



## **Garcia Wealth Management Group, Inc.**

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### **Form ADV, Part 2A Brochure**

March 30, 2017

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This brochure provides information about the qualifications and business practices of Garcia Wealth Management Group, Inc. If you have any questions about the contents of this brochure, please contact us at 805-434-2608 or [rob@garciawealth.com](mailto:rob@garciawealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Garcia Wealth Management Group, Inc. is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view Garcia Wealth Management Group, Inc.'s information on this website by searching for Garcia Wealth Management Group, Inc. You may search for information by using Garcia Wealth Management Group, Inc.'s name or by using Garcia Wealth Management Group, Inc.'s CRD number. The CRD number for Garcia Wealth Management Group, Inc. is 158082.

\*Registration as an investment advisor does not imply a certain level of skill or training.

## Item 2 – Material Changes

This item is used to describe material changes that are made to the disclosure brochure and provide readers with a summary of such changes.

We have made material changes since the previous annual update to our brochure, dated March 28, 2016. Here is a summary of those changes:

**Item 4:** For certain client assets, Garcia Wealth Management Group outsources a portion of the investment management to United Capital Financial Advisers, LLC (“United Capital”), an investment adviser not affiliated with Garcia Wealth Management Group, who serves as sub-advisor (“Sub-Advisor”). United Capital is granted discretionary investment authority over assets that Garcia Wealth Management Group assigns to United Capital.

**Item 5:** Garcia Wealth Management Group will pay Sub-Advisor a percent of the Client's assets under management, assigned to Sub-Advisor. The fee rate for each investment strategy managed by Sub-Advisor may vary. Sub-advisory fees are separate and distinct from Garcia Wealth Management Group's fee.

**Item 7:** Sub-Advisors may maintain certain account minimums. If the account minimums are not maintained, Sub-Advisors may terminate its management of Client assets delegated to it for management.

**Item 10:** Robert A. Garcia and Stephanie Kemp are no longer registered representatives of LPL Financial. All related disclosures have been removed from this brochure.

**Item 12:** Garcia Wealth Management Group has established a relationship with TD Ameritrade Institutional, a registered broker/dealer, member FINRA/SIPC. TD Ameritrade offers custodial services similar to those offered by LPL Financial and Charles Schwab & Co., Inc. Clients may choose any of these firms as their qualified custodian for their accounts.

**Item 14:** Garcia Wealth Management Group has a financial incentive to refer Clients to United Capital rather than manage the assets on its own or refer them to another adviser, creating a conflict of interest. When Garcia Wealth Management Group refers clients to United Capital for Sub-Advisor services it receives various incentives, including:

Garcia Wealth Management Group will receive warrants to purchase United Capital parent company stock, if they transition a predetermined percent of their client assets under United Capital's management and place a predetermined percent of their clients into Garcia Wealth Management Group's financial guidance offering that utilizes FinLife Partners' technology solutions, which is described in the “FinLife Partners Service Offering” section of this ADV.

Certain technology implementation fees incurred by Garcia Wealth Management Group in connection with Garcia Wealth Management Group's use of FinLife Partners' technology solutions will be waived if a predetermined number of Garcia Wealth Management Group's clients subscribe to Garcia Wealth Management Group's guidance services that utilize such technology solutions and United Capital's Sub-Advisor services.

If Garcia Wealth Management Group does not utilize predetermined threshold volume of Sub-Advisor services or technology solutions offered by United Capital or FinLife Partners, as applicable, then the relationship with FinLife Partners may be terminated due to insufficient revenue generation.

To address this conflict, if the Client does not want to invest their assets with United Capital as the Sub-Advisor or receive Garcia Wealth Management Group's financial guidance services that require access to the FinLife platform, the Client may discuss alternative options with Garcia Wealth Management Group.

In addition to sub-advisor services, United Capital also provides separate services to Garcia Wealth Management Group under its division FinLife Partners. FinLife Partners provide access to its technology platform to the Garcia Wealth Management Group that includes use of certain technology platform, training relating to use of such technology platform, and if elected by Garcia Wealth Management Group certain clerical document and data compilation services. Garcia Wealth Management Group pays FinLife Partners a flat fee for its technology implementation services and fees calculated per percentage-basis formula in accordance with the volume of clients for whom Garcia Wealth Management Group utilizes such services and/or products. As such, for certain services offered, Clients indirectly contribute to the payment of cost of services paid to FinLife Partners. Relating to the cost for services, Garcia Wealth Management Group is financially incentivized to refer clients to United Capital, creating a conflict of interest described above.

Additionally, in the course of conducting our annual compliance review, we have determined that we did not previously disclose certain benefits received from Charles Schwab & Co, Inc. ("Schwab"). These benefits, which were material, included payment by Schwab to third party services and vendors on the expectation that we have at least \$90 million in client assets held at Schwab within 12 months. It is our belief that these benefits were used to service all or a substantial number of our client accounts. Clients should be aware, however, that the receipt of these economic benefits in and of itself creates a conflict of interest and may have influenced our recommendation of Schwab for custody and brokerage services. We have addressed this conflict by appropriately weighing these benefits for our clients in the context of always seeking best execution when choosing or recommending custodians and broker-dealers. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first.

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 – Advisory Business**

Garcia Wealth Management Group, Inc. (also referred to as “Garcia Wealth Management Group”, “us”, “we” or the “Firm” throughout this document) is an investment advisor registered since February 2012. The Firm was formerly registered under Robert Alan Garcia’s name as a sole proprietorship from February 2012 until January 2015 when we reorganized the legal entity to a California-based Corporation. Mr. Garcia is the sole owner of the Firm.

One of the primary purposes of this document is to disclose all material conflicts of interest (including those under applicable securities laws) regarding the firm, our advisor representatives and our employees that could reasonably expect to impair the rendering of unbiased and objective advice.

### **General Description of Primary Advisory Services**

The following are brief descriptions of our primary services. A detailed description of each service is provided in Item 5 – Fees and Compensation so that clients and prospective clients can review the services and description of fees in a side-by-side manner.

***Financial Guidance*** - We provide advisory services in the form of financial guidance services. Financial guidance services do not involve the active management of client accounts, but instead focus on a client’s overall financial situation. Financial guidance can be described as helping individuals determine and set their long-term financial goals, through topics including, but not limited to, investment management, tax planning, retirement/cash flow modeling, transition planning, estate design, risk management and philanthropic planning. The role of a financial planner is to find ways to help the client understand his/her overall financial situation and help the client set financial objectives.

***Investment Management*** - We provide advisory services in the form of investment management services. Investment management services involve providing clients with continuous and on-going supervision over client accounts. This means our Firm will continuously monitor a client’s account and make trades in client accounts when necessary.

***Qualified Plan Consulting*** - We provide several advisory services for corporate retirement plans, separately or in combination. The primary clients for these services are pension, profit sharing, and 401(k) plans.

***Limit Advice to Certain Types of Investments.*** Garcia Wealth Management Group provides investment advice on the following types of investments.

- No-Load (i.e. no trading fee) and Load-Waived (i.e. trading fee waived) Mutual Fund Shares
- Exchange-listed securities (i.e. stocks)
- Securities traded over-the-counter (i.e. stocks)
- Fixed income securities (i.e. bonds)
- Closed-End Funds and Exchange Traded Funds (ETFs)
- Unit Investment Trusts (UITs)
- Managed futures funds
- 529 Education Plans
- Foreign issues
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit

- Municipal securities
- Variable life insurance
- Variable annuities
- United States government securities
- Options contracts on securities
- Interests in partnerships investing in real estate, oil and gas interests
- Garcia Wealth Management Group may provide advice on hedge funds, managed futures, structured products and other private placement investments. These types of investments are often illiquid, which means that the investments can be difficult to trade and consequently can limit a client's ability to sell the investments in a timely manner and at an advantageous price. Additionally, some investments may not have registered pursuant to the Securities Act of 1933, and therefore the client will need to complete a subscription agreement showing the client is an "accredited" investor (as defined by applicable law and rules and regulations) and acknowledge that he or she has read and understands the private placement memorandum and is aware of the various risk factors associated with such an investment.

When providing investment management services, we typically construct each client's account holdings using mutual funds and exchange traded funds (ETFs) to build diversified portfolios. It is not our typical investment strategy to attempt to time the market but we may increase cash holdings modestly as deemed appropriate, based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)

### **Sub-Advisors**

For certain client assets, Garcia Wealth Management Group outsources a portion of the investment management to United Capital Financial Advisers, LLC ("United Capital"), an investment adviser not affiliated with Garcia Wealth Management Group, who serves as sub-advisor ("Sub-Advisor"). United Capital is granted discretionary investment authority over assets that Garcia Wealth Management Group assigns to United Capital. For the assets directed to Sub-Advisor for services, its responsibility includes the authority to:

- exercise discretion to determine the types of securities bought and sold, along with the percentage allocation
- apply its discretion as to when to buy and sell
- apply its discretion as to the timing of transactions
- select the broker/dealer for execution of securities transactions, if appropriate, and
- take other portfolio management actions Garcia Wealth Management Group delegates or deems appropriate.

Any authority of United Capital only applies to the specific assets, within the Client's custodial account, for which United Capital has been appointed as the discretionary manager. United Capital shall not provide investment advice, or have any advisory responsibility to the Client, beyond the assets for which it is appointed as Sub-Advisor. The terms of services provided by United Capital are directed in accordance with a separate written agreement entered into between the Garcia Wealth Management Group and United Capital. See also important disclosures under Item 5 and 14 below.

### **Tailor Advisory Services to Individual Needs of Clients**

Our services are always provided based on the individual needs of each client. This means, for example, that you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with each client on a one-on-one basis through interviews and questionnaires to determine the client's investment objectives and suitability information.

When managing client accounts through the firm's Investment Management Services, we may manage a client's account in accordance with one or more investment models. When client accounts are managed using models, investment selections are based on the underlying model and we do not develop customized (or individualized) portfolio holdings for each client. However, the determination to use a particular model or models is always based on each client's individual investment goals, objectives and mandates.

### **Client Assets Managed by Garcia Wealth Management Group**

As of December 31, 2016 our assets under management totaled \$226,806,569. Of that total, \$171,075,805 is managed on a discretionary basis and \$55,730,764 is non-discretionary. Please refer to Item 16 – Investment Discretion for more information.

## **Item 5 – Fees and Compensation**

In addition to the information provided in Item 4 – Advisory Business, this section provides more details about Garcia Wealth Management Group's services. The section also includes descriptions of each service's fees and compensation arrangements. You may be able to find lower fees for comparable services from other sources.

### **Financial Guidance and Consulting Services**

We offer financial guidance services in the form of written or oral financial plans that can be either holistic or segmented (modular). These plans can include, but are not limited to, the following.

- ✓ Retirement planning
- ✓ Education planning
- ✓ Insurance needs analysis
- ✓ Cash-flow needs
- ✓ Debt analysis
- ✓ Asset allocation
- ✓ Estate planning

To begin the financial guidance process, we will meet with you to determine the scope of the engagement and the proposed fee schedule. There is no charge for this initial meeting. If you elect to proceed with the engagement, a client agreement is signed, usually at the second meeting. At either the first or second meeting, we begin gathering the information and documents needed to assess your current financial situation and planning considerations and to begin preparing the requested plan. We rely on the information provided by you. Therefore, it is very important that the information you provide is complete and accurate.

We are not responsible for verifying the information supplied by you. Our services do not include legal or tax advice. You are also urged to work closely with your attorney, accountant or other professionals regarding your financial and personal situation. When providing financial guidance services, we may consult with attorneys, accountants or other outside professional consultants. Fees for these outside professional consultants' services may be incorporated into the fees charged by us for our advisory

services. In no event are the services of an outside professional consultant engaged without your express approval.

We present a completed plan to you within 3 - 4 weeks of the required information being received. We will hold a third meeting with you to present the drafted plan and discuss the items, including any change needed in scope or scenarios of the plan. A fourth meeting is held to go over the final plan and begin implementing it. There may be additional meetings as recommended by us and agreed to by you.

Fees for financial plans can be charged on a fixed, hourly, or assets under financial guidance basis as determined jointly by you and the Firm. Hourly fees do not exceed \$300 per hour and fixed fees range from \$1,500 to \$4,000. Both hourly and fixed fees are negotiable based upon the actual services requested, the complexity of your situation and the representative providing the services. If fees are charged on an hourly basis, we will provide an estimate of the hours needed to complete the requested plan. If more time is needed to complete the plan than the original estimate, we will request your permission prior to proceeding with any additional work. You are charged for the actual time expended on the plan. For a description of fees on the basis of assets under financial guidance, see **Investment Management and Financial Guidance Fees** below.

Up to ½ (one-half) of the estimated fee will be due at the time you execute an engagement for services with the remaining amount due upon presentation of the plan to you and we provide you with a detailed billing statement.

Financial guidance services terminate upon presentation of the plan to you. However, either of us can terminate services at any time by providing written notice to the other party. Termination is effective immediately upon receiving the notice. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. You are responsible for the time expended to the date of termination and we provide you with a billing statement detailing the prorated charge due.

A conflict exists between the interests of our firm and your interests. This is because if you choose to implement advice provided in our plans through one of the other programs we offer or through our investment advisor representative's individual capacity as an insurance agent compensation will be received by us in addition to the financial guidance fees we charge. You are under no obligation to act upon our financial guidance recommendations. If you choose to act on any of our recommendations, you are under no obligations to effect transactions through our firm or through our investment advisor representative's individual capacity as an insurance agent.

### **Investment Management Services - GWMG Investment Program**

#### **Description of Services**

We have developed the GWMG Investment Program (referred to as the "Program" in this section). Through the Program, we provide investment management services which are defined as providing continuous investment advice to a client and making investments for the client based on the individual needs of the client. If you decide to engage us for this service, we will provide a customized and individualized investment program based on your individual needs. This involves developing a specific asset allocation strategy and investment policy statement (IPS) crafted to focus on your specific goals and objectives. The IPS will define the risk tolerance and investment objectives. The IPS should be updated regularly, but at a minimum every 2 years.



Program accounts may be established at LPL Financial ("LPL"), Charles Schwab & Company, Inc ("Schwab"), or TD Ameritrade Institutional ("TD Ameritrade"). Each of these firms is a registered broker/dealer, member FINRA/SIPC, and will serve as the client's qualified custodian and maintain physical custody of all client funds and securities. You must designate Garcia Wealth Management Group as your investment advisor on the accounts you'd like Garcia Wealth Management Group to manage. Garcia Wealth Management Group will be granted limited power-of-attorney on the account to implement trades within the account and (when agreed to by the client) deduct Garcia Wealth Management Group advisory fees from the account.

During any month that there is activity in the Program account, you will receive a monthly account statement, from the qualified custodian, showing account activity as well as positions held in the account at month end. Additionally, you will receive a confirmation of each transaction that occurs within the Program account unless the transaction is the result of a systematic purchase, redemption or exchange. You will also receive a detailed quarterly report showing performance, positions, and activity. All account data and statements are also available on-line through the account view portal through the qualified custodian.

#### Investment Management and Financial Guidance Fees

The annual investment advisory fee charged in the Program varies based on the assets held in the account and is determined based upon the market value of the account. Clients may engage us for Investment Management only, Financial Guidance only, or both services combined. Fees are non-negotiable; however, at our discretion, we may reduce our standard fee. Accounts may be aggregated for fee break purposes. The following is the standard fee schedule to determine the client's annual fee and is provided for illustrative purposes. Each client's specific fee arrangement will be determined based on factors such as, but not limited to, the total assets under management, the number of accounts managed, the client's financial situation, and the client's relationship with Garcia Wealth Management Group. This is a tiered fee schedule.

<b>Fees for Services Schedule</b>			
<b>Client Assets Under Management (or Assets under Advisement for Financial Guidance only)</b>	<b>Fees for Financial Life Management (Investment Management &amp; Financial Guidance)</b>	<b>Fees for Investment Management Only</b>	<b>Fees for Financial Guidance Only</b>
\$0 to \$2,000,000	1.25%	1.00%	0.50%
\$2,000,001 to \$5,000,000	1.00%	0.85%	0.40%
\$5,000,001 to \$10,000,000	0.85%	0.75%	0.30%
Greater than \$10,000,000	Negotiable		

Garcia Wealth Management Group imposes a minimum annual fees as follows: Financial Guidance only - \$2,500; Investment Management only - \$5,000; and Financial Life Management - \$6,250. Minimum costs may be reduced or waived on a case by case basis depending on the facts and circumstances of the services provided; at our sole discretion. Some accounts may be under different fee schedules honoring prior agreements.

The annual fee is divided and payable quarterly in advance through a direct debit in the account. Our Firm is responsible for fee calculations and fee billing. You will need to provide Garcia Wealth Management Group written authorization to debit advisory fees from your accounts and have them paid to our Firm. Fees are based on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter will be prorated based on the number of days remaining in the initial quarter.

You will be required to enter into a formal investment advisory agreement with Garcia Wealth Management Group setting forth the terms and conditions of our services, including the amount of our investment advisory fees, and a separate custodial/clearing agreement with the qualified custodian.

In addition to the investment advisory fee detailed above, the client will pay certain transaction charges to defray the costs associated with trade execution. Brokerage commissions and/or transaction ticket fees charged by the custodian will be billed directly to the client. Garcia Wealth Management Group will not receive any portion of such commissions or fees from the custodian or clients. LPL, Schwab and TD Ameritrade fees and expenses are available directly from each custodian.

You may incur certain charges imposed by third parties other than Garcia Wealth Management Group in connection with investments made through the account, including but not limited to, 12b-1 fees and surrender charges, and IRA and qualified retirement plan fees. Management fees charged by Garcia Wealth Management Group are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus. However, Garcia Wealth Management Group does not get paid mutual fund sales loads, 12b-1 fees and surrender charges in fee-based accounts. Although clients may be charged 12b-1 fees, LPL, Schwab, or TD Ameritrade will retain all such fees. Clients are not charged front end sales loads because the front end sales loads for mutual funds are waived in fee-based advisory programs. When institutional class is available and minimum amount is met, Garcia Wealth Management Group uses institutional class mutual funds that generally have lower expenses than non-institutional class.

Either party (i.e. you or us) may terminate the agreement for services at any time. If services are terminated within five (5) business days of executing the agreement, services will be terminated without penalty and a full refund of all fees paid in advance will be provided. If services are terminated after the initial five day period, you will receive a pro-rated refund of fees paid in advance. The refund will be based on the number of days service was actually provided during the final billing period. Termination shall be effective from the time the other party receives written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final refund of advisory fees. There will be no penalty charge upon termination.

### **Sub-Advisors**

Garcia Wealth Management Group will pay Sub-Advisor a percent of the Client's assets under management, assigned to Sub-Advisor. The fee rate for each investment strategy managed by Sub-Advisor may vary. When Garcia Wealth Management Group submits investment allocation instructions through the third party service provider's website, the applicable sub-advisory fee will be listed. Garcia Wealth Management Group will pay Sub-Advisor the applicable fee. Sub-advisor fees are separate and distinct from Garcia Wealth Management Group's fee.

### **Qualified Retirement Plan Consulting Services**

Clients may engage Garcia Wealth Management Group to provide qualified retirement plan consulting services. Qualified retirement plan consulting services may include, but are not necessarily limited to, development and maintenance of model investment portfolios, recommendations regarding investment selection, and educational presentations to plan participants. Below is a list, with descriptions, of the suite of services offered through this program.

- Qualified Plan Development – Provider Due Diligence Search, Presentation and Finalist Review. If needed, Garcia Wealth Management Group can assist clients with the establishment of a qualified plan by working with the client and a selected Third-Party Administrator. When a client has not already selected a Third-Party Administrator, Garcia Wealth Management Group can assist the client with the review and selection of a Third-Party Administrator for the Plan.
- Facilitation of Conversion Process. Provide assistance with plan conversion if needed.
- Fiduciary Fitness Program. Provide fiduciary gap analysis and documentation using proprietary Report Card. Provide annual reviews and guides.
- Investment due Diligence Program. Garcia Wealth Management Group can assist the Client with recommendations of suitable investments that may be held within the plan.
- Investment Policy Statement. Provide sample wording and help integrate the Investment Policy Statement with the investment selection process.
- Educational Presentations. Garcia Wealth Management Group can provide educational presentations for plan participants. Presentations to participants are informational in nature and intended to provide an overview of the plan and the plan's investment selections. Educational presentations never take into account the individual circumstances of participants and individual recommendations will not be provided.
- Due Diligence Review. Upon request from a client, Garcia Wealth Management Group can provide a client with periodic due diligence reviews of the plan and the plan's investment options.
- Participant Enrollment. Garcia Wealth Management Group can support the client with plan participant enrollments.
- Newsletter Campaign. Provide quarterly employer newsletter.
- General Plan Consulting. Respond to ongoing questions, concerns, and issues related to the Plan as raised by the client.

The exact suite of services provided to a client will be listed and detailed in the Qualified Retirement Plan Consulting Agreement.

All recommendations of investment options and portfolios will be submitted to the client for the client's ultimate approval or rejection. Therefore, it is always the client's responsibility to accept Garcia Wealth Management Group's investment recommendations and then physically make changes to the plan itself.

In the event a client contracts Garcia Wealth Management Group for one-on-one consulting services with Plan Participants, such services are consulting in nature and do not involve Garcia Wealth Management Group implementing recommendations in individual participant accounts. It will be the responsibility of each Participant to implement changes in their individual accounts.

The Plan custodian will send statements to the Plan, at least quarterly, showing all disbursements from the Plan, including the amount of the advisory fee paid and when such fee is deducted directly from the Plan. Upon request, Garcia Wealth Management Group will send the Plan a fee billing notice showing

the amount of the fee that will be deducted, the manner in which the fee was calculated, any adjustments to the fee and an explanation of such adjustments.

Our services are normally provided on an on-going basis, but may also be provided on a one-time or periodic (as requested by the client) basis. Fees for one-time or as-needed services are billed on an hourly basis of up to \$250 (as negotiated with each client depending on the client's specific service request) not to exceed \$10,000 per project. Fees for one-time or as-needed services are payable as time is incurred and services are billed.

Fees for ongoing qualified retirement plan consulting services may be calculated and billed in advance or in arrears each quarter. Fees can be based on a percentage of the total market value of the Plan at the close of the quarter or charged on a fixed-fee basis as agreed to by the client and Garcia Wealth Management Group. Our maximum annual fee based on a percentage of the total market value of the Plan does not exceed 1.5% of the assets under advisement. When billing on a fixed fee basis, we will not charge more than \$20,000 annually. Fees are negotiable based on factors such as, but not limited to, the size of the plan and the number of participants.

We charge a minimum annual fee of \$2,500 (which also covers setup of new arrangements) until the Plan reaches \$1,000,000 in assets.

Fees may be billed and collected on a monthly, quarterly or semi-annual basis. For percentage based fees, the current period fee payment will be calculated using the value of the Plan assets at the end of the period. When charging a fixed-fee, we will divide the annual fee into twelve (monthly payments), four (quarterly payments) or two (semi-annual payments) equal payments.

The actual fee charged to a client, payment method (i.e. deducted from the Plan or paid via invoice), and when fees will be collected will be described in the Qualified Retirement Plan Consulting Agreement. Fees are generally deducted from the Plan by the custodian and paid to Garcia Wealth Management Group based upon the custodian's receipt of written authorization to have the fees deducted from the Client's account and paid to Garcia Wealth Management Group. If agreed to in advance and at the discretion of Garcia Wealth Management Group, Garcia Wealth Management Group may bill the Client directly rather than have fees automatically deducted from the Plan. For any Clients that Garcia Wealth Management Group bills directly, fees for Garcia Wealth Management Group's qualified retirement plan consulting services are due within 30 days after Client's receipt of the billing notice.

Certain expenses incurred by Garcia Wealth Management Group in order to perform the agreed upon Plan services will be considered outside of the standard fee for services described above and will be billed directly to client in addition to the agreed upon service fee indicated. Any outside expenses that clients may be responsible for will be described in the Qualified Retirement Plan Consulting Agreement.

In addition to Garcia Wealth Management Group's compensation, the Client will also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses) and charges imposed by the Plan custodian and Third-Party Administrator (if applicable). Brokerage commissions and/or transaction ticket fees charged by the custodian will be billed directly to Client by the custodian. Garcia Wealth Management Group will not receive any portion of such brokerage commissions or transaction fees from the custodian or Client. Service fees charged by Garcia Wealth Management Group are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to Clients. A description of these fees and expenses are available in each investment company security's prospectus.

Either Client's authorized representative or Garcia Wealth Management Group may terminate the Qualified Retirement Plan Consulting Agreement with 30 days written notice to the other party. A refund of any unearned fees will be made based on the time expended by the Garcia Wealth Management Group before termination. A full refund of any fees paid will be made if the agreement is terminated within five business days. The Qualified Retirement Plan Consulting Agreement terminates upon failure of the Client to pay Service Fees pursuant to the terms stated in that Agreement.

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

Item 6 of the Form ADV Part 2 instructions is not applicable to this brochure because Garcia Wealth Management Group does not charge or accept performance-based fees which can be defined as fees based solely on a share of capital gains on or capital appreciation of the assets held within a client's account.

### **Item 7 – Types of Clients**

We generally provide investment advice to the following types of clients.

- Individuals
- High-Net Worth Individuals
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

All clients are required to execute an agreement for services in order to establish a client arrangement with Garcia Wealth Management Group.

### **Minimum Investment Amounts Required**

We require a minimum investment amount of \$250,000 to establish an investment management account.

### **Sub-Advisors**

Sub-Advisors may maintain certain account minimums. If the account minimums are not maintained, Sub-Advisors may terminate management of Client assets delegated to it for management.

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

#### **Garcia Wealth Management Group uses the following methods of analysis in formulating investment advice.**

***Fundamental*** - A method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

**Technical** - A method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

**Garcia Wealth Management Group uses the following investment strategies when managing client assets and/or providing investment advice.**

- ✓ Long term purchases - Investments held at least a year.
- ✓ Short term purchases - Investments sold within a year.
- ✓ Trading - Investments sold within 30 days.
- ✓ Option writing including covered options, uncovered options, or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

**Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear, including loss of your original principal. However, you should be aware that past performance of any security is not necessarily indicative of future results. Therefore, you should not assume that future performance of any specific investment or investment strategy will be profitable. We do not provide any representation or guarantee that your goals will be achieved. Further, depending on the different types of investments, there may be varying degrees of risk:

- Market Risk. The market as a whole goes down, resulting in a decrease in the value of client investments. This is referred to as systemic risk.
- Equity (Stock) Market Risk. Common stocks are susceptible to fluctuations and to volatile increases/decreases in value as their issuers' confidence or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.
- Company Risk. There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).
- Options Risk. Options on securities may be subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options are highly specialized activities and involve greater than ordinary investment risk. Puts and calls are the right to sell or buy a specified amount of an underlying asset at a set price within a set time.
- Fixed Income Risk. Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- ETF and Mutual Fund Risk. ETF and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also incur brokerage costs when purchasing ETFs.
- Management Risk. Your investments also vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our strategies do not produce the expected returns, the value of your investments will decrease.

#### **Item 9 – Disciplinary Information**

This item is not applicable to Garcia Wealth Management Group's brochure because there are no legal or disciplinary events listed at Item 9 of the Form ADV Part 2 instructions that are material to a client's or prospective client's evaluation of Garcia Wealth Management Group's business or the integrity of Garcia Wealth Management Group's management.

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

##### **Insurance Sales**

Robert Garcia is independently licensed to sell insurance products through various insurance companies. When acting in this capacity, he may receive fees or commissions for selling these products. You are under no obligation to direct insurance transactions to insurance companies with which our representatives may be licensed. Suitable insurance and investment products may be available from other companies.

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

### **Code of Ethics Summary**

Garcia Wealth Management Group has established a Code of Ethics that will apply to all of our personnel. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Garcia Wealth Management Group has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for the advisor's Code of Ethics which also covers its Insider Trading and Personal Securities Transactions Policies and Procedures. Garcia Wealth Management Group requires all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and when changes occur, all supervised persons must sign an acknowledgement that they have read, understand and agree to comply with the advisor's Code of Ethics.

Garcia Wealth Management Group has the responsibility to make sure that the interests of all clients are placed ahead of Garcia Wealth Management Group's or its supervised person's own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. Garcia Wealth Management Group and its supervised persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is a summary of our Code of Ethics. **However, if you would like to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.**

### **Affiliate and Employee Personal Securities Transactions Disclosure**

Our personnel may buy or sell investment products for our personal accounts that are identical to those recommended to you. This creates a potential conflict of interest. It is our express policy that all persons associated in any manner with us must place your interests ahead of our own when implementing personal investments. We and our associated persons will not buy or sell securities for our personal account(s) where our decision is derived, in whole or in part, by information obtained as a result of employment unless the information is also available to the investing public upon reasonable inquiry.

## **Item 12 – Brokerage Practices**

### **Factors Considered in Selecting Broker-Dealers for Client Transactions**

Garcia Wealth Management Group requires clients to open one or more custodian accounts in their own name at a qualified custodian of the client's choice. For clients in need of brokerage or custodial services, we recommend the use of LPL, Schwab, or TD Ameritrade.

A client is not under any obligation to effect trades through any recommended broker or custody their assets with any broker-dealer we recommend. All clients are free to select any broker-dealer of his or her choice. The client will enter into a separate agreement with the broker-dealer/custodian to custody the assets. We also require that clients grant us limited power of attorney to execute client transactions through the broker-dealer/custodian. We are independently owned and operated, and unaffiliated with any broker-dealer/custodian.

Through the qualified custodians, Garcia Wealth Management Group is provided with access to institutional trading and custody services, which are typically not available to retail investors. By receiving benefits and services from the custodians, we do not have to produce or pay for them directly. These services generally are available to independent investment advisors on an unsolicited basis, at no charge



to them. Schwab makes these services available at no charge to us so long as a total of at least: \$10 million of Firm clients' assets is maintained in accounts at Schwab and is not otherwise contingent upon Garcia Wealth Management Group committing to Schwab any specific amount of business (assets in custody or trading). The custodian's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Garcia Wealth Management Group' clients' accounts maintained in its custody, the custodians do not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the custodial broker or that settle into the custodial accounts. The commission and/or transaction fees charged by the custodial broker may be higher than those charged by other broker/dealers. The custodian's enable our Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. By establishing the bulk of our client accounts at these custodians we are in a better position to negotiate commission and transaction fees they charge to clients.

The custodians also make available to Garcia Wealth Management Group other products and services that benefit Garcia Wealth Management Group but may not benefit each clients' account directly. Some of these other products and services assist Garcia Wealth Management Group in managing and administering clients' accounts as a whole. These include software and other technology that provide access to client account data (such as trade confirmation 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 advisory fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Garcia Wealth Management Group accounts.

The custodians also make available to Garcia Wealth Management Group other services intended to help Garcia Wealth Management Group 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, the custodians may make available, arrange and/or pay for these types of services rendered to Garcia Wealth Management Group by independent third party providing these services to Garcia Wealth Management Group. While as a fiduciary, Garcia Wealth Management Group endeavors to act in its clients' best interests, and while the recommendation that clients maintain their assets in accounts at the custodian may be based in part on the benefit to Garcia Wealth Management Group of the availability of some of the foregoing products and services; nevertheless, these products and services by facilitating the Firm's workload are also effectively benefiting our clients as well.

### **Block Trading Policy**

In some cases transactions implemented by Garcia Wealth Management Group are effected on an individual basis. However, sometimes Garcia Wealth Management Group will purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by Garcia Wealth Management Group when Garcia Wealth Management Group believes such action may prove advantageous to clients. When Garcia Wealth Management Group aggregates client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or

other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be allocated among Garcia Wealth Management Group's clients in a fair and equitable manner for each client account on any given day. When Garcia Wealth Management Group determines to aggregate client orders for the purchase or sale of securities, including securities in which the associated person of Garcia Wealth Management Group may invest, Garcia Wealth Management Group will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* It should be noted, Garcia Wealth Management Group does not receive any additional compensation or remuneration as a result of aggregation.

#### **Trade Error Policy**

Garcia Wealth Management Group has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of Garcia Wealth Management Group to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by Garcia Wealth Management Group if the error was caused by Garcia Wealth Management Group. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs.

Garcia Wealth Management Group and its associated persons will never retain any portion of any gains made as a result of trade error corrections or profit in any way from trade errors.

If the gain does not remain in the account, the broker/dealer will maintain gains that may result from correcting a trade error and in some instances may use such gains to offset overall losses the broker/dealer incurs from trading errors.

### **Item 13 – Review of Accounts**

#### **Account Reviews and Reviewers**

Account reviews are provided in connection with investment management accounts. If your accounts are managed directly by Garcia Wealth Management Group, Robert Garcia, Stephanie Kemp, or Alison Venn will contact you at least annually for the purpose of reviewing your account(s) and to determine if there have been changes in your financial situation or investment objectives. The calendar is the main triggering factor, although more frequent reviews may also be triggered by changes in your circumstances, at your request, or changes within the market.

The underlying investments held in client accounts are reviewed on a more frequent basis. Portfolios constructed by Garcia Wealth Management Group are usually reviewed as frequently daily or weekly, but no less than monthly by Robert Garcia, Stephanie Kemp, and Alison Venn.

#### **Statements and Reports**

You will receive account statements directly from the qualified custodian of your account(s). Statements will be delivered at least quarterly. In addition, we may provide written performance or position reports of accounts under our management. You are strongly urged to compare all reports prepared by Garcia Wealth Management Group against the account statements received from the client's broker/dealer or qualified custodian.

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

We do not directly or indirectly compensate anyone for client referrals to us.

### **Sub-Advisors, United Capital, FinLife Partner Service Offering**

Garcia Wealth Management Group has a financial incentive to refer Clients to United Capital rather than manage the assets on its own or refer them to another adviser, creating a conflict of interest. When Garcia Wealth Management Group refers clients to United Capital for Sub-Advisor services it receives various incentives, including:

- Garcia Wealth Management Group will receive warrants to purchase United Capital parent company stock, if they transition a predetermined percent of their client assets under United Capital's management and place a predetermined percent of their clients into Garcia Wealth Management Group's financial guidance offering that utilizes FinLife Partners' technology solutions, which is described in the "FinLife Partners Service Offering" section of this ADV.
- Certain technology implementation fees incurred by Garcia Wealth Management Group in connection with Garcia Wealth Management Group's use of FinLife Partners' technology solutions will be waived if a predetermined number of Garcia Wealth Management Group's clients subscribe to Garcia Wealth Management Group's guidance services that utilize such technology solutions and United Capital's Sub-Advisor services.
- If Garcia Wealth Management Group does not utilize predetermined threshold volume of Sub-Advisor services or technology solutions offered by United Capital or FinLife Partners, as applicable, then the relationship with FinLife Partners may be terminated due to insufficient revenue generation.

To address this conflict, if the Client does not want to invest their assets with United Capital as the Sub-Advisor or receive Garcia Wealth Management Group's financial guidance services that require access to the FinLife platform, the Client may discuss alternative options with Garcia Wealth Management Group.

### **FinLife Partners Service Offering**

In addition to sub-advisor services, United Capital also provides separate services to Garcia Wealth Management Group under its division FinLife Partners. In an effort to enhance the quality and breadth of services that Garcia Wealth Management Group provides to its Clients, Garcia Wealth Management Group utilizes a suite of digitally powered technology solution offered by FinLife Partners, a division of United Capital Financial Advisers, LLC ("FinLife Partners"). FinLife Partners provide access to its technology platform to the Garcia Wealth Management Group that includes use of certain technology platform, training relating to use of such technology platform, and if elected by Garcia Wealth Management Group certain clerical document and data compilation services. FinLife Partners is not in any way involved in, or responsible for, the individual investment management or guidance provided to Clients. Garcia Wealth Management Group pays FinLife Partners a flat fee for its technology implementation services and fees calculated per percentage-basis formula in accordance with the volume of clients for whom Garcia Wealth Management Group utilizes such services and/or products. As such, for certain services offered, Clients indirectly contribute to the payment of cost of services paid to FinLife Partners. Relating to the cost for services, Garcia Wealth Management Group is financially incentivized to refer clients to United Capital, creating a conflict of interest. Financial incentives are described in the Sub-Advisors section above.

## Item 15 – Custody

Custody, as it applies to investment advisors, has been defined as holding, directly or indirectly client funds or securities, or having any authority to obtain possession of them. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or obtain possession of client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Garcia Wealth Management Group is deemed to have custody of client funds and securities whenever Garcia Wealth Management Group is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Garcia Wealth Management Group will ever maintain. It should be noted that authorization to trade in client accounts is not deemed as custody by regulators.

For accounts in which Garcia Wealth Management Group is deemed to have custody and all other accounts, Garcia Wealth Management Group has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Garcia Wealth Management Group. When clients have questions about their account statements, they should contact Garcia Wealth Management Group or the qualified custodian preparing the statement.

## Item 16 – Investment Discretion

Upon receiving written authorization from the client, we provide **discretionary** investment advisory services for client accounts. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for the client portfolio without obtaining the client's consent for each transaction.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

All clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. Clients may also place reasonable limitations on the discretionary power granted to our firm so long as the limitations are specifically set forth or included as an attachment to the client agreement.

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

A vote by proxy is a vote that is mailed in or cast in some other way while the person voting is physically absent. This is most frequently used by shareholders in a company who are unable to attend the annual shareholder's meeting but still want their vote to count.

Garcia Wealth Management Group does **not** perform proxy-voting services on a client's behalf. You are instructed to read through the information provided with the proxy-voting documents and to make a determination based on the information provided. Upon request we may provide limited clarifications of the issues presented in the proxy voting materials based on our understanding of issues presented in the proxy-voting materials. However, you will have the ultimate responsibility for making all proxy-voting decisions.

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

This item is not applicable to our brochure. Garcia Wealth Management Group does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for its most recent fiscal year. We have not been subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.



Individuals covered by this supplement include:

Robert A, Garcia  
Stephanie Kemp  
Alison Venn

**Garcia Wealth Management Group, Inc.**

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Templeton, CA 93465  
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## Form ADV, Part 2B Brochure Supplement

March 30, 2017

This brochure supplement provides information about Robert A. Garcia, Stephanie Kemp, and Alison Venn that supplements the Garcia Wealth Management Group brochure. Please contact Robert Garcia at 805-434-2608 if you have any questions about the contents of this supplement.

Additional information about Robert A. Garcia, Stephanie Kemp, and Alison Venn is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Robert A. Garcia, CFP<sup>®</sup>, AIF<sup>®</sup>**

### **Item 2 – Educational Background and Business Experience**

Born 1971

#### **Education Background**

- Graduated from Cal Poly San Luis Obispo in 1997 with a degree in Business Administration concentrating in Financial Management
- Obtained a Certificate in Financial Planning from Boston University in 2009

#### **Business Background**

- Garcia Wealth Management Group – Owner and Investment Advisor Representative (01/2012 – Present)
- LPL Financial – Registered Representative (02/2003 – 03/2017)

#### **Professional Designations**

- The CERTIFIED FINANCIAL PLANNER<sup>™</sup>, CFP<sup>®</sup> and federally registered CFP (with flame design) marks (collectively, the “CFP<sup>®</sup> marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP<sup>®</sup> certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP<sup>®</sup> certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP<sup>®</sup> certification in the United States.

To attain the right to use the CFP<sup>®</sup> marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP<sup>®</sup> Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

- The AIF certification signifies that an individual has a thorough knowledge of and ability to apply the fiduciary practices. To obtain the AIF certification, candidates must complete a training curriculum and then pass an AIF exam. AIF designees are required to adhere to a strict code of ethics. In order to maintain an AIF license, AIF designees must complete six hours of continuing professional education each year.

### **Item 3 – Disciplinary Information**

Mr. Garcia has never been subject to a legal or disciplinary event.

### **Item 4 – Other Business Activities**

Please refer to Item 10 of this Disclosure Brochure for details regarding Mr. Garcia's business activities as an independent insurance agent.

### **Item 5 – Additional Compensation**

The additional compensation that Mr. Garcia may receive is outlined above in Item 10 of this Disclosure Brochure.

### **Item 6 – Supervision**

Mr. Garcia is ultimately responsible for supervising activities and services provided by the Firm. Investment accounts are reviewed by Mr. Garcia on an on-going basis. Mr. Garcia can be contacted at 805-434-2608.



# Stephanie Kemp, CPFA

## **Item 2 – Educational Background and Business Experience**

Born 1976

### **Education Background**

- Graduated from Boise State University in 1999 with a degree in Finance and a degree in Political Science

### **Business Background**

- Garcia Wealth Management Group – Investment Advisor Representative (03/2013-Present)
- LPL Financial – Registered Representative (03/2013-2/2016)
- Primerica Financial Services - Sales (10/2011 – 03/2013)
- PFS Investments Inc. - Sales (02/2012 – 03/2013)
- GJG CA LLC - General Manager (02/2004 – 12/2011)
- WAW Consultancy - Consultant (10/2001 – 08/2007)

### **Professional Designations**

- The CPFA, Certified Plan Fiduciary Advisor credential is offered by the National Association of Plan Advisors. No specific experience is required. The education requirements are completion of the Certified Plan Fiduciary (CPFA) examination. 20 credits of continuing education are required every two years to maintain the designation.

## **Item 3 – Disciplinary Information**

Ms. Kemp has never been subject to a legal or disciplinary event.

## **Item 4 – Other Business Activities**

Ms. Kemp's only business is providing investment advice through Garcia Wealth Management Group.

## **Item 5 – Additional Compensation**

Ms. Kemp's only compensation comes from her regular salary at Garcia Wealth Management Group.

## **Item 6 – Supervision**

Mr. Garcia is ultimately responsible for supervising activities and services provided by the Firm including the services provided by Ms. Kemp. Investment accounts are reviewed by Mr. Garcia on an on-going basis. Mr. Garcia can be contacted at 805-434-2608.

# **Alison Venn**

## **Item 2 – Educational Background and Business Experience**

Born 1991

### **Education Background**

- Graduated from University of California, Los Angeles in 2013 with a degree in Psychology

### **Business Background**

- Garcia Wealth Management Group – Client Service Coordinator (03/2014-Present)
- DAOU Winery & Vineyards – Tasting Room Associate (11/2013-03/2014)
- University of California, Los Angeles – Student (08/2009 – 05/2013)

## **Item 3 – Disciplinary Information**

Ms. Venn has never been subject to a legal or disciplinary event.

## **Item 4 – Other Business Activities**

Ms. Venn's only business is providing investment advice through Garcia Wealth Management Group.

## **Item 5 – Additional Compensation**

Ms. Venn's only compensation comes from her regular salary at Garcia Wealth Management Group.

## **Item 6 – Supervision**

Mr. Garcia is ultimately responsible for supervising activities and services provided by the Firm including the services provided by Ms. Venn. Investment accounts are reviewed by Mr. Garcia on an on-going basis. Mr. Garcia can be contacted at 805-434-2608.

## Customer Privacy Policy Notice

**Commitment to Clients' Private Information:** We have developed a policy for protecting the confidentiality and security information we collect about our clients. We do not, and will not, share nonpublic personal information about clients ("Information") with outside third parties without the client's consent, except for the specific purposes described below. This notice has been provided to describe the information we may gather and the situations under which we may need to share it.

**Why We Collect and How We Use Information.** Garcia Wealth Management Group limits the collection and use of information within our firm to only those individuals associated or employed with us that must have the information to provide financial services to clients. Such services include maintaining accounts, processing transaction requests, providing financial planning, financial consultation, and other services described in this disclosure brochure.

**How We Gather Information.** Garcia Wealth Management Group obtains most information directly from our clients when they provide us with information from any of the following sources:

- Applications or forms (for example: name, address, social security number, birth date, assets, income, financial history)
- Transactional activity in accounts (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify identity or to assess credit history)
- Other sources with client consent (for example: insurance professional, attorney, or accountant)

**How We Protect Information.** Our employees and affiliated persons are required to protect the confidentiality of information and to comply with our stated policies. They may access information only when there is an acceptable reason to do so, such as to service client accounts or to provide financial services. Employees who violate our Privacy Policy are subject to disciplinary action, up to and including termination from employment with us. We also maintain physical, electronic, and procedural safeguards to protect information. These safeguards comply with applicable SEC, state, and federal laws.

**Sharing Information with Other Companies Permitted Under Law.** Garcia Wealth Management Group does not disclose information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include providing information to unrelated third parties who need to have access to the information in order to assist us in providing services. Unrelated third parties may include broker/ dealers, mutual fund companies, insurance companies, and the custodian holding client assets. In these situations, we stress the confidential nature of the information being shared.

**Former Customers.** Even if we cease to provide financial products or services to a client, our Privacy Policy will continue to apply to that client and we will continue to treat the client's nonpublic information with strict confidentiality.