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March 15, 2017

FIRM BROCHURE

Part 2A of Form ADV

This *FIRM BROCHURE* provides information about the qualifications and business practices of HHM Wealth Advisors, LLC. (HHM) If you have any questions about the contents of this *FIRM BROCHURE*, please contact us at (423) 826-1670 or at www.hbmwealth.com. The information in this *FIRM BROCHURE* has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about HHM is available on the SEC's website at www.adviserinfo.sec.gov (**the CRD number for HHM is 150843**).

NOTE: While HHM may refer to itself as a "registered investment advisor" or "RIA", clients should be aware that registration itself does not imply any level of skill or training. A Registered Investment Advisor refers to the firm, not any person.

ITEM 2. MATERIAL CHANGES

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure updated 3/15/17 is a document prepared according to the SEC requirements and rules.

This item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We also reference the date of our last annual Brochure dated 3/15/16.

The following items summarize additions or changes to the Firm’s Part 2A of Form ADV:

- Resignation of Investment Adviser Representative, Morris Glasgow on 4/08/16 CRD #2916463
- Addition of Investment Adviser Representative, Justin Porter on 10/03/16 CRD #6483014

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the Firm’s fiscal year end, December 31st.

We may further provide other ongoing disclosure information including a new Brochure about material changes as necessary. Our Brochure may be requested free of charge by contacting Gina Cook at 423-933-1816 or gcook@hbmwealth.com.

Additional information about HBM Wealth Advisors, LLC is also available via the SEC’s website www.adviser.sec.gov. This website also provides information about any persons affiliated with HBM Wealth Advisors, LLC who are registered, or are required to be registered, as investment adviser representatives of HBM Wealth Advisors, LLC.

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ITEM 4. ADVISORY BUSINESS

INTRODUCTION

HHM Wealth Advisors, LLC (hereafter “HHM”), is a fee-based investment adviser that offers three types of advisory services: *Portfolio Management Services*, *Financial Planning Services*, and *Employee Benefit Retirement Plan Services*.

HHM Wealth Advisors, LLC (HHM), currently an SEC-Registered investment advisor, began its existence on June 2, 1999 as SecureLife Personal Financial Services, LLC, and remained as such until April, 2003 when the entity changed its name to HHM Capital Advisors, LLC. In June of 2006, HHM admitted two new equity Members substantially increasing the firm’s assets under management. On July 1, 2006 the name of the firm was changed to Evergreen Management, LLC. On June 30, 2009, one of its major Members decided to leave the firm to pursue his own succession plan and the firm was renamed to HHM Wealth Advisors, LLC.

As of January 1, 2017, HHM has two principal owners (those individuals and/or entities controlling 25% or more of the company): The CPA Group LLC owns 66.25% of the entity and Travis Hutchinson maintains 33.75% ownership.

INITIAL CONSULTATION

HHM will begin by providing the Client an initial consultation. HHM uses the initial consultation to:

- ☐ Introduce the Client to HHM’s firm, its services, and staff
- ☐ Gather information about the Client’s investment objectives, financial condition, and risk tolerance, which HHM uses in forming its investment advice
- ☐ Reach an agreement on the terms of service and compensation arrangements.

The consultation must be completed before HHM will make any specific recommendations about the Client’s asset allocation or securities to buy or sell. Clients may restrict their investments to certain securities or types of securities purchased in their portfolio.

At the conclusion of the initial consultation, the Client will sign HHM’s *Investment Advisory Agreement*, which serves as the contract between the Client and HHM, specifying the precise nature of services to be rendered by HHM and fees to be paid by the Client.

PORTFOLIO MANAGEMENT SERVICES

If the Client elects *Portfolio Management Services*, the Client will have the choice of whether the portfolio management is performed on a discretionary or non-discretionary basis. HHM primarily seeks to manage Client accounts on a discretionary basis, but will also offer non-discretionary management services to those Clients that choose to enter their own transactions.

Whether discretionary or non-discretionary, HHM will evaluate the Client’s financial condition and risk tolerance in order to tailor the Client’s securities selection to meet the Client’s investment objectives and individual needs. HHM also allows the Client to impose any restrictions on investing in certain securities or types of securities.

HHM will make ongoing recommendations primarily involving: exchange-listed stocks, preferred stocks, mutual funds (no-load or load-waived only), exchange-traded funds (ETFs), stock options, REITs, and bonds. Given that the market will affect the value of these securities, HHM will monitor Client accounts on an ongoing basis so that it may make any necessary transactions in discretionary accounts or make any necessary recommendations to Clients in non-discretionary accounts. The securities mentioned above reflect a broad range of investment risks, including some securities that entail high degrees of risk, such as stock options. HHM has also recommended alternative investments to suitable clients, but that exposure represents less than 3% of total AUM.

HHM does not provide any “wrap programs” (programs that bundle brokerage and advisory services under a single comprehensive fee). All securities recommended by HHM may include additional transaction fees or trade commissions charged by the Client’s broker-dealer/custodian which are separate from HHM’s advisory fees.

DISCRETIONARY PORTFOLIO MANAGEMENT

For discretionary accounts, the Client will grant HHM limited trading authority (discretionary authority) in the Client’s brokerage account by executing the appropriate documents with the Client’s broker-dealer/custodian. The discretionary authority will allow HHM to enter securities transactions on the Client’s behalf, determining which securities and the amount of securities to buy or sell. Clients will be notified of all transactions by trade confirmations from their broker-dealer/custodian.

HHM will also request the Client provide written authorization to allow HHM to automatically deduct its advisory fee from the Client’s account (discussed at greater length in **Item 5 - Fees And Compensation** section of this *FIRM BROCHURE*); however, HHM will not have the authority to make any other withdrawals from the Client’s account(s) under management without the Client’s written authority to do so.

Most clients will be recommended discretionary portfolio management and therefore, HHM anticipates the vast majority of its *Portfolio Management Services* will be rendered on a discretionary basis. HHM had discretionary assets under management as of December 31, 2016 in the amount of \$382,957,388.

HHM recommends the Client grant discretionary authority to HHM so that it may execute recommendations in a timely fashion, but Clients should always review their brokerage account statements to verify the trading activity and withdrawals that occur in their account(s).

NON-DISCRETIONARY PORTFOLIO MANAGEMENT

For non-discretionary accounts, HHM will prepare securities recommendations as it does for discretionary accounts, but will provide these recommendations to the Client directly so that the Client may enter the transaction on their own or direct HHM to do so on the Client’s behalf.

Since HHM will recommend most Clients grant it discretionary authority, HHM anticipates very little of its *Portfolio Management Services* to be rendered on a non-discretionary basis. HHM had non-discretionary assets under management as of December 31, 2016 of \$38,950,461.

IRA ROLLOVER CONSIDERATIONS

As part of our consulting and advisory services, we may provide you recommendations and advice concerning your employer retirement plan or other qualified retirement account.

Our recommendations may include that you consider withdrawing the assets from your employer's retirement plan or other qualified retirement account and roll the assets over to an individual retirement account ("IRA"). Further, we offer our management services be applied to those funds and securities rolled into an IRA or other account for which we will receive compensation. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as described under **Item 5-Fees and Compensation**. This practice presents a conflict of interest because persons providing investment advice on your behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Furthermore, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by us.

It is important for you to understand many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of each.

An employee will typically have four options:

1. Leave the funds in your employer's (former employer's) plan.
2. Move the funds to a new employer's retirement plan.
3. Cash out and take a taxable distribution from the plan.
4. Roll the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for HHM to manage it is important you understand the following:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.
 - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than HHM's fees.
 - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
 - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.

- c. It is likely you will not be charged a management fee and will not receive ongoing asset management services unless you elect to have such services. In the event your plan offers asset management or model management, there may be a fee associated with the services that is more or less than our asset management fee.
- 3. HHM's strategies may have differing risks than the option(s) provided to you in your plan.
- 4. Your current plan may offer financial advice, guidance, and/or model management or portfolio options at no additional cost.
- 5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5 (70 ½).
- 6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
 - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult an attorney if you are concerned about protecting your retirement plan assets from creditors.
- 7. You may be able to take out a loan on your 401k, but not from an IRA.
- 8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
- 9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
- 10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a roll-over is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

FINANCIAL PLANNING SERVICES

If the Client elects *Financial Planning Services*, HHM may extend the initial consultation to include discussions necessary to begin creating a financial plan or may arrange a follow-up meeting to review additional information about the Client's finances. In any case, the Client will have the choice to:

- (a) Consult with HHM on the Client's overall financial situation and obtain a comprehensive, written financial plan; or
- (b) Consult with HHM on a specific topic or an individual security.

As the *Comprehensive Financial Plan* option would include the opportunity to discuss many specific topics or any individual security, HHM may recommend this option for all new Clients. For returning Clients that need to

consult with HHM on a specific topic or individual security, they can do so during an *Annual Financial Plan Review* or engage HHM for a *Separate Financial Planning Consultation*.

COMPREHENSIVE FINANCIAL PLAN

HHM will review all aspects of the Client's finances to prepare a written financial plan that makes comprehensive recommendations to help the Client meet their financial objectives. These areas of analysis include: overall asset allocation, securities recommendations, insurance needs, mortgage planning, consumer debt, retirement planning, college planning, trust & estate planning, savings & budgeting, and tax-planning.

HHM will compile this financial information and use it to construct a *Comprehensive Financial Plan* tailored to the Client's specific financial situation. The written financial plan will typically be constructed within a month.

Clients can execute the recommendations within the *Comprehensive Financial Plan* on their own or HHM can assist in implementation. If *Portfolio Management Services* are recommended in the *Comprehensive Financial Plan*, Clients may engage HHM for those *Portfolio Management Services* as described above.

ANNUAL FINANCIAL PLAN REVIEW

As financial conditions or objectives change over time, Clients should engage HHM to review their financial plan annually. Largely, this review is intended to confirm the Client's financial information is accurate, evaluate whether or not the financial plan is reaching its goals and, make any revisions needed due to changes in the Client's personal goals, objectives or economic circumstances. However, during this annual review, Clients may also raise new objectives or discuss other financial topics of their choice. Also, if Clients experience life-changing events, they may initiate an *Annual Financial Plan Review* earlier than the typical annual time frame.

SEPARATE FINANCIAL PLANNING CONSULTATION

If Clients need to consult with HHM outside of the initial consultation(s) that led to their *Comprehensive Financial Plan* and before their *Annual Financial Plan Review*, Clients may engage HHM on a limited basis. HHM is available through a *Separate Financial Planning Consultation* to make changes to a *Comprehensive Financial Plan*, discuss a specific financial topic, or evaluate a specific securities investment.

EMPLOYEE BENEFIT RETIREMENT PLAN SERVICES

HHM also provides retirement plan consulting services and investment selection services to businesses with qualified retirement, profit sharing, pension and 401(k) plans. Retirement Plan assets are custodied at a qualified custodian.

HHM maintains relationships with several third party administrators and record keepers for 401(k) plans. These third party administrators and record keepers typically charge their administrative fees directly to the client, separately from HHM.

Generally, the above services are rendered at the retirement plan level. HHM may also enter into a separate client agreement with the plan participant to provide investment advisory and financial planning services. If such is the case, the normal fees, conditions, and responsibilities stated within this ADV Part 2A and related documents will apply.

ITEM 5. FEES AND COMPENSATION

MANAGEMENT FEE

The annual fee for HHM's Portfolio Management Services will be charged either as a (1) a percentage of assets under management or (2) a quarterly fixed fee basis.

- (1) The annual fee for Portfolio Management Services typically ranges from 0.20% to 1.50% of assets under management, depending on the nature and complexity of each client's circumstances. While other fee schedules may have been used in the past and may still be in effect, generally, fees being charged to new clients will be based on the following fee schedule. Fees may be progressive (a fee will be assessed based on each threshold) or a fixed fee based on the value of the account.

Portfolio Value	Annual Wealth Management Fee
First \$1,000,000	1.00%
Next \$ 500,000	0.90%
Next \$ 500,000	0.80%
Next \$1,000,000	0.60%
Over \$3,000,000	0.50%

**Clients are subject to a \$2,500 per year minimum. But HHM may elect to reduce this minimum at its discretion.

Management Fees are negotiable depending on both the nature and complexity of client circumstances. HHM will quote an exact percentage to each client based on both the nature of services to be rendered and total value of that account. HHM may group certain related accounts for purposes of determining the annualized fee.

Clients may choose to have management fees directly debited from client accounts in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Alternatively, rather than directly deducting fees from client accounts HHM may directly invoice clients per client request in advance at the beginning of each calendar quarter.

For the initial quarter of Investment Management Services, the first quarter's fees will be calculated on a pro rata basis, which means the advisory fees are payable in proportion to the number of days in the quarter for which the Accounts are open.

HHM may combine the Account values of family members to determine the applicable advisory fees. Combining Account values may increase the asset total, which may result in the Client(s) paying a reduced advisory fee based on the available breakpoints in HHM's fee schedule stated above.

Clients may make additions to the Account or withdrawals from the Account. Fee adjustments will be made for additional deposits to the account and withdrawals from the Account for dollar flows of greater than \$5,000. These adjustments are made in the first calendar quarter billing cycle following the quarter in which the inflows/outflows occurred.

Interim market value fluctuations for Account appreciation or depreciation are never adjusted. Because clients are billed at the beginning of a calendar quarter, all dollar changes that occurred in the prior quarter including market value fluctuations will automatically be reflected in the account value upon which the fee is calculated at the beginning of the new quarterly billing cycle.

Client may terminate the Portfolio Management Agreement by submitting written notice to HHM which is effective upon receipt by HHM. For any client who terminates their relationship with HHM prior to the end of the quarter, HHM will refund any unearned management fees on a prorated basis to the client.

- (2) In lieu of a percentage of assets under management, clients may request a Fixed Fee Retainer. The amount of the negotiated retainer will be based on the complexity of the clients' affairs which may be more or less than the comparable percentage of assets under management methodology. The retainer amount may reflect certain services which the client needs above and beyond the normal Portfolio Management Services; for example, estate, tax and insurance planning as well as specially tailored concierge services.

The fixed retainer will be billed on a quarterly basis in advance. While typically not the case, a client may go from one billing methodology to another without any penalty or charges.

PLANNING FEES FOR FINANCIAL PLANNING SERVICES

For *Comprehensive Financial Plans* and *Annual Financial Plan Reviews*, HHM charges a fixed fee; however, for *Separate Financial Planning Consultations*, HHM charges an hourly fee.

Financial Planning Service	Fee Type and Amount
Comprehensive Financial Plan	\$2,000 - \$10,000 fixed fee
Annual Financial Plan review	\$1,000 - \$3,000 fixed fee
Separate Financial Planning Consultations	\$150 - \$350 hourly fee

HHM may negotiate its fixed fee amount for *Comprehensive Financial Plans* based on the complexity of the financial plan. Typically, the standard financial plan takes 10 hours; those plans that take significantly less time may negotiate a lower fee while those financial plans that take significantly longer may be charged a slightly higher amount. Additionally, HHM may offer discounts to select friends, employees and family.

The final amount will be specified in the *Investment Advisory Agreement*. For Clients who retain HHM for Portfolio Management Services, Financial Planning fees may be offset against the Portfolio Management Service fees.

The fixed fees for Annual Financial Plan Reviews and the hourly rate for Separate Financial Planning Consultations are both negotiable. HHM charges the above financial planning fees upon delivery of the Comprehensive Financial Plan or the Annual financial Plan Review. Hourly fees are charged at the conclusion of the Separate Financial Planning Consultation or quarterly depending upon the extent of the engagement.

As all the financial planning fees are charged in arrears, HHM does not offer refunds as services will have already been performed.

If a Client chooses to terminate Financial Planning Services before the product is delivered or service is complete, HHM will charge a prorated amount for the work completed and will deliver to the client any work product completed.

Otherwise, HHM will include an invoice upon delivery of the *Comprehensive Financial Plan* or *Annual Financial Plan Review* or at the conclusion of the *Separate Financial Planning Consultation*. This invoice will require payment within thirty days after delivery.

FEES FOR EMPLOYEE BENEFIT RETIREMENT PLAN SERVICES

The annual fee for Employee Benefit Retirement Plan Services typically ranges from 0.20% to 1.50% of the fair market value of the plan assets, depending on the nature and complexity of each client's circumstances.

In lieu of the percentage fee, HHM may charge a flat annual fee of between \$2,000 and \$25,000 depending on plan size and/or complexity or the level of services required by the client.

These fees are negotiable depending on both the nature and complexity of the client circumstances. HHM will quote an exact percentage to each client based on both the nature and total dollar value of assets, as well as the client's pre-existing relationship (if any) with HHM. HHM may group certain related client accounts for the purposes of determining the annualized fee.

Please refer to **Item 12 - Brokerage Practices** for further details of brokerage and trade fees.

OTHER COMPENSATION

In addition to the management and financial planning fees described above, individual IA Reps of HHM may also be licensed as insurance agents to sell insurance products and may receive insurance commissions for the sale of those insurance products. These insurance products include life, fixed annuities, and Long Term Care insurance. This creates a conflict of interest and may offer IA Reps an incentive to recommend insurance products that produce insurance commissions for the IA Rep.

When any such recommendations are made, IA Reps will disclose this conflict to the Client prior to completing any transaction and will obtain specific consent from the Client before purchasing any insurance product. Additionally, Clients always have the option to purchase insurance products through other agents not affiliated with HHM. Such insurance commissions have historically been a marginal part (less than 10 percent) of the IA Reps' business as their primary focus will be the investment advisory business rather than their insurance business. Any insurance commissions will be charged separately through the insurance company or agency and remitted to HHM.

Any insurance commissions will be in addition to the advisory fees and HHM will *not* reduce advisory fees for Clients that purchase insurance products through HHM's IA Reps. Aside from the insurance compensation described above, neither HHM nor any of its IA Reps will accept any compensation for the sale of securities or other investment products.

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

HHM does not charge performance-based fees (fees based on gains) and so none of its Clients' accounts will ever be managed side-by-side any performance-based accounts.

ITEM 7. TYPES OF CLIENTS

HHM Wealth Advisors, LLC provides investment advisory services to individuals, trusts, estates, charitable organizations, corporations and other business entities. Generally, we do not accept accounts less than \$250,000.00 but may waive this requirement at our discretion.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK LOSS

HHM Wealth Advisors, LLC's investment strategy focuses primarily on developing an individual investment policy for each Client based upon their risk tolerance and investment goals. The investment policy will dictate the percentage of different types of assets (e.g. equities, bonds, cash) held in the portfolio.

We search for investment opportunities across industry groups and market sectors to diversify the investments in a Client's portfolio. We fundamentally analyze individual investment opportunities, meaning we review the company's financial statements to determine the overall financial "health" of the company and determine financial ratios to compare the company's relative value to its competitors. After suitability, diversification of the portfolio is our primary focus. Diversifying the investments across several market sectors, asset classes, and individual securities, we believe is the best way to decrease the volatility and potentially increase the return of our clients' portfolios.

However, Clients should be aware that there are many factors that impact market volatility and return, and many of those may be unknown and may be totally outside of the control of HHM.

We recommend and advise upon various securities including:

- ❖ Individual corporate exchange-listed domestic and international securities
- ❖ Bonds – Corporate, United States Government Bonds and Agency Bonds
- ❖ CDs
- ❖ Municipal Securities
- ❖ Mutual Funds (closed and open-end funds)
- ❖ Exchange Traded Funds (ETFs)
- ❖ MLPs and real estate investment trusts (REITs)
- ❖ Alternative Investments, Limited Partnerships (LPs)

As stated in **Item 4. Advisory Business** above, clients may restrict their investments to certain securities or types of securities purchased in their portfolio.

It is important to understand investing in general involves risk of loss that clients should be prepared to bear.

Along with the obvious risk of loss of principal, there are a number of significant risks associated with HHM's investment approach. These risks include, but are not limited to:

- **Inflation Risk:** The investment value may not keep pace with inflation. If the after tax return on an investment is less than the rate of inflation, the value of the investment will decline.
- **Equity Investing Risks:** Equity risk is the risk that the value of equity securities will fall due to general market or economic conditions (**market risk**), perceptions of the industry (**industry risk**), or company specific circumstances (**business risk**).
- **Fixed Income Investing Risks:** The value of fixed income investments may fall due to upward interest rate movement (**interest rate risk**) and specific issuer's inability to pay its obligations (interest and principal payments) due to unforeseen circumstances (**credit risk**).
- **Global Investing Risks:** HHM searches to find high quality opportunities on the global basis. This may result in additional risks such as:
 - **Country Risk** – The possibility that political events, (war, national elections), financial problems (rising inflation, government default), or natural disasters (earthquake, poor harvest) will weaken a country's economy and cause investments in that country to decline.
 - **Currency Risk** – The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
 - **Foreign Market Exchanges** – Foreign markets may experience sudden and dramatic volatility which may result in the inability to quickly sell foreign securities traded on that exchange (liquidity risk).
- **Mutual Fund Investing:** We may recommend and advise upon mutual funds. Investing in mutual funds also presents the following risks in addition to those detailed above:
 - **Manager Risk** – The possibility that an actively managed mutual fund's investment advisor will fail to execute the fund's investment strategy effectively resulting in the failure of the stated objectives.

HHM's main sources of information for its investment research are:

- Financial newspapers and magazines,
- Inspections of corporate activities,
- Corporate rating services,
- Research materials prepared by other third parties,
- Annual reports, prospectuses, filings with the SEC, and
- Company press releases
- Informational Web training sponsored by Schwab and industry leaders
- Attendance at industry seminars and conferences

ITEM 9. DISCIPLINARY INFORMATION

Neither HHM nor any of its related persons (including management and IA Reps) have had any disciplinary events in their past. Clients and prospective Clients can always view the CRD records (registration records) for HHM or any of its IA Reps through the SEC's Investment Advisor Public Disclosure (IAPD) website at www.adviserinfo.sec.gov or through FINRA's BrokerCheck database online at www.finra.org/brokercheck if the IA Rep is also a broker-dealer agent. The CRD number for HHM is 150843.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

While HHM is not an insurance agency, IA Reps of HHM may be licensed as independent insurance agents and have affiliations with various insurance companies whose products they sell. Specifically, some or all of HHM IA Reps may be licensed as independent insurance agents in Tennessee and other states. As IA Reps of HHM, these advisors may recommend insurance products and may also, as independent insurance agents, sell those recommended insurance products to Clients.

When such recommendations or sales are made, a conflict of interest exists as these advisors may earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. HHM requires that all IA Reps disclose this conflict of interest when such recommendations are made.

Also, HHM requires IA Reps to disclose that Clients may purchase recommended insurance products from other insurance agents not affiliated with HHM. Further, HHM requires these IA Reps to assign all commissions generated from such sales to the company.

As previously disclosed under **Item 4 – Advisory Business**, HHM Wealth is partially owned by The CPA Group LLC. In addition to his Financial Advisory work, Jones Krogh is also employed with Henderson, Hutcherson & McCullough PLLC as a Tax Manager.

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

CODE OF ETHICS

Pursuant to SEC Rule 204A-1, HHM has a Code of Ethics that promotes the fiduciary duty of HHM and its IA Reps. The Code of Ethics articulates the importance of trust as a foundation to the relationship between an investment adviser and its Clients and establishes policies and procedures to ensure that HHM and its IA Reps place the interests of the Clients first. The Code of Ethics requires that HHM and its IA Reps adhere to all applicable securities and related laws and regulations.

The Code of Ethics also requires HHM and its IA Reps follow industry “best practices” involving: confidential information, suitability of investments, personal trading on the part of HHM and its IA Reps, outside business activities of IA Reps, and the disclosure of conflicts of interest.

A complete copy of HHM's Code of Ethics is available upon request (at no charge) to any Client or prospective Client.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

While HHM has no proprietary interest in Client transactions, its IA Reps may have a financial interest in those recommended transactions that involve the purchase of an insurance product.

As explained under **Item 10-Other Financial Industry Activities and Affiliations**, some of HHM's IA Reps may be licensed as independent insurance agents in Tennessee or other states. As IA Reps of HHM, these advisors may recommend insurance products and may also, as independent insurance agents, sell those recommended insurance products to Advisory Clients. When such recommendations or sales are made, a conflict of interest exists as these advisors may earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. HHM requires that all IA Reps disclose this conflict of interest when such recommendations are made. Also, HHM requires IA Reps to disclose that Advisory Clients may purchase recommended insurance products from other insurance agents not affiliated with HHM.

Additionally, IA Reps of HHM may have an interest in Client transactions insofar as they may personally invest in the same securities recommended to Advisory Clients. These transactions involve a conflict of interest as HHM or IA Reps may benefit from an increase in price from subsequent purchases by Advisory Clients. To address this conflict of interest, HHM and its IA Reps will adhere to the following procedures regarding their personal trading:

- 1) Client transactions are generally placed ahead of those for HHM related parties, its management, and its IA Reps
- 2) HHM and its IA Reps will mostly recommend investments that are widely traded
- 3) In the rare instance where private placement offerings are recommended to Clients and an IA Rep also has an ownership interest in the private offering, full disclosure will be given so the Client fully understands that conflict of interest

ITEM 12. BROKERAGE PRACTICES

HHM does not maintain actual custody of the assets it manages; although we may be deemed to have custody of Client assets for regulatory purposes (see **Item 15-Custody** below).

Client assets are maintained in a client's account at a "qualified custodian." When requested to do so by a client or prospective client, HHM will recommend clients use Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. HHM is independently owned and operated and is not affiliated with Schwab. Schwab will hold Client assets in a brokerage account and buy and sell securities as HHM/you instructs them to. Clients receive statements directly from Schwab.

In addition to Charles Schwab & Co., Inc., HHM does manage assets held at other custodians. While HHM may recommend Clients use Schwab as the custodian/broker, the Client decides whether to do so and will open Client accounts with Schwab or a custodian/broker dealer of Client's choice by entering into an account agreement with the custodian/broker-dealer.

HHM may administratively assist Client in opening the account. If a Client's account is maintained at Schwab, HHM can still use other brokers to execute trades for such account as described below (see "**Client Brokerage and Custody Costs**"), but in practice such transactions are rare.

How HHM selects Brokers/Custodians

HHM seeks to recommend a custodian/broker-dealer that will hold Client assets and execute transactions on terms that are overall, most advantageous when compared to other available providers and their services. HHM considers a wide range of factors, including among others:

- ❖ Combination of transaction execution services and asset custody services (generally without a separate fee for custody); promptness of execution reports and accuracy of confirmations and statements provided to clients
- ❖ Capability to execute, clear and settle trades (buy and sell securities for your account)
- ❖ Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- ❖ Breadth of available investment products [stocks, bonds (corporate, municipal, U.S. Government Treasuries and Agency), mutual funds, exchange-traded funds (ETFs), etc.]
- ❖ Availability and value of investment research and tools to 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 the prices
- ❖ Reputation, financial strength, and stability
- ❖ Prior services to HHM and HHM's clients
- ❖ Availability of other products and services that benefit HHM, as discussed below (see **"Products and Services Available to HHM from Schwab"**)

Clients' Brokerage and Custody Costs

For client accounts maintained at Schwab, Schwab generally does not charge separately for custody services but is compensated by charging the client commissions or other fees on trades that it executes or that settle into the Schwab account. The commission rate Schwab charges HHM's clients is contingent upon the total amount of assets the client maintains at Schwab and whether or not the client chooses to receive trade confirmation and account statements electronically. HHM will discuss and disclose exact commission charges directly with the client prior to entering into an advisory services agreement.

Schwab maintains a multi-tiered commission or transaction trade matrix depending on several factors.

Stock and ETF Trade Fees

Electronic Trades:

- Schwab clients will be charged a commission of \$4.95 per trade if the household balance is greater than \$1 Million or the client has adopted Schwab's e-delivery of trade confirmations and statements. Otherwise, the commission will be \$12.95 per trade.
- ADR Fees or American Depositary Receipt Pass-Through Fees are charged when Banks who custody securities are permitted to charge ADR holders fees. Fees collected from Schwab by the Depository Trust Company (DTC) for an ADR will be passed through to those ADR holders. ADR Fees are deducted from the Schwab account and noted on Schwab Statements as "ADR Pass-Thru Fee". Amounts and timing differ by ADR.
- Electronic delivery (e-delivery) is defined as consenting to receive trade confirms and account statements electronically and not paper format.

Mutual Fund Trade Fees

Electronic Trades:

- Schwab's Transaction Fee Mutual Fund trades placed electronically are \$30.00 per trade.
- Minimum transaction amounts apply for initial and subsequent purchases on some funds.
- Mutual fund interclass exchange transactions will be subject to a transaction fee if the transaction on either side (purchase or redemption) of the interclass exchange involves a transaction-fee fund.
- Some Mutual Fund trades may be subject to a short-term redemption fee of \$49.95.
- Some Mutual Fund trades are subject to an early redemption fee calculated at the time of the trade based upon the number of shares obligated to a predetermined holding period established by the fund. Trades requiring a CDSC fee most often are generally purchased at a broker dealer or mutual fund company prior to the assets/accounts being managed by HHM Wealth Advisors, LLC.

Bonds or Fixed Income Trade Fees

Electronic Trades:

- Government Agencies including non-pass through bonds from FNMA, FHLB, etc. will be charged a commission of \$0.20 per bond (\$10 Minimum/\$250 Maximum)
- Other secondary fixed income trades including CDs, corporate bonds, municipal bonds, zero coupon Treasury bonds and STRIPS will be charged \$1.00 per bond (\$10 Minimum/\$250 Maximum)

Internal Expenses

- Securities such as Mutual Funds and ETFs may have an internal expense. These expenses are disclosed to prospects when the investment proposal is presented, at the request of the client, in prospectus materials. For existing clients, these expenses are disclosed at the request of the client in prospectus materials. A review of these expenses is made available at no cost to the client.

Schwab's Account Activity Fees

- Wire Transfer (outgoing) fee - \$25.00 per transfer
- Nonsufficient funds/returned item fee - \$25.00 per item
- Transfer of title for certificates - \$25.00 per position
- Full transfer (out) of assets - \$50.00 per account
- Overnight fee - \$8.50
- Annual maintenance fee for Non-Publicly traded securities - \$250.00 per position (Maximum of \$500.00 per account). Other custodians maintain similar fee schedules (Millennium's custody fee of non-publically traded securities is \$350.00 per year).

For assets custodied at Charles Schwab or other custodians, HHM will never share in the commissions such custodian may assess a client for securities transactions.

In addition to commissions, Schwab charges HHM's clients a flat dollar amount as a "prime broker" or "trade away" fee for each trade that it has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into Client's Schwab account. These fees are in addition to the commissions the client pays the executing broker-dealer. Because of this, in order to minimize HHM's client's trading costs, HHM may execute most trades for Client accounts through Schwab.

HHM has determined having Schwab execute most trades is consistent with its duty to seek “best execution” of our clients’ trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “**How HHM Selects Brokers/Custodians**”).

While Schwab does not charge an account maintenance fee, clients may incur an occasional fee associated with activity within their account such as wire fee, transfer, or overnight check delivery fee.

Products and Services Available to HHM from Schwab

Schwab Advisor Services™ (formerly Schwab Institutional®) is Schwab’s business serving independent investment advisory firms like HHM. Schwab Advisor Services™ provides HHM and its 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 HHM manage or administer its clients’ accounts while others help HHM manage and grow its business. Schwab’s support services generally are available on an unsolicited basis (HHM does not have to request them) and at no charge to HHM. Following is a more detailed description of Schwab’s support services:

Services that benefit the Client

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 HHM 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 the client and their account.

Services that may not directly benefit the Client

Schwab also makes available to HHM other products and services that benefit HHM but may not directly benefit the client or clients’ account. These products and services assist HHM in managing and administering its clients’ accounts. They include investment research, both Schwab’s own and that of third parties. HHM may use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from HHM’s clients’ accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only HHM

Schwab also offers other services intended to help HHM manage and further develop its business enterprise. These services include:

- Educational conferences and events
- Technology, compliance, legal, and business consulting & resources
- Publications and conferences on practice management and business succession
- 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 HHM. Schwab may also discount or waive its fees for some of these services or pay all or part of a third party's fees. Schwab may also provide HHM with other benefits. HHM may access and use Schwab's compliance publications and resources to a considerable extent and have attended educational conferences and events at HHM's own expense.

Product vendors and third party managers recommended by HHM may provide monetary and non-monetary assistance with client events, provide educational tools and resources, and reimburse or cover expenses for attending their conferences. HHM does not select products or vendors based on or as a result of any monetary or non-monetary assistance. This is considered a conflict of interest. To mitigate the conflict of interest, we are providing you with this disclosure.

HHM's Interest in Schwab's Services

The availability of these services from Schwab benefits HHM because HHM does not have to produce or purchase them.

Schwab has indicated HHM will not have to pay for Schwab's services so long as its clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon HHM committing any specific amount of business to Schwab in trading commissions or assets in custody. This \$10 million minimum may give HHM an incentive to recommend its clients maintain an account with Schwab, based on HHM's interest in receiving Schwab's services that benefit its business rather than based on its clients' interest in receiving the best value in custody services and the most favorable execution of transactions. HHM believes its recommendation of Schwab as custodian and broker-dealer is in the best interests of its clients.

HHM's recommendation is primarily supported by the scope, quality, and price of Schwab's services provided to Clients (see "**How HHM Selects Brokers/Custodians**") and not Schwab's services that benefit HHM. HHM clients currently maintain a collective amount of assets at Schwab well in excess of \$10 million therefore HHM also believes it currently has no incentive to recommend HHM clients maintain their assets at Schwab other than for the client's benefit only. It is also important to remember HHM clients may choose any custodian or broker-dealer they wish.

Brokerage for Client Referrals

HHM does not receive client referrals from any broker-dealer or custodian.

Directed Brokerage

If a broker-dealer recommendation is *requested by the client*, we will recommend Schwab as the broker-dealer for reasons described in "**How HHM Selects Brokers/Custodians**" above.

HHM does *not require* its clients to use any particular broker-dealer. It is ultimately the client's decision where to open or maintain their broker-dealer account.

HHM is independently owned and operated and is not affiliated with Schwab. HHM believes its recommendation of Schwab as broker-dealer is in the best interests of its clients. HHM's recommendation is primarily supported by the scope, quality, and price of Schwab's services (again see "**How HHM Selects Brokers/Custodians**" above) and Schwab's ability to facilitate the best execution of the orders HHM places for its clients.

The conflicts of interest this recommendation may present are described and addressed in complete detail in **“Products and Services Available to HHM from Schwab”** above.

Clients may direct brokerage to any broker-dealer they choose. It is the client’s responsibility to negotiate commission rates with the directed broker-dealer.

It is important to understand, if the client directs brokerage to a broker-dealer other than Schwab, the client may not receive the best execution available, may pay higher commissions, and may not be able to participate in aggregated trades (please see **“Order Aggregation”** below).

In selecting an executing broker-dealer clients are encouraged to consider, among other factors, the following:

- Brokerage arrangements other than those directed by the client may exist that would provide the client more favorable execution or additional brokerage related services.
- Other than in connection with monitoring trade execution data for client transactions, HHM has no responsibility to determine or assess the extent or value of service provided to clients by their directed executing brokers, nor does HHM generally have access to such information.
- Technological capabilities and limitations of a client’s executing broker (e.g. a broker’s inability to receive orders electronically) may affect HHM’s ability to relay trading instructions to such broker as efficiently as it is able to relay instructions to brokers that have more sophisticated order systems.

HHM encourages its clients to periodically review the terms of their brokerage agreement to ensure such terms meet their needs and are competitive in the market in relation to the services offered.

Order Aggregation

Client orders executed through the same broker dealer may be aggregated to achieve best execution. Generally clients will receive the average share price of all orders executed to fill the aggregated order. Individual transaction fees and commissions will not be affected. The client will incur the same transaction fee or commission charge regardless if the order was aggregated or executed individually. Aggregation saves time and all accounts receive same price. HHM will attempt to aggregate orders when it is determined it is prudent to place orders for the same security, at the same time, in one or more client accounts.

ITEM 13. REVIEW OF ACCOUNTS

For Portfolio Management Clients, HHM conducts systematic reviews of Clients’ investment holdings during its by-weekly Investment Committee Meeting. This review includes all IA Reps, the Chief Investment Officer and Managing Member. Additionally, reviews of individual Client accounts are conducted on a quarterly basis in conjunction with calculating its management fees by the Chief Compliance Officer; and, during a clients’ regularly scheduled review meeting held with their Financial Advisor (either quarterly, semiannually, or annually).

Portfolio Management Clients are encouraged to meet with HHM at least once per year to review their account as a whole, ensuring that the management aligns with their current financial condition, goals and objectives.

For Financial Planning Clients, HHM reviews the Client’s account in the initial preparation of a *Comprehensive Financial Plan* and may review the Client’s account during a *Separate Financial Planning Consultation*, but

does *not* review those accounts again unless engaged for an *Annual Financial Plan Review*. Financial Planning Clients are encouraged to meet with HHM at least once per year to review their account as a whole, ensuring that their financial plan aligns with their current financial condition, goals and objectives.

While all Clients are provided with at least a quarterly custodian account statement, HHM will produce internally generated investment statements at the regularly scheduled Client Review Meeting. In addition to listing all portfolio holdings held in the Client account, the custodian statement also provides other important data such as market value, cost basis, interest/dividends received, expenses, purchases/sales, and any capital inflow/outflow in the account during the reporting period.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

HHM receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their 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 us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Referral Arrangements: HHM may from time to time compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals.

Compensated persons may include certified public accountants of Henderson, Hutcherson & McCullough, PLLC. HHM is aware of the special considerations promulgated under Section 206(4)-3 of the Investment Advisors Act of 1940 and similar state regulations and such referral compensation may constitute a conflict of interest.

As such, appropriate disclosure shall be made, all written instructions will be maintained by HHM and all applicable Federal and/or State laws will be observed. Clients are advised the involvement of a referral fee being paid or the lack of a referral fee will not impact the amount of the fee being paid by the client or the services rendered to the client.

Additionally, any on-going referral compensation (generally expressed as a percentage of fees generated) are made only to licensed investment advisors, investment advisor representatives and/or "Solicitors" within the meaning of the various rules and regulations promulgated by the SEC and various state regulatory agencies.

ITEM 15. CUSTODY

Under government regulations, HHM is deemed to have custody of Client assets if, for example, the Client authorizes HHM to instruct the custodian to deduct HHM's advisory fees directly from Client's account. HHM has contracted with an independent audit firm to conduct an annual surprise audit of client accounts deemed to have custody status. Schwab or other custodians maintain actual custody of the Client's assets.

The Client will receive account statements directly from Schwab or other custodian at least quarterly. Statements will be sent to the email or postal mailing address provided by the Client to that custodian. The Client should carefully review those statements promptly when received. HHM urges the Client to compare the custodian's account statements to the periodic account statements/portfolio reports that the Client receives from HHM and to advise HHM of any discrepancies that may exist.

ITEM 16. INVESTMENT DISCRETION

As described in **Item 4 - Advisory Business** of this *FIRM BROCHURE*, HHM will have investment discretion for those Advisory Clients that elect *Discretionary Portfolio Management Services*.

Clients will select this option specifically in HHM's *Investment Advisory Agreement* and will sign a trading authorization form with their broker-dealer/custodian. Granting HHM discretionary authority is limited to trade activity within the client's account, selecting the security, buy and/or sell, timing of the transaction, and amount of the transaction.

When Advisory Clients grant discretionary authority to HHM, Clients may still place restrictions on the advisor, such as a prohibition on investing in specific securities, industries, or markets that the Client chooses.

Additionally, unless specifically instructed otherwise by the Client, HHM seeks to maintain diversified investment portfolios for its Portfolio Management Clients and will attempt not to concentrate more than 15 percent of a Client's investable assets into any non-diversified security (e.g. stock, bond, options contract).

ITEM 17. VOTING CLIENT SECURITIES

For any security that entails a voting right in the underlying company, HHM will not have or accept authority to vote Client securities.

All voting issues, proxies, and solicitations will be communicated to Advisory Clients through the Client's broker-dealer/custodian. Upon request, however, HHM may help explain or answer questions regarding a given voting issue.

ITEM 18. FINANCIAL INFORMATION

Because HHM does not require or solicit prepayment of Client fees six months or more in advance, the SEC does not require HHM to include its Balance Sheet with this *FIRM BROCHURE*.

While HHM oftentimes has discretionary authority of Client funds or securities, HHM knows of no current financial condition that is reasonably likely to impair HHM's ability to meet its contractual commitments to Clients.