which can increase brokerage and other costs and taxes.

LUMIA receives supporting research from BAM Advisor Services and from other consultants, including economists affiliated with Dimensional Fund Advisors ("DFA"). LUMIA utilizes DFA mutual funds in client portfolios. DFA mutual funds follow a passive asset class investment philosophy with low holdings turnover. DFA provides historical market analysis, risk/return analysis, and continuing education to LUMIA.

#### *Analysis of a Client's Financial Situation*

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, LUMIA relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, LUMIA may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

#### *Risk of Loss*

**Investing in securities involves risk of loss that clients should be prepared to bear.**

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be less

than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by LUMIA may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in LUMIA's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by LUMIA may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of LUMIA or the integrity of LUMIA's management. Please refer to Form ADV Part 1 for information pertaining to the disclosure of a pending matter with the Kansas State Board of Accountancy.

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

### Outside Business Activities

Mr. Imhoff is general partner to Blue Goose Farms, LLC, a real estate investment limited liability company. LUMIA is not the investment adviser to this company. LUMIA advisory clients are not solicited to invest in this company.

Mr. Brush is a partner to Portum Properties, LLC, also a real estate investment limited liability company. LUMIA is not the investment adviser to this company. LUMIA advisory clients are not solicited to invest in this company.

#### BAM Advisor Services, LLC

As described above in Item 4, LUMIA may exercise discretionary authority provided by a client to select an independent third party investment manager for the management of portfolios of individual fixed income securities. LUMIA selects BAM Advisors Services, LLC for such fixed income management. LUMIA also contracts with BAM Advisor Services, LLC for back office services and assistance with portfolio modeling. LUMIA has a fiduciary duty to select qualified and appropriate managers in the client's best interest, and believes that BAM Advisor Services, LLC effectively provides both the back office services that assist with its overall investment advisory practice and fixed income portfolio management services. The management of LUMIA continuously makes this assessment. While LUMIA has a contract with BAM Advisor Services, LLC governing a time period for back office services, LUMIA has no such fixed commitment to the selection of BAM Advisor Services, LLC for fixed income management services and may select another investment manager for clients upon reasonable notice to BAM Advisor Services, LLC.

#### Business Continuity and Succession Plan

As a fiduciary, LUMIA has certain legal obligations, including the obligation to act in a clients' best interest. LUMIA maintains a Business Continuity and Succession Plan and seeks to avoid a disruption of service to clients in the event of an unforeseen loss of key personnel, due to disability or death. To that end, LUMIA has entered into a succession agreement with Buckingham Asset Management, LLC effective October 3, 2016. LUMIA can provide additional information to any current or prospective client upon request by contacting Mr. Brian R. Brush, Principal at (913) 381-0280 or brian@LumiaWealth.com.

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

LUMIA has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. LUMIA's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients

and sets forth LUMIA's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with LUMIA may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of LUMIA that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, LUMIA requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the Firm's Chief Compliance Officer. LUMIA also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

LUMIA's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. LUMIA requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

LUMIA will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

It is LUMIA's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. LUMIA will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated private fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

LUMIA arranges for the execution of securities transactions with the assistance of BAM Advisor Services. Through BAM, LUMIA may participate in the Schwab Advisor Services

(SAS) program offered to independent investment advisers by Charles Schwab & Company, Inc., member FINRA/SIPC, Fidelity Institutional Wealth Services (FIWS) program offered to independent investment advisers, sponsored by Fidelity Brokerage Services, LLC ("Fidelity"), member FINRA/SIPC and TD Ameritrade Institutional ("TDA") services program offered to independent investment advisers by TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC. Schwab, Fidelity and TDA are unaffiliated SEC-registered broker dealers and FINRA member broker dealers.

The Schwab, Fidelity or TDA brokerage programs will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. LUMIA regularly reviews these programs to ensure that its recommendations are consistent with its fiduciary duty. These trading platforms are essential to LUMIA's service arrangements and capabilities, and LUMIA may not accept clients who direct the use of other brokers. As part of these programs, LUMIA receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14 of this Brochure).

As LUMIA will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid for mutual fund and equity securities transactions, clients must direct LUMIA as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that LUMIA will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisers require clients to direct the use of specific brokers.

LUMIA will not exercise authority to arrange client transactions in fixed income securities. Clients will provide this authority to a fixed income manager retained by LUMIA on client's behalf by designating the portfolio manager with trading authority over client's brokerage account. Clients will be provided with the Disclosure Brochure (Form ADV Part 2) of portfolio manager.

SAS, FIWS and TDA do not generally charge clients a custody fee and are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts at the brokers. Trading client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker. While LUMIA will not arrange transactions through other brokers, the authority of the fixed income portfolio manager includes the ability to trade client fixed income assets through other brokers.

LUMIA does not have any arrangements to compensate any broker dealer for client referrals.

LUMIA does not maintain any client trade error gains. LUMIA makes client whole with respect to any trade error losses incurred by client caused by LUMIA. For clients utilizing TD Ameritrade for brokerage services, TD Ameritrade maintains a policy that any trade error gains will be donated by TD Ameritrade to charity.

LUMIA generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which LUMIA arranges transactions. BAM Advisor Services, LLC, in the management of fixed income portfolios, will aggregate certain transactions among client accounts that it manages, in which case a LUMIA client's orders may be aggregated with an order for another client of BAM Advisor Services, LLC who is not a LUMIA client. See BAM Advisor Services, LLC Form ADV Part 2.

**Employee Benefit Retirement Plan Services:**

LUMIA does not arrange for the execution of securities transactions for 401k plans as a part of this service. Transactions are executed directly through employee plan participation.

**Financial Planning Services:**

LUMIA's financial planning practice, due to the nature of its business and client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price. Clients will be required to select their own broker dealers and insurance companies for the implementation of financial planning recommendations.

LUMIA may recommend any one of several brokers. LUMIA clients must independently evaluate these brokers before opening an account. The factors considered by LUMIA when making this recommendation are the broker's ability to provide professional services, LUMIA's experience with the broker, the broker's reputation, and the broker's financial strength, among other factors.

LUMIA's financial planning clients may use any broker or dealer of their choice.

**Item 13 – Review of Accounts**

**Reviews:**

**Investment Management Services:**



**Investment Management Services:** Account assets are supervised continuously and formally reviewed quarterly by David Imhoff, Member of LUMIA, Brian Brush, Member of LUMIA and/or Sarah Rasmuss, Wealth Advisor.

The review process contains each of the following elements:

- a. assessing client goals and objectives;
- b. evaluating the employed strategy(ies);
- c. monitoring the portfolio(s); and
- d. addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- a. a specific client request;
- b. a change in client goals and objectives;
- c. an imbalance in a portfolio asset allocation; and
- d. market/economic conditions.

For fixed income portfolios, certain account review responsibilities are delegated to a third party investment manager as described above in Item 4.

**Employee Benefit Retirement Plan Services:**

Retirement plan assets are reviewed no more than quarterly, and according to the standards and situations described above for investment management accounts.

**Financial Planning Services:**

Financial Planning accounts will be reviewed as contracted for at the inception of the advisory relationship.

**Reports:**

**Investment Management Services:**

All clients will receive quarterly performance reports, prepared by BAM and reviewed by LUMIA, that summarize the client's account and asset allocation. Clients will also receive at least quarterly statements from their account custodian, which will outline the client's current positions and current market value.

**Financial Planning Services:**

Financial Planning clients will receive reports as contracted for at the inception of the advisory relationship.

**Employee Benefit Retirement Plan Services:**

Plan sponsors are provided with quarterly information and annual performance reviews from LUMIA. In addition, plan participant education information may also be provided to the Plan Sponsor or Administrator for distribution to the participants of the plan.

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

LUMIA may from time to time compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals. LUMIA is aware of the special considerations promulgated under Section 206(4)-3 of the Investment Advisers Act of 1940 and similar state regulations. As such, appropriate disclosure shall be made, all written instruments will be maintained by LUMIA and all applicable Federal and/or State laws will be observed. If required, solicitors shall be obligated to obtain any required registrations and/or licensing. The use of solicitors creates a conflict of interest. However, LUMIA seeks to minimize this conflict by maintaining the same advisory fee schedule for clients referred to LUMIA by a Solicitor

Other Compensation

As indicated under the disclosure for Item 12, SAS, FIWS and TDA each respectively provide LUMIA with access to services, which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them.

These services benefit LUMIA but may not benefit its clients' accounts. Many of the products and services assist LUMIA in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of LUMIA's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services

generally may be used to service all or a substantial number of LUMIA's accounts. Recommended brokers also make available to LUMIA other services intended to help LUMIA manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. LUMIA does not, however, enter into any commitments with the brokers for transaction levels in exchange for any services or products from brokers. While as a fiduciary, LUMIA endeavors to act in its clients' best interests, LUMIA's requirement that clients maintain their assets in accounts at Schwab, Fidelity or TD Ameritrade may be based in part on the benefit to LUMIA of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

LUMIA also receives software from DFA, which LUMIA utilizes in forming asset allocation strategies and producing performance reports. DFA also provides continuing education for LUMIA personnel. These services are designed to assist LUMIA plan and design its services for business growth.

### **Item 15 – Custody**

Investment Management and Employee Benefit Plan Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. LUMIA urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

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

LUMIA requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. For fixed income securities, this authority will include the discretion to retain a third party money manager for fixed income accounts. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

When selecting securities and determining amounts, LUMIA observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to LUMIA in writing.

## **Item 17 – Voting *Client* Securities**

Proxy Voting: As a matter of firm policy and practice, LUMIA does not accept the authority to and does not vote proxies on behalf of advisory client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. LUMIA, however, may provide advice to clients regarding the clients' voting of proxies.

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that LUMIA will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct LUMIA to transmit copies of class action notices to the client or a third party. Upon such direction, LUMIA will make commercially reasonable efforts to forward such notices in a timely manner.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about LUMIA's financial condition. LUMIA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

### **Addendum – Kansas Professional Liability Insurance Coverage**

Lumia Wealth, LLC has obtained a Financial Advisors Professional Liability policy from a reputable insurance company. In the event any client or prospective client in Kansas requests proof of our professional liability insurance coverage, we will, within 30 days, provide a copy of the insurance agreement that is in effect.