

SILVER OAK Wealth Advisors, LLC

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March 25, 2016

This Brochure (Form ADV Part 2A) provides information about the qualifications and business practices of SILVER OAK Wealth Advisors, LLC (Silver Oak). If you have any questions about the contents of this Brochure, please contact us at (310) 207-4800. 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.

SILVER OAK 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 SILVER OAK also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 2 – Material Changes

This Brochure dated March 16, 2016 does not contain material changes since the update of the Silver Oak Wealth Advisors, LLC (“Silver Oak”) Firm Brochure dated May 22, 2015. Silver Oak is amending this Brochure with an update:

Item 4 – Advisory Business – To reflect Assets Under Management of \$194,760,673.00 as of December 31, 2015.

Item 5 – Fees and Compensation, and Item 10 - Other Financial Industry Activities and Affiliations – to reflect that Silver Oak is no longer maintains an Insurance License or operates under the name “SOWA Insurance Services, LLC”.

Silver Oak encourages each client to read this Brochure carefully and to call with any questions you may have.

Silver Oak will ensure that clients receive, within 120 days of the close of Silver Oak’s fiscal year-end, either an updated Brochure that includes a summary of material changes or a summary of material changes that includes an offer to provide a copy of the updated Brochure and information on how to obtain the Brochure. Additionally, as Silver Oak experiences material changes in the future, we will send you a summary of our “Material Changes” under separate cover. Silver Oak’s Brochure is also available upon request and may be requested by contacting Joel Framson, President and Chief Compliance Officer at (310) 207-4800.

Additional information about Silver Oak Wealth Advisors, LLC and its investment adviser representatives is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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## Item 4 – Advisory Business

### ADVISORY SERVICES AND FEES

Silver Oak Wealth Advisors, LLC (Silver Oak) was founded in 2005 and the principal owner is Joel Framson. Silver Oak provides its clients (i.e. individuals, pension and profit sharing plans, and trusts) a choice of services including: integrated wealth management, financial planning and related consulting services, discretionary investment management, business consulting, and litigation support services. In addition, Silver Oak provides specialized services for individuals experiencing Financial Transitions.

### WEALTH MANAGEMENT PROCESS



Silver Oak offers its clients Wealth Management services based on the above Wealth Management Process.

Silver Oak gathers information from a prospective client in a Discovery Meeting. From the information gathered, Silver Oak prepares a Total Client Profile which summarizes seven key topics including investments, other assets, goals and key family values. Subsequently, Silver Oak will prepare an Investment Plan along with an Investment Policy statement, which is presented to the client during the Investment Plan meeting. At this point, the client and Silver Oak may make a commitment for ongoing services.

Silver Oak incorporates the data contained in the Profile into the Wealth Management Plan. This Plan covers a broad range of Advanced Planning topics, tailored to each client's needs, under four headings:

- **Wealth Enhancement-** includes investment management; financial planning; tax-efficient portfolio design; identification of key goals and their integration with family

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values toward money; tax savings strategies for individuals and businesses in conjunction with client's CPA;

- Wealth Protection - risk management through coordination with appropriate insurance professionals to consider long-term care insurance, disability insurance, life insurance, property & casualty insurance; asset protection;
- Wealth Transfer— estate planning strategies and coordination with estate attorney; college funding; family gifting;
- Charitable Gifting – legacy fulfillment strategies including tax considerations for gifting low basis stock and other assets.

Silver Oak works with a team of carefully selected experts, each with a high level of knowledge and skill in various key financial disciplines in the development of the recommendations in the Wealth Management Plan.

In addition to the meetings described above, regular Progress Meetings are held to review portfolio performance, monitor the progress and implementation of the Wealth Management plan and review any outstanding matters.

#### **FINANCIAL TRANSITION SPECIALTY SERVICES**

Silver Oak has created an affiliation with the Sudden Money Institute ("SMI") to enhance the depth of services provided to our clients. We recognized the need for the professional training provided by SMI after having worked with clients over the years who experienced a financial transition or a life-changing event. During such an event, there is a concurrent impact in at least two major facets of their life:

- The personal and emotional component surrounding the event which will require psychological skills that cross over to the world of behavioral finance; and
- The money changes, the financial impact on their life which will require technical skills

Joining SMI provided our advisors with training and access to an extensive curriculum which was created in conjunction with professionals in numerous fields who provide counseling and guidance during such life-changing events. These individuals worked over the course of several years to create the **Financial Transition** materials for advisors and adapt them to enhance the manner in which financial advisors assist clients.

It might be illustrative to include a few graphics from these materials which may help to visualize some of the concepts that we will introduce to our prospective clients and current clients. One key adage that is simple yet reflective of all types of transition clients may experience, including routine transitions like moving from working to retirement, or to more emotional transitions that may involve the death of a spouse, is the following:

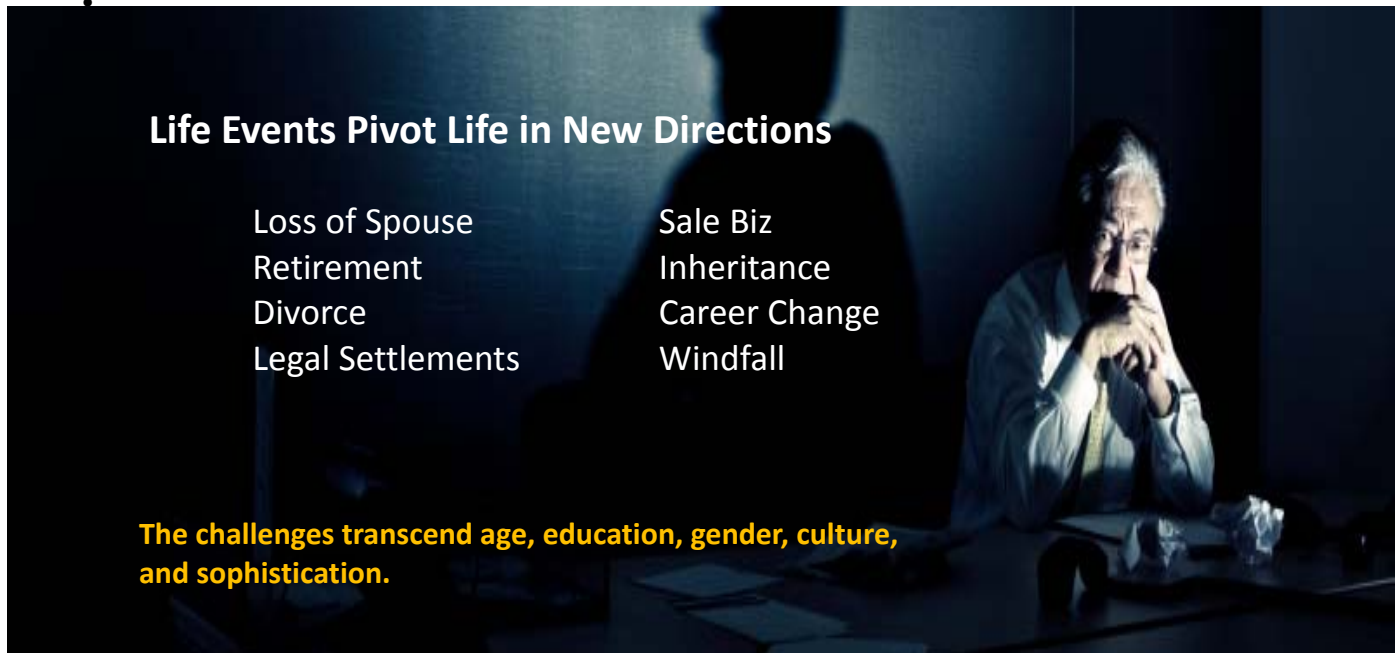
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**“When life changes, money changes**

**and when money changes, life changes”**

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## **Manage Change Before Managing the Money**



**Life Events Pivot Life in New Directions**

Loss of Spouse	Sale Biz
Retirement	Inheritance
Divorce	Career Change
Legal Settlements	Windfall

**The challenges transcend age, education, gender, culture, and sophistication.**

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# TWO SIDES OF MONEY

*Are equally important and equally complex.*



Personal side is dominant while in transition

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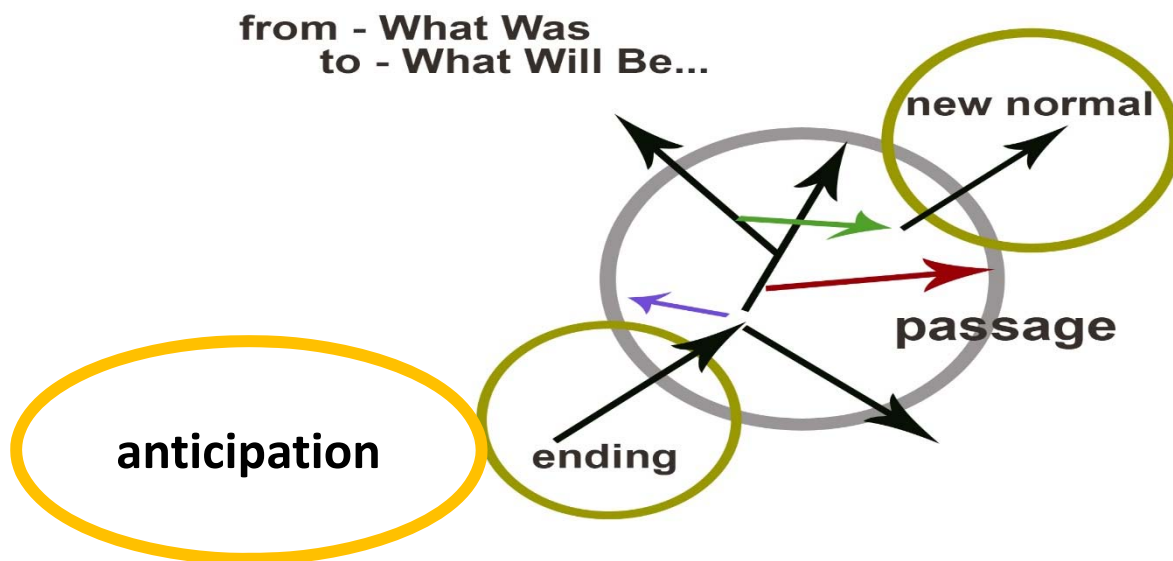
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Each client will most likely experience components of a life-changing event that will be unique to their family circumstances, and other parts that will be common to many people experiencing the same transition. Our approach recognizes that. We will focus specifically on the communication preferences of each client to build a pathway through the personal and technical issues that present themselves. While in a transition, the focus needs to be on the personal side. The following chart depicts a tool that we utilize to graphically show the process of successfully accomplishing any transition.

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## Transitions...

**They start with an ending**



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The tendency for many people when facing a transition is to try to move quickly from the ending of one situation to what we call the “New Normal.” That would be nice, but it is a misconception to believe that life works in that way. There are four distinct stages of most transitions, with the exceptions including the sudden death of a spouse or a similar unanticipated event. The Passage phase can involve many confusing choices of action paths and outcomes, surprises, stresses, and may result in frozen decision-making or inconsistent behavior. Left on their own to move through these stages, many people will experience “transition fatigue” that can delay or derail their arriving at the New Normal.

SMI and this Financial Transition Specialist training program has been systematically designed to provide Silver Oak’s advisors with the insights and tools to guide clients through the maze that often begins in the Anticipation stage and continues through the Passage stage. We



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become thought partners, working at the appropriate pace for each client as they transition from the ending of one phase of life to the next phase.

## **FINANCIAL TRANSITION SPECIALTY SERVICES – DESIGNED FOR**

Silver Oak specializes in providing Financial Transition services to three primary service niches.

- 1. Baby Boomers & Retirees.** The transition from living on a salary to living on your assets and the income the assets may generate can be challenging. Between low interest rates, a volatile stock market that experienced two significant crashes within a ten-year period, and a global economy still recovering from a seizure in our financial system, this is a period fraught with uncertainties both for people soon facing retirement, or those already retired and impacted by our financial markets. Making a transition to a new financial advisor by itself can create uncertainties as trust must be established, confidence built, and a new game plan created. Silver Oak has extensive experience during this type of transition to assure that clients feel that they are heard, that they have an experienced thought partner to answer their questions as they move through the Passage phase to arrive at their “new normal.”
- 2. Women in Transition.** Research studies continue to identify the high percentage of women who will experience a life-changing event that inevitably involves a concurrent financial change. Many emotional and personal issues must be addressed as a woman advances from the Anticipation stage of an impending event to an Ending, and then through the Passage stage. It is important before any financial decisions are made that the personal components are resolved, even if that means creating a “no decision zone” until the financial topics can be addressed with clarity and composure. Silver Oak will provide the skills and tools created specifically for women as they make their transition to a “new normal”.
- 3. Attorneys.** Silver Oak has provided wealth management services designed specifically for attorneys for many years (see below under Wealth Management Services for Attorneys). Our Financial Transition tools and processes are directly complementary to our existing services tailored for attorneys. A transition facing every successful attorney at some point in their career is contemplating cutting back on the billable hours or number of contingency cases. After working with attorneys for over 30 years, we understand that transition from both a financial standpoint and from the standpoint of the family dynamics. Between the change in the business of law over the past ten years, and the challenges caused by the financial system, utilizing our advisors to guide the transition process will bring clarity and avoid choosing the wrong path that can delay the success of the transition.

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## **WEALTH MANAGEMENT SERVICES FOR ATTORNEYS**

Silver Oak has created a specialized niche in providing investment and wealth management services to attorneys as a result of Joel Framson's many years as a practicing CPA when he consulted with numerous law firms. Based on our extensive research and the White Paper we created detailing the financial challenges facing attorneys, Silver Oak integrates the business and personal financial components into a process to assist attorneys in building wealth. While much of the process is equally applicable to any busy and successful person, our services recognize the unique profession-wide obstacles impeding many attorneys from reaching financial security.

For example, Silver Oak recognizes that an attorney's 401K or Profit Sharing Plan often represents the attorney's largest liquid investment. However, due to an attorney's busy schedule, the management of this asset is usually overlooked leading to a lost opportunity for growth in good times, and leading to the likelihood of avoidable losses during market corrections. Silver Oak developed the unique software tools to directly manage the investment decisions and asset allocation in these qualified plans.

The Wealth Management Process may include a number of additional steps when specifically tailored to providing Wealth Management Services for attorneys. For example, Silver Oak may assess the benefits provided by the law firm, including any 401K or other retirement plan options, buy/sell agreements or other retirement provision in the partnership agreement, asset protection and risk management, and the portability of benefits. In addition, Silver Oak also coordinates with the top law firm consultants in Los Angeles to leverage their expertise on behalf of our attorney clients.

## **FINANCIAL PLANNING AND CONSULTING SERVICES**

Silver Oak may provide its clients with a broad range of integrated financial planning or segmented financial planning and consulting services (including non-investment-related matters). Financial planning may be provided as part of an integrated approach to wealth management, or may be provided as a separate service. The Firm will typically not provide financial planning services unless also being engaged to provide ongoing investment management services.

Prior to engaging Silver Oak to provide financial planning and/or consulting services, the client will be required to enter into an Agreement with Silver Oak 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 Silver Oak commencing services.

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## **INVESTMENT MANAGEMENT**

The client may engage Silver Oak to design an investment portfolio and provide ongoing investment management services on a discretionary fee-only basis. Silver Oak will charge fees as a percentage (%) of assets under management. The percentage (%) fee shall depend upon the dollar amount of assets under management and the type of asset management services required, generally ranging between 0.25% and 1.50%.

### **Other Investment Advice – Independent Managers**

Silver Oak may also recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment manager[s] to be selected by Silver Oak (the “Independent Manager[s]”), based upon the stated investment objectives of the client, including Independent Manager[s] and/or investment programs selected and/or recommended in conjunction with the services and/or programs sponsored by Schwab. Silver Oak shall continue to render ongoing and continuous advisory services to the client relative to the monitoring and review of account performance, client investment objectives, and asset allocation, for which Silver Oak shall receive an annual investment advisory fee. Factors which Silver Oak shall consider in selecting and/or recommending Independent Manager[s] include the client’s stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated Independent Manager[s], together with the fees charged by the corresponding designated broker-dealer/custodian of the client’s assets, are exclusive of, and in addition to, Silver Oak’s ongoing investment advisory fee.

## **LITIGATION SUPPORT CONSULTING**

Silver Oak may provide clients with litigation support consulting services including, but not limited to, providing investment and fiduciary liability related expert witness and litigation support to attorneys and their clients.

### **General Client Information**

Silver Oak 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.

Silver Oak’s clients are advised to promptly notify Silver Oak if there are ever any changes in their financial situation or investment objectives for the purpose of reviewing/evaluating/revising Silver Oak’s previous recommendations and/or services, or if they wish to impose any reasonable restrictions upon Silver Oak’s management services.

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## **Termination**

Silver Oak's, Form ADV Part 2A shall be provided to each client prior to, or contemporaneously with, the execution of an agreement. Either party may terminate an agreement at any time by written notice. Fees are refundable for any portion of advance fees attributable to services not performed prior to termination of the agreement, and the client is responsible for any fees incurred but not yet billed. Upon termination, investment advisory fees will be prorated and a refund will be made for the number of days in the calendar quarter after a termination notice is sent in writing or by email to Silver Oak.

## **Privacy of Client Information**

Clients receive a Privacy Notice when Silver Oak is engaged, and annually thereafter. The Privacy Notice discloses the type of non-public, personal information Silver Oak collects regarding a client, third parties Silver Oak may share the information with and Silver Oaks safeguards over client privacy. Clients can obtain a copy of Silver Oak's Privacy Notice by contacting Silver Oak.

## **ASSETS UNDER MANAGEMENT**

As of 12/31/2015, SILVER OAK managed \$194,760,673.00 on a discretionary basis. SILVER OAK did not manage any assets on a non-discretionary basis as of 12/31/2015.

## **Item 5 – Fees and Compensation**

The specific manner in which fees are charged by SILVER OAK is established in a client's written agreement with SILVER OAK and are non-negotiable. The firm provides a fee schedule and engagement agreement for each service.

### **Financial Planning**

The fee for providing financial planning services is quoted before beginning a project. A flat fee is most often utilized to compensate the firm for the specified project and is payable upon commencement of the engagement. In some cases, an hourly fee may be utilized as an alternative approach or in some situations as an addendum to a project fee if the client requests services beyond the scope of the initial project.

Silver Oak's financial planning fees generally range from \$2,500 to \$10,000 on a fixed fee basis and from \$150 to \$450 on an hourly rate basis, depending upon the level and scope of the services required and the professional rendering the service(s). Financial Planning and Consulting fees are paid in advance. In the event the client terminates Silver Oak's financial planning and/or consulting services, the unearned portion of Silver Oak's fee, if any, shall be refunded to the client. Since financial planning and consulting services often require a large

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initial time commitment, a large portion of these fees are considered earned shortly after the project has begun.

For clients with portfolios in excess of \$2 Million, the firm generally does not charge separately for financial planning services. These services are generally provided to such qualifying clients as part of our wealth management services, as described separately.

For clients with portfolios between \$1 Million and \$2 Million, Silver Oak will charge a separate financial planning fee. The financial planning fee will be based on the scope and complexity of the planning. The range of such fees are generally discounted from typical stand-alone financial planning engagements and can be expected to be in the \$1,500 to \$4,500 range.

Unless otherwise stated as part of the engagement, updating and/or monitoring of the financial plan will not be provided and will be subject to a separate engagement letter.

### **Investment Management and Wealth Management**

SILVER OAK will generally bill its fees for investment and wealth management on a quarterly basis. Clients are billed in advance each calendar quarter. Clients may also elect to be billed directly for fees or to authorize SILVER OAK to directly debit fees from client accounts. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

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

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

A client may engage Silver Oak to provide Wealth Management services as follows:

Annual Fixed Fee – Annual Fixed Fee which varies depending upon various subjective and objective factors, including anticipated/historical scope and level of financial planning and

consulting services required, and dollar amount of assets under management. The annual fixed fee, also referred to as a retainer fee, begins at \$12,500 annually and includes investment management services for a \$1 Million portfolio. For the fee schedule related to portfolios over \$1 Million, see the fee schedule below. Silver Oak will charge a separate financial planning fee. The financial planning fee will be based on the scope and complexity of the planning. The range of such fees are generally discounted from typical stand-alone financial planning engagements and can be expected to be in the \$1,500 to \$4,500 range. Updates to the financial plan are done as needed without additional charge, and the integrated services described in the section under Wealth Management Process are provided.

For a client with a portfolio of \$2 Million, the retainer fee begins at \$22,500 per year. The retainer is designed to compensate Silver Oak for providing its integrated wealth management services as well as for the investment management. For the fee schedule related to portfolios over \$2 Million, see the fee schedule below. Financial Planning, including updates as needed, are provided without additional charge. If the scope of the engagement includes areas of service such as assistance with real estate issues or with other assets beyond the normal scope of services typically provided, Silver Oak and the client will determine an appropriate additional retainer to compensate Silver Oak for the anticipated level of service.

OR

Annual Fixed Fee plus a Percentage (%) of assets under management. Annual Fixed Fee which varies depending upon the anticipated/historical scope and level of financial planning and consulting services required. The percentage (%) fee component shall depend upon the dollar amount of assets under management, and the type of asset management services required, ranging between 0.25% and 1.50%. Silver Oak's fee schedule is reflected in the following table:

Retainer Fee: \$3,125 per quarter		
plus		
Annual asset-based fee (Note: Billed quarterly in advance to portfolio):		
<u>Managed Investable Assets</u>		
first	\$0 - \$1 mil.	No additional cost
next	\$1 mil - \$2 mil.	100 basis points (1.00%)
next	\$2 mil. - \$5 mil.	80 basis points (0.80%)
next	\$5 mil - \$10 mil.	50 basis points (0.50%)
plus	>\$10 mil.	25 basis points (0.25%)

All Wealth Management fees are pro-rated and paid quarterly, in advance. The asset based portion of the fee is based upon the market value of the assets on the last day of the previous

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quarter adjusted for cash flows. All securities under management will be subject to Silver Oak's fee schedule regardless of whether held at a brokerage firm, custodian, or other location, unless excepted specifically in the client's engagement agreement. Fees are subject to annual adjustment upon written notice to the client.

Silver Oak generally performs a substantial and disproportionate amount of Wealth Management services during the first quarter of the engagement. In the event the client terminates the Wealth Management Agreement after the first thirty (30) days of the engagement, Silver Oak shall retain the entire advanced fee billed for that quarter.

#### **LITIGATION SUPPORT CONSULTING**

Silver Oak will charge a flat fee or an hourly rate ranging from \$150 - \$550 for these services. Silver Oak's fees are non-negotiable. Silver Oak typically receives a retainer for part or all of the expected fees and if additional work is required, may bill the client at a later date. Upon termination, any unearned portion of Silver Oak's fee will be refunded, and any balance due will be invoiced.

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

SILVER OAK 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). Therefore, Silver Oak does not engage in side-by-side management of accounts that are charged on a performance fee basis with accounts charged on another basis, such as a percentage of assets under management.

#### **Item 7 – Types of Clients**

SILVER OAK provides investment management and wealth management services to individuals, high net worth individuals, family trusts and irrevocable trusts, and pension and profit-sharing plans.

For Wealth Management services the minimum account size is \$1,000,000. Accounts may be linked for determining the dollar value of assets. Silver Oak generally requires that each client maintain a minimum of \$1 million of assets under management in order to continue as a wealth management client. Investment management services generally require a minimum account size of \$500,000. Silver Oak, in its sole discretion may waive the minimum account requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, type of services required, account composition, negotiations with client, etc.).

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

SILVER OAK utilizes a number of investment strategies. As we design investment portfolios, we are cognizant of our clients risk tolerance and we seek to clarify their capacity to take on risk based on information obtained during the financial planning process. Our strategies seek to balance the portfolio risk level with the targeted return level as agreed upon with our clients.

Our investment strategies may include both passive and active investment management. Passive investing includes utilizing mutual funds, Exchange Traded Funds (ETF), and Exchange Traded Notes (ETN) that seek to replicate a part of the equity or bond markets by tracking an index or similarly defined section of the market. Passive investment vehicles may be used as part of our long-term secular holdings, or may be utilized for shorter term tactical solutions.

We may also utilize actively managed mutual funds, separate account managers, ETFs, and ETNs or individual securities for our strategic or tactical investment vehicles. Our decision to utilize a passive or active investment vehicle include, for example, such considerations as operating costs, tax efficiency, strength of issuing company, expected holding period, performance, and sector of the specific market needed to complete the asset allocation. Factors which Silver Oak shall consider in selecting and/or recommending Independent Manager[s] include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. While we do not attempt to time the markets, we may make tactical changes consistent with our interpretation of macro-economic circumstances and the effect those circumstances may have on the expected return of various asset classes.

We utilize many sources of research to assist us in our determination of investment vehicles. The firm subscribes to a number of subscription services providing us with detailed analysis of world-wide macro-economic conditions and events. The internet, with its extensive reach and research capabilities, provides additional tools and written materials. We subscribe to Morningstar which provides detailed analysis and track records of mutual funds, ETFs and ETNs. In addition, we receive investment research and input from a number of investment institutions such as Charles Schwab & Co. as well as from several mutual fund companies.

Part of our investment strategies are implemented utilizing individual U.S. bonds. Research on bonds may be accomplished by utilizing the services of Charles Schwab & Co., or through the research services of other independent brokerage firms. Such research typically includes general interest rate and bond market outlooks as well as research available through a subscription to Bloomberg.

Each strategy involves the potential for significant risk. Investment in the equity markets can be very volatile causing portfolio balances to fluctuate. While past performance is helpful to know, past performance is not a guarantee of future returns. Being under-weighted in equities



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during a rising market may cause portfolios to underperform. Similarly, being over-weighted in equities during a declining market may cause portfolios to underperform. We do not attempt to time the markets, however, our tactical approach may result in underperformance relative to established benchmarks should our portfolios be over-weighted or under-weighted during declining or rising markets, respectively.

Fixed income investing involves a number of risks including the credit-worthiness of the bond issuer and the length of a bond's maturity and duration. While rating agencies provide an indication of the relative risk of a bond, the rating of those agencies may prove not to be reliable. Rising interest rates is a specific risk to bonds since such condition tends to reduce the value of bonds. Bond values may also be negatively affected by political and/or international crises or instability.

Silver Oak may recommend that clients utilize private placements, hedge funds, or limited partnership vehicles that are likely to have additional risks. These risks may be further identified in a private placement memorandum provided by the investment sponsor. Such investments have additional risks including but not limited to lack of transparency, lack of liquidity, real estate market valuations, and loan repayment default. There is no guarantee that an investment in such vehicles will be returned.

Investing in securities involves risk of loss that clients should be prepared to bear. While there are known risks that may affect the equity or fixed income markets, there are also significant unknown risks that may cause portfolio instability or losses. By definition, these potential issues cannot be quantified in advance. Recent examples include international political turmoil in the Middle East, nuclear plant radiation dangers, physical emergencies caused by Mother Nature including earthquakes and tsunamis, to name a few. These globally oriented additional risks may impact and increase risk in currency valuations, exchange rates, and foreign investments.

#### **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 SILVER OAK or the integrity of SILVER OAK's management. SILVER OAK has not experienced any legal or disciplinary event.

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

SILVER OAK's Managing Member, Joel Framson, is licensed as a CPA and owns a CPA firm, Joel H. Framson, CPA an Accountancy Corporation, which provides tax or accounting services to a limited number of Silver Oak's clients. Mr. Framson spends less than 5% of his time providing tax and accounting services to Silver Oak clients.

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## **ADDITIONAL COMPENSATION**

SILVER OAK does not have any formal soft dollar arrangements, and has no plans to enter into such arrangements in the future.

Schwab makes available to Silver Oak other products and services that benefit Silver Oak but may not benefit its clients' accounts. Some of these other products and services assist Silver Oak 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 Silver Oak's fees from its clients' accounts; and assist with back-office functions, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of Silver Oak's accounts, including accounts not maintained at Schwab Institutional.

Schwab Institutional also makes available to Silver Oak other services intended to help Silver Oak 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. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to Silver Oak by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Silver Oak. Silver Oak endeavors to act in its clients' best interests. Silver Oak's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Silver Oak 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 Schwab, which may create a potential conflict of interest.

Generally speaking, all of Silver Oak's clients benefit from research services which may be provided to Silver Oak by the brokers and dealers who effect transactions for Silver Oak's client accounts. Not all such research services, however, may be used by Silver Oak in connection with the client accounts that paid commissions to the brokers or dealers providing such research services. In addition, instances may arise where (a) research services obtained in connection with transactions affected for a particular client's account benefit other clients of Silver Oak, or (b) not all research services may be used by Silver Oak after payment of commissions by clients. Silver Oak's receipt of research services from brokers and dealers who effect transactions for Silver Oak's client accounts does not reduce Silver Oak's customary research activities.

Silver Oak may refer prospective clients who do not meet the firm's minimum requirements to other advisors and receive fees from those advisors for referrals. These arrangements will be governed by a written agreement between Silver Oak as a Solicitor and the other Advisor which

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clearly defines the duties and responsibilities of Silver Oak. In addition, Silver Oak will provide a written disclosure document, which explains to the prospective client the terms and compensation for the referral activities. Silver Oak will also furnish a copy of the Advisor's written disclosure document (Form ADV Part 2) to the prospective client and obtain a written acknowledgement from the client that both Silver Oak's and the Advisor's disclosure documents have been received.

#### **Item 11 – Code of Ethics**

SILVER OAK has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at SILVER OAK must acknowledge the terms of the Code of Ethics annually, or as amended.

SILVER OAK anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which SILVER OAK has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which SILVER OAK, its affiliates and/or clients, directly or indirectly, have a position of interest. SILVER OAK's employees and persons associated with SILVER OAK are required to follow SILVER OAK's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of SILVER OAK and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for SILVER OAK's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of SILVER OAK will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of SILVER OAK's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between SILVER OAK and its clients.

SILVER OAK's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting us at 310-207-4800.

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It is SILVER OAK's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Principal transactions are generally defined as transactions where an adviser, 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 hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, 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 adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

### **INVESTMENT OR BROKERAGE DISCRETION**

Silver Oak generally has limited power of attorney to act on a discretionary basis on behalf of clients. When discretionary authority exists between the client and Silver Oak, Silver Oak may choose both the amount and type of publicly traded securities to be bought to satisfy account objectives. Silver Oak may have the authority to select the broker/dealer to execute transactions for clients and determine any commission rates to be paid for such transactions.

Silver Oak accepts any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on an account must be presented to Silver Oak in writing.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with SILVER OAK's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. SILVER OAK will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

### **The Custodian and Brokers We Use**

Silver Oak does not maintain custody of your assets that we manage. Nevertheless, we may be deemed to have custody of client assets because you give us authority to withdraw assets from your account (*see Item 15 Custody, below*). Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Silver Oak recommends that our clients use Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. Silver Oak is independently owned and operated and not

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affiliated with Schwab. Schwab will hold our clients' assets in a brokerage account and buy and sell securities when Silver Oak instructs them to. While Silver Oak recommends that you use Schwab as custodian/broker, clients will decide whether to do so when they open an account with Schwab by entering into an account agreement directly with them. Silver Oak does not open the custodial account for you.

### **How We Select Brokers/Custodians**

Silver Oak seek to select and recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. Silver Oak considers a wide range of factors, including, among others, these:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- capability to execute, clear and settle trades (buy and sell securities for your account);
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- breadth of investment products made available (stocks, bonds, mutual funds, ETFs, etc.);
- availability of investment research and tools that assist us in making investment decisions;
- quality of services;
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them;
- reputation, financial strength and stability of the provider;
- the custodian/broker's prior service to us and our other clients; and
- availability of other products and services that benefit us, as discussed below (see *"Products and Services Available to Us from Schwab"*).

### **Your Brokerage and Custody Costs**

Schwab generally does not charge Silver Oak client accounts separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. [For some accounts, Schwab may charge you a percentage of the dollar amount of assets in the account in lieu of commissions [Schwab's commission rates [and asset-based fees] applicable to Silver Oak client accounts were negotiated based on our

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commitment to maintain Silver Oak client assets in accounts at Schwab. This commitment benefits you because the overall commission rates [and asset-based fees] you pay are lower than they would be if Silver Oak had not made the commitment. In addition to commissions, [or asset-based fees] Schwab charges a flat dollar amount as a “trade away” fee for each trade that Silver Oak executes by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize trading costs, Silver Oak exclusively uses Schwab to execute trades for your account.

### **Products and Services Available to Us from Schwab**

Schwab Advisor Services is Schwab’s business serving independent investment advisory firms like Silver Oak. They provide Silver Oak and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts while others help us manage and grow our business. Schwab’s support services generally are available on an unsolicited basis (*i.e.*, Silver Oak does not have to request them) and at no charge to us as long as we keep a total of at least \$10 million of our clients’ assets in accounts at Schwab. Below is a detailed description of Schwab’s support services:

*Schwab Services that Benefit You.* Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

*Schwab Services that May Not Directly Benefit You.* Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist Silver Oak in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. Silver Oak may use this research to service all, some or a substantial number of our clients’ accounts. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;

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- provide pricing and other market data;
  - facilitate payment of our fees from our clients' accounts; and
  - assist with back-office functions, recordkeeping and client reporting.

*Schwab Services that Generally Benefit Only Us.* Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also may discount or waive its fees for some of these services or pay all or a part of a third party's fees. In addition, Schwab may provide Silver Oak with other benefits such as occasional business entertainment of our personnel.

### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because Silver Oak does not have to produce or purchase them. Silver Oak does not have to pay for Schwab's services so long as we keep a total of at least \$10 million of client assets in accounts at Schwab. The \$10 million minimum may give Silver Oak an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest.

Silver Oak believes, however, that our selection of Schwab as custodian/broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors discussed above – see *"How We Select Custodians/Brokers"*) and not Schwab's services that benefit only us. We have approximately \$190 million in client assets under management, and do not believe that maintaining at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

### **Item 13 – Review of Accounts**

Wealth Management and Investment Management accounts are reviewed each quarter by Silver Oak's Managing Member, Joel Framson, and/or other Associated Persons. All clients are

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encouraged to comprehensively review financial planning issues, investment objectives and account performance with Silver Oak (in person or via telephone) on an annual basis, as applicable.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for their accounts. Wealth Management and Investment Management clients also receive a quarterly report from Silver Oak summarizing account activity and performance. Clients are urged to carefully compare the reports sent by their broker-dealer/custodian with those reports sent by Silver Oak and other third parties.

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

SILVER OAK receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisers that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). The availability to SILVER OAK of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

SILVER OAK may refer prospective clients to other advisors and receive fees from those advisors for referrals. These arrangements will be governed by a written agreement between Silver Oak as a Solicitor and the other Advisor which clearly defines the duties and responsibilities of Silver Oak. In addition, Silver Oak will provide a written disclosure document, which explains to the prospective client the terms and compensation for the referral activities. Silver Oak will also furnish a copy of the Advisor's written disclosure document (Form ADV Part 2) to the prospective client and obtain a written acknowledgement from the client that both Silver Oak's and the Advisor's disclosure documents have been received.

SILVER OAK has entered into solicitation agreements under which it pays fees for client referrals as permitted by Rule 206(4)-3 of the Investment Advisers Act of 1940 as amended. We accept client referrals from an individual referred to as "Solicitors." All Solicitors are required to enter into a written agreement with us that requires the Solicitor to deliver our ADV Part 2A and a separate disclosure document relating to the Solicitor's relationship with us to each potential client. Payments to Solicitors are in the form of a percentage of the investment management fee that we receive. A client referred to us by a Solicitor will not pay a higher investment management fee as a result of the referral, unless specifically stated otherwise in the Solicitor's separate disclosure document.

#### **Item 15 – Custody**

Pursuant to federal regulations, SILVER OAK is deemed to have custody of your assets if you authorize us to instruct Schwab to deduct our advisory fees directly from your account. Schwab



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maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them. SILVER OAK also urges you to compare Schwab's account statements to the periodic portfolio reports you will receive from us.

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

SILVER OAK usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Each client grants trading authority to Silver Oak by signing a limited power of attorney during the brokerage account establishment process. The engagement agreement between the client and Silver Oak provides also provides that Silver Oak has discretionary authority to exercise trades on behalf of the client subject to the guidelines provided in the client's investment policy statement (IPS). Silver Oak creates an IPS for each client that is signed by the client before the asset allocation decisions are implemented.

When selecting securities and determining amounts, SILVER OAK observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, SILVER OAK's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Silver Oak accepts any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on an account must be presented to Silver Oak in writing

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

We will vote proxies in a manner that is, in our opinion the best interests of our clients and in accordance with our established policies and procedures. Our Firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our Firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

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Silver Oak does not render advice to or take any actions on behalf of clients with respect to any legal proceedings, including bankruptcies and shareholder litigation.

Clients may obtain a copy of SILVER OAK's complete proxy voting policies and procedures upon request. Clients may also obtain information from SILVER OAK about how SILVER OAK voted any proxies on behalf of their account(s).

#### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about SILVER OAK's financial condition. SILVER OAK 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.