

## Item 1 – Cover Page

# Keystone Wealth Advisors, LLC

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[www.alpharotation.com](http://www.alpharotation.com)



This brochure provides information about the qualifications and business practices of Keystone Wealth Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (435) 713-4220 or by email to our chief compliance officer at [Jim@keystone-wealth.com](mailto:Jim@keystone-wealth.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 Keystone Wealth Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Keystone Wealth Advisors, LLC's CRD number is: 158234

Registration as an investment adviser does not imply a certain level of skill or training.

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## **Item 2 – Material Amendments**

The material amendments to this Brochure are summarized below. When you compare this Brochure to our most recent filing dated March 29, 2015.

Item 4:

We are now a sub-adviser to another mutual fund: AlphaCentric Bond Rotation Fund

Item 8:

Added investment risks related to the AlphaCentric Bond Rotation Fund.

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## Item 4 – Advisory Business

Keystone Wealth Advisors, LLC is a Limited Liability Company organized in the state of Utah and is a registered investment adviser with the U.S. Securities and Exchange Commission (SEC). Keystone has been in business since May 2011. The following individuals own Keystone Wealth Advisors LLC:

Gordon L. Nelson  
James D. Vanderbeek  
Tyler J. Vanderbeek

Keystone has an additional office located at the following address:

Keystone Wealth Advisors  
9075 S. 1300 E, Suite 103  
Sandy, Utah 84094  
Phone: 801-608-4564

Keystone offers a number of advisory services to our Clients. Keystone's employees who provide investment advice are referred to as Investment Adviser Representatives ("IARs"). Keystone Wealth Advisors, LLC ("Keystone, KWA, us, we, our) provides several advisory services to Clients:

1. Discretionary Portfolio Management Services
  - a. Directly to KWA's Clients through the management of those Clients KWA acquires directly ("Retail Accounts"), including such client's self-directed retirement accounts.<sup>1</sup>
  - b. As a sub-advisor to certain third party investment advisers (separately managed accounts or "SMAs") and,
  - c. Sub-advisor to a registered investment company (mutual fund)
2. Financial Planning – Comprehensive and Limited planning (consulting planning)
3. Trade Signals: KWA provides trading signals for ETFs to third party investment advisers who then determine to follow the signals, or not. KWA does not manage accounts or portfolios for these third parties

Keystone describes each service in detail, below.

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<sup>1</sup> Please note that KWA does not provide Investment Advice or similar services to Retirement Plans (401k, pension or profits sharing plans). This means KWA is not an investment adviser to retirement plans subject to ERISA and is not a fiduciary under ERISA.

## **Discretionary Portfolio Management Services – Individuals, Corporations, Trusts, Estates and other Entities, Including Self Directed Retirement Plan Accounts (“Retail Accounts”)**

KWA provides discretionary portfolio management services to Clients based on each Client’s unique needs and circumstances. Investment discretion means that you will provide KWA limited power of attorney to make purchases, sales or hold decisions for the securities in your account(s) under management without obtaining your specific consent to each transaction. This limited power of attorney is contained in the written advisory agreement between KWA and each Client. An agreement can cover only one account or, it can cover multiple account’s (i.e., household). In providing our services, we review and document the following information, which we use to create an IPS (investment policy statement). The IPS is used to govern the portfolio management services we provide to you. Your personal information includes and is not limited to the following:

- Goals
- Objectives
- Time horizon
- Risk tolerance
- Asset Allocation
- Investment strategy
- Income
- Tax bracket / obligations
- Personal and family obligations
- Continuous portfolio monitoring

KWA then evaluates the IPS and matches the security selection, portfolio risks and other factors into the securities we purchase, sell or hold for your account assets.

Limitations on our investment discretionary authority: Clients may impose restrictions on KWA’s investment discretionary authority, such as a prohibition on investing in certain securities, or types of securities in accordance with their values or beliefs.

However, if the restrictions prevent KWA from meeting our contractual obligations or our fiduciary obligations to the client or if the restrictions would require KWA to deviate from our standard suite of services or investment process we reserve the right to reject the account or relationship. For existing Clients we may terminate the relationship consistent with the advisory agreement we have with you. KWA is the sole authority in the determination of the reasonableness of investment restrictions in the management of your account assets.

All investment restrictions are documented in writing with KWA and may be changed. Changes to investment restrictions are required in writing and are not implemented until accepted by KWA.

#### Client's Self Directed Retirement Plans / Accounts:

KWA provides investment advice on asset allocation, security selection, etc. on the Client's retirement accounts, regardless of where the account is held. Current Clients receive our services for their retirement accounts held by custodians at Fidelity Brokerage Services LLC and / or Charles Schwab & Co., Inc.

Retirement plans may include, but are not limited to, 401a, 403b, 401k and similar plans.

KWA will maintain discretionary authority over these accounts. The personal information provided to KWA and the resulting IPS is used to govern the management of these retirement plan assets. However, we may ask Clients to complete a separate advisory agreement and risk tolerance survey with a resulting IPS to govern these retirement plan assets on a participant-by-participant basis.

KWA has access to these accounts as authorized by each Client with a limited power of attorney. This means that KWA can view the accounts and place trades on the accounts and our authority is limited. We cannot make changes to addresses, beneficiaries or other specific Client data (our access is restricted by the custodian).

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#### **Discretionary Portfolio Management Services – Sub Advisor to Third Party Investment Advisers**

KWA provides two services to clients of third party Investment Advisers ("TPIA"s).

1. Placemark Investments, Inc. ("Placemark"): Certain third party investment advisors access KWA's investment strategies (see Item 8) through Placemark Investments, a registered investment advisor with the US Securities and Exchange Commission. KWA provides Placemark all AlphaRotation strategy models. Placemark will apply our models and purchase or sell for their clients the securities, according to the models for their clients that access Placemark through the following custodial platforms: Pershing, Fidelity, Schwab and TD Ameritrade. Third party investment advisers access Placemark and the KWA model through the Unified Managed Accounts Program. Please see Placemark's Form ADV Part 2 A for complete information on the services provided; Placemark's trading to implement the model (as overlay manager for the accounts) and for information on the Unified Managed Account Program. KWA does not manage accounts for or on behalf of Placemark.
2. Sub-Advised Separately Managed Accounts ("SMA"); TPIAs can access KWA's portfolio management services for one or more of KWA's AlphaRotation Strategies (see Item 8) through a sub-advisor agreement executed between the TPIA and KWA. Under this sub-advisor service, KWA provides discretionary portfolio management services to individual clients of the named Investment Advisor (i.e., the "Account Holders").

The Account Holder's investment advisor is solely responsible to determine suitability of KWA's sub-advisory services for each Account Holder's investment objectives, policies and restrictions. The Account Holder's investment advisor also selects for the Account Holder the appropriate AlphaRotation Strategy for the Client. KWA then implements this Strategy pursuant to the TPIA's instructions on behalf of the Account Holder.

The Account Holder pays fees and expenses related to transactions placed by KWA for the Account Holder's Accounts managed by KWA. These expenses include commissions or transaction costs charged by the Account Holder's third party qualified custodian. All transactions for the Account Holder are placed directly with the Account Holder's third party and qualified custodian.

However, KWA may, at any time, request suitability and related information on each Account Holder referred to KWA by TPIA for internal audit and regulatory examination purposes.

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### **Discretionary Portfolio Management Services – Sub Advisor to Registered Investment Company (Mutual Funds)**

In June 2014, KWA was identified in a mutual fund registration statement filed with the U.S. Securities and Exchange Commission as the sub-adviser to a new mutual fund, the *AlphaCentric Asset Rotation Fund (ROTAX, ROTCX, ROTIX – fund symbols for A, C and I share classes)*. The AlphaCentric Asset Rotation Fund is referenced here as the "Alpha Rotation Fund."

This fund is one of two new funds launched during 2014, within a new fund family under an existing mutual fund complex: the Mutual Fund Series Trust. The fund family is called the AlphaCentric Funds. AlphaCentric is a new fund family under the Mutual Fund Series Trust. The investment advisor to the *Asset Rotation Fund* and the AlphaCentric Funds is AlphaCentric Advisors (CRD number: 170769 and SEC number: 801-79616), of Huntington, NY.

The Fund attempts to achieve its objective by investing in a portfolio of global asset class exchange traded Funds ("ETFs"). The ETFs that may be held in the portfolio include those that invest in U.S. equities of any market capitalization, foreign (including emerging markets) equities of any market capitalization, and U.S. Treasury securities. The Fund, through tactical adjustments to its allocation between ETFs that invest in equities and U.S. Treasury securities, seeks to generate superior risk-adjusted returns and limit the size of the drawdown of the Fund's portfolio in relation to the size of the drawdown that can be incurred by a 100% stock allocation. A drawdown is the peak-to-trough decline during a specific record period of an investment. The Sub-Advisor uses a rule-based approach to select global asset class ETFs for the Fund. The Fund will generally hold one to five ETFs depending on the relative strength of the asset classes represented by the ETFs relative to each other and relative to U.S. Treasury bond ETFs. The ETFs is ranked according to a relative strength score using proprietary formulas that take into account the price movement and volatility of each ETF. Assets will be rotated and more concentrated in the areas of highest relative strength. AlphaCentric Advisors and Keystone Wealth Advisors have entered into a joint venture / sub-advisory agreement on behalf of the AlphaCentric Funds and the *Asset Rotation Fund*. The joint

venture and sub-advisory agreement stipulates the advisory fee payable to AlphaCentric Advisors, LLC and KWA and confirms fee waivers, pre-paid expenses and the allocation of Fund startup costs, among other facts. AlphaCentric Advisors hired Keystone Wealth Advisors as the sub-advisor to the *Asset Rotation Fund*.

Portfolio management services as a sub-advisor to the fund is governed by the fund's prospectus and statement of additional information. Investors in the Fund, which can include current Clients of KWA, cannot impose investment restrictions, limitations or other instructions as the mutual fund is managed by KWA in its entirety (as one account).

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In 2015, AlphaCentric launched a new fund with KWA as sub-advisor to the *AlphaCentric Bond Rotation Fund (BDRAX, BDRCX and BDRIX – fund symbols for A, C and I shares classes)*. The AlphaCentric Bond Rotation Fund is referenced here as the “Bond Rotation Fund.”

The fund's objectives are to achieve long term capital appreciation and total return through various economic and interest rate environments by implementing a disciplined, rules-based process tactically focusing on the global bond asset class ETFs experiencing the most strength.

Portfolio management services as a sub-advisor to the fund is governed by the fund's prospectus and statement of additional information. Investors in the Fund, which can include current Clients of KWA, cannot impose investment restrictions, limitations or other instructions as the mutual fund is managed by KWA in its entirety (as one account).

Please see the *Asset Rotation Fund* prospectus for complete information on both of the KWA sub-advised mutual funds.

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## Financial Planning

KWA offers financial planning to clients that involves a three-step process. Services are provided pursuant to a written financial planning agreement we have with you. KWA's three-step process is as follows:

### Step 1:

There is an initial consultation between the planning Client and a KWA IAR. During this consultation, KWA conducts an extensive interview that is the basis of a written financial plan provided due to the process. Topics include and are not limited to, the following:

- Investment goals or objectives
- Concerns
- Family (size and plans)
- Income / tax bracket / employment
- Insurance coverage (life, health, disability, long-term care, etc.)
- Current investments, including home, real estate, hard assets
- Current estate plans (if any), Trusts or Wills



- Savings / College fund
- Children / Spouse
- Or other financial matters of the Client / Family

Step 2:

KWA uses third-party financial planning software, Money Tree / Silver Financial Planner to create a comprehensive and unique financial plan based upon the consultation and data gathered. This comprehensive plan is the Client's roadmap to meeting stated goals and objectives.

Step 3:

KWA then presents the comprehensive written plan to the Client for final approval. If there are any changes that should be implemented, KWA will make those changes / edits and provide you with your final comprehensive financial plan. This plan includes recommendations of steps for you to take to meet your stated goals and objectives, including, but not limited to the following:

- Investments and investment planning
- Insurance – including life insurance
- Tax considerations / planning
- Retirement planning
- College planning
- Debit /credit planning
- Others

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## Trade Signals

KWA enters into written agreement with third party investment advisers for access to KWA's trade signals (its proprietary algorithms) which are part of the AlphaRotation strategy. The third party advisors receive the signals to allocate to equities (domestic, offshore exclusive of the U.S. or fixed income securities (typically long-term U.S. Treasuries or a combination of these securities) through exchange-traded funds (ETFs).

KWA does not manage any accounts for any person under Trade Signal services – the third party advisor can decide to follow (or not follow) the signals as provided by KWA. Typically, signals are emailed to the third party advisor.

## Assets Under Management

As of December 31, 2014, KWA has the following amount of assets under management:

Discretionary Assets:	\$113,200,000.00	
Non-Discretionary:	\$ 46,406,000.00	(assets under advisement through the Placemark program)
Total:	\$159,606,000.00	

## **Item 5 – Fees and Compensation**

### **Discretionary Portfolio Management Services – Individuals, Corporations, Trusts, Estates and other Entities, Including Self Directed Retirement Plan Accounts (“Retail Accounts”)**

KWA charges Clients an asset-based fee based on the total of the assets held in the Client’s accounts under management. The fees are negotiated with each Client within the following ranges:

0.50% to 2.00% (50 basis points to 200 basis points)

Portfolio management fees are documented in the written agreement we have with you and as stipulated in the mutual fund prospects for the sub-advised funds managed by KWA. Factors used in the negotiation of the advisory fee include, and are not limited to the following:

- Number of actual accounts
- Size of the total relationship
- Opportunity to receive additional contributions to the account(s)
- Investment restrictions
- Client meetings / reporting
- Other factors

For Account(s) established on any other day than the first day of a calendar quarter, the fee is pro-rated for the number of days KWA’s services are provided during the quarter. Regardless of the custodian of advisory client assets, all annual fees are billed quarterly in advance. Accounts opened or closed during a calendar quarter have advisory fees pro-rated for the number of days during a quarter that services were provided. Prepaid and unearned fees are refunded within 30 days of the termination date.

As disclosed under Item 14, KWA has developed Cash Solicitation relationships, which are used by KWA to obtain Retail Clients from third party investment advisers. Unlike traditional Cash Solicitor relationships, KWA does not share its advisory fees with third parties. Third party Solicitors charge their own fee for each of their clients they determine to introduce to KWA. In addition, the Solicitor’s ask KWA to include in each debit request for advisory fees, the Solicitor’s fee (as agreed to by the Solicitor’s client and the Solicitor) and KWA’s fee as described in the advisory agreement entered into between the client and KWA. Upon receipt of payment by the custodial broker dealer, KWA will forward the Solicitor’s received from your custodian to the Solicitor who introduced you to KWA.

This means that Clients acquired through a Cash Solicitor Referral Arrangement pay higher total fees as a client of KWA than Clients acquired directly by KWA or those introduced to KWA as a sub-adviser (SMA Clients).

## **Fee Payment**

You will authorize in the advisory agreement we have with you one of two methods that you may pay your fees to us: Direct Debit or Pay by Check.

Direct Debit: We prefer that you authorize to have our advisory fee initially and quarterly thereafter deducted from your custodial account. If you do so, the following will occur:

1. You provide the written authorization in the Advisory Agreement, we have with you.
2. We calculate and send a debit request to your broker / custodian to pay the fee amount indicated.
  - a. We typically receive a bank transfer or wire of debited advisory fees from each of the custodians used by Clients.
3. After the debit request is issued to your broker / custodian, we will send you a statement that reflects:
  - a. Assets on which the fee is based.
  - b. Annual fee charged (and one quarter (1/4) of that fee for each calendar quarter).
  - c. Method of calculation (multiplication referenced by an X).
  - d. Total amount of the fee due for the period.

Investors in the Sub-Advised mutual funds receive a quarterly account statement either from the fund administrator (if purchased directly from the fund), or from the client's broker / dealer, if purchased through a U.S. financial intermediary.

You will receive from your third party independent and qualified custodian a statement (monthly or quarterly) which are either hard copy mailed or emailed to you (made accessible) via the secure custodian portal. These statements reflect all transactions, positions, income, debits and credits into or from your Account, including the amount of the fees paid to Keystone for the period.

**Note:** You will need to review the calculation of our fees in the statement we mail to you, as your custodian does not perform that task. If you do not receive your monthly or quarterly statement(s) directly from your custodian, it is imperative that you contact your custodian immediately or the KWA IAR for assistance.

Pay by check: A second option for fee payment is for you to pay by check upon our submission of an invoice to you. Payment is requested within thirty (30) days from the date of the invoice. This option is not generally offered to our Clients.

Valuations:

For securities that trade on an exchange: your custodian provides security values and total account values for performance and fee calculation purposes. KWA does not value liquid securities. All valuations are provided by your custodian (Fidelity or Schwab, please see Item 12).

**Discretionary Portfolio Management Services – Sub-Advisor to Third Party Investment Advisers**

Placemark Investments, Inc. (“Placemark”): KWA is paid an annual fee of 0.65%, billed quarterly of the assets invested with Placemark by Third Party Investment Advisers. This fee is negotiable based upon a number of variable criteria. The fees paid to Placemark are paid pursuant to the agreement between the Account Holder, the Account Holder’s Investment Adviser and Placemark.

The KWA’s fee is paid directly to KWA by Placemark. Timing can vary by the Account Holder’s Investment Advisor agreement with Placemark, either in advanced or in arrears. Please see the advisory agreement, the Investment Advisor’s Form ADV Part 2 A and Placemark’s Form ADV Part 2. Typically, advisory fees due to Placemark, the Account Holder’s Investment Advisor and KWA are debited from, the Account Holder’s account held by an independent and third party qualified custodian.

Accounts established or closed on any date other than the first day of a calendar quarter will have the advisory fee due and payable, or in the case of pre-paid and unearned fees, will have the advisory fee due to refund, by pro-rating the number of days services was provided. Refunds of unearned and pre-paid fees will be promptly returned to each client under the Placemark program.

Sub-Advised Separately Managed Accounts (“SMA”): KWA is selected as a sub-advisor for certain third party investment advisor’s clients. Depending on the terms of the sub-advisory agreement between these advisors and KWA, fees due and payable for KWA’s service at 0.65% of the assets under management, billed quarterly in advance. This fee is negotiable based upon a number of variable criteria. Fees are deducted from, the Account Holder’s Account in one of two ways:

1. Sub-advisor (KWA) will request the fee from Account Holder’s custodian separate from the debit request by the Investment Advisor. Investment Advisor to the Account Holder will notify the Account Holder that two separate fee deductions will occur during the same billing cycle.
2. Sub-advisor (KWA) will debit KWA’s quarterly fee in addition to the Investment Advisor fee. Sub-advisor will send the Investment Advisor its fee portion via check or ACH, if available within 14 days of the billing cycle. The agreement between KWA and the Investment Advisor documents the total fee, KWA’s fee (0.65%) and the amount payable to the Investment Advisor.

Account Holders will receive periodic (monthly or quarterly) custodial statements which reflect all transactions, holdings, debits and credits in the account, including KWA and the Investment Advisor's fee under this sub-advisory relationship. See also the Form ADV Part 2 A for each Investment Advisor that engages KWA as sub-advisor for additional detail.<sup>2</sup>

## **Discretionary Portfolio Management Services – Sub Advisor to Registered Investment Company (Mutual Funds)**

Fees payable to KWA as a sub-advisor to the *Asset Rotation Fund* or *Bond Rotation Fund*:

One-half of the total, net advisory fee of 1.25% of the assets under management in the Funds. The fee is payable to the Advisor to the Fund and then paid to KWA for sub-advisory services to the Fund.

There are also expense caps for the Fund, and associated setup and other costs payable in part by KWA. Please see the prospectus for the *Asset Rotation Fund* and *Bond Rotation Fund* in full detail and prior to investing in the Funds.

Conflict of Interest: KWA will purchase for those Clients that KWA acquired directly (excluding ALL sub-advised accounts) the *Asset Rotation Fund* and *Bond Rotation Fund*, after the Funds begin its operations. KWA will use its discretionary investment authority to re-allocate Client accounts by selling securities allocated to the strategy and then purchase interests in the Fund with those assets. Since the strategy (as allocated within a Client's account) is the same in the *Asset Rotation Fund* or *Bond Rotation Fund*, including suitability of the investment decision is appropriate. However, the conflict of interest is the ability for KWA to charge two advisory fees on the same assets under management as a separate account client and as an investor / shareholder in the *Asset Rotation Fund* and the *Bond Rotation Fund*.

*As a result, KWA will refund to an advisory client accounts the portion of actual compensation KWA receives from AlphaCentric Advisors, LLC that is attributable to KWA advisory client ownership in the AlphaCentric Asset Rotation Fund and / or the AlphaCentric Bond Rotation Fund. The refund will be prorated among the client accounts, according to each account's prorated share ownership of the fund NAV as of the date the amount of compensation is determined.*

## **Trade Signals**

The fee payable to KWA for trade signal services is an annual fee of 0.65%, billed quarterly in advance. This fee is negotiable based on a number of criteria. Trade signals apply to one or more of KWA's proprietary AssetRotation models (see Item 8).

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<sup>2</sup> As of June, 2014, KWA acts as a sub advisor for:

- Placemark Investments and its Unified Managed Account platform for Pershing, Fidelity, Schwab and TD Ameritrade). Placemark conducts all trading activity based upon KWA's models.
- Schwab Managed Account Marketplace (\$20,000 account minimum)
- TD Ameritrade UMAX program

When a trade signal relationship is established on any date other than the first day of a calendar quarter, the fee due and payable is pro-rated for the remaining days in the calendar quarter. Trade signal fees are paid by check or wire from the third party investment advisor to KWA based upon an initial invoice. Invoices are then issued for each subsequent quarter. KWA requests that payment be made within 15 days of the invoice date.

Should a Trade Signal relationship be terminated by either party (see termination provisions below), KWA will refund the portion of the pre-paid and unearned fee to the investment advisor, within 30 days of the date of termination.

## **Financial Planning – Fixed Fees**

KWA's Comprehensive Financial Planning fees range from a low of \$250 to \$1,000 depending on Client needs, complexity and other factors.

For example, if a Client needs a basic retirement income plan the rate starts at \$250. If the needs include a retirement income plan plus basic estate planning, the rate starts at \$500. Starting at \$750, a client may receive the aforementioned plus education funding and insurance coverage analysis.

If a Client is in need of or interested in all the aforementioned plus complex issues such as the following, the rate is \$1,000:

- Asset protection strategies for multiple entities;
- Real estate holdings;
- Charitable gift planning;
- Estate tax minimization;
- Gifting, etc.

Fixed planning fees are negotiable and are paid in advance of the services. Planning services are typically provided within six months of the Planning Agreement between us; however, Plans can take longer if requested information is not provided.

Planning fees are negotiable, with the exact fee stipulated in the Planning Agreement (Exhibit II) executed by you. Planning fees are payable by check at the time we enter into the Planning Agreement with you (i.e. in advance of the services). It is the goal of KWA to deliver plans within six months of the contract date.

Financial plan recommendations are generic in nature. They are not limited to any particular product, insurance contract or service offered by any insurance company or agency where our IARs may be licensed as InsAs.

Clients may terminate their contracts without penalty within five business days of signing the advisory contract. The client will have seven calendar days to provide written notice that a financial plan is no longer desired.

## General Information on Advisory Services and Fees

Termination of All Advisory Service Agreements (*except for KWA's services as a sub-advisor to a registered investment company; i.e., Mutual Fund*)

Either party of the agreement, delivering written notice to the other party, can terminate a Portfolio Management, Sub-Advisor or Financial Planning Agreement. Refunds of pre-paid and unearned advisory fees are calculated on a pro-rated basis, calculated based on the number of days remaining in a quarter at the point of termination. Termination is effective the date the termination notice is received by the other party. Refunds, if applicable, are returned to you via check or deposited into your custodial Account(s) within thirty days of the date of termination.

A Client may terminate an advisory contract without penalty, for a full refund, within five business days of signing the advisory contract.

In the case of financial planning services, we will calculate the fee earned based on the original estimate and review that calculation with you.

Termination as a sub-advisor to a mutual fund: Status as a sub- advisor to the Fund may be terminated by either party by delivering at least 60-day's written notice to the other party.

Services provided to employees, family members and friends of the firm: We provide the same or similar services at reduced fees or no fee to our employees, members of their family and friends of the firm. Lower fees than those disclosed above are not available to our general Clients.

Similar services may be available from other sources: The advisory services available from Keystone may be available from other Investment Advisers or investment professionals at fee schedules that are lower or higher than those charged by Keystone.

Individual Retirement Accounts subject to the Internal Revenue Code: We are a fiduciary to IRA client accounts; as a result, we are subject to specific duties and obligations under the Code that include, among other things, restrictions concerning certain forms of compensation we may receive from third parties.

## Additional Compensation / Fees / Conflict of Interest

The fees you pay to us for our portfolio management, sub-advisor services, trade signals and financial planning services do not include the following fees or expenses. All of these are borne by each Client.

In most, but not all cases, KWA and our IARs do not participate in any of this compensation. Some of our IARs are insurance agents. As described in this Brochure, these individuals will receive separate commission compensation for the implementation or exchange of insurance products or insurance services as may be recommended by your financial plan.

Portfolio Management, Sub-Advisor Portfolio Management and Financial Planning services include the following fees and expenses you pay as an investor through KWA.

- Brokerage commissions
- Transaction fees
- Other related costs and expenses, and
- Charges imposed by custodians, brokers, third party investment advisers or other third parties, including but not limited to:
  - Advisory fees and administrative fees charged by Mutual Funds (MF), Exchange Traded Funds (ETFs), Exchange Traded Notes (ETNs) or Unit Investment Trusts (UITs), among others
  - Custodial fees
  - Deferred sales charges (on MF or annuities)
  - Deferred sales charges (charged by MF)
  - Transfer taxes
  - Wire transfer and electronic fund processing fees
  - Commissions or markups / mark-downs on security transactions

See Item 12 (Brokerage Practices) for additional information on “other costs” you may incur.

### **Insurance Services / Insurance Agents**

Tyler Jay Vanderbeek, James Don Vanderbeek, Gordon Levi Nelson, Jason R. Nelson and Dennis R. Overstreet is also licensed to purchase, sell or exchange insurance products or services for Keystone’s Clients in need of these services. The recommendation and subsequent transactions in insurance products or services are not provided by Keystone. Tyler, James, Gordon, Jason and Dennis, through their separate Insurance Agent Licensing (“InsA”) offer and provide them.

- Tyler is an InsA (Utah License number 142708). Tyler is licensed for accident, health and life insurance and is affiliated with the following insurance agencies. However, Tyler is paid individually as an InsA by insurance companies for any insurance product sales. Tyler receives commission compensation directly from those insurance licenses with whom he is licensed as an InsA (36 different insurance companies).

Tyler also owns his own insurance agency, Beeks, Inc. This agency may also receive commission compensation from his appointments with insurance companies.

Tyler is also a Vice President of Vancor, Inc. an insurance agency owned by James Don Vanderbeek.

- James is an InsA (license number 48382) and owns Vancor, Inc. James and his agency are licensed to sell accident, health, casualty, life, property and variable contract insurance. In addition, as an InsA James is licensed to sell accident, health, life, casualty, property, variable contracts and is affiliated with the following agencies, although all of his insurance business commissions are paid directly to James or to Vancor from the insurance



companies he is appointed by (36 different companies). James is also appointed with 36 insurance companies.

- Gordon is an InsA (license number 114285) and is licensed to sell life and variable insurance contract insurance, only. Gordon is not associated with an insurance agency. He receives his insurance commission compensation directly from those insurance companies (10) with whom he is appointed.
- Jason is an InsA (license number 127762) and is licensed to sell life insurance. Jason is not licensed by an agency; he receives his insurance commission compensation directly from those insurance companies (5) with whom he is appointed.
- Dennis is an InsA (license number 308997) and is licensed to sell life, accident and health insurance services. Dennis receives his insurance commission compensation directly from those insurance companies (24) with whom he is appointed.

Typically, but not always, a Keystone Client's financial plan provided to Clients may recommend insurance products or services (key person life insurance, life insurance, fixed annuities, life, health or disability income insurance, etc.). Please be aware of the following:

1. Insurance Sales commissions received by Tyler, James, Gordon, Jason and Dennis are not credited against the fees you pay to Keystone. This is separate and customary commission compensation is payable directly to these individuals as insurance agents.
  - a. This additional compensation is a conflict of interest between our interests and those of Keystone's Clients. We mitigate this conflict of interest through this ADV disclosure and by meeting the supervisory and requirements imposed on the InsA as InsA's of insurance companies (or agencies and the Utah Insurance Commission). The receipt of additional commissions for the sale of securities, products or services is separate from and in addition to the advisory fees, including Portfolio Management and Financial Planning fees you pay to Keystone Wealth Advisors, LLC.
  - b. **Note:** Commission compensation received by these individuals is less per annum in gross revenue dollars than the advisory fees earned by KWA. Insurance commission compensation is not considered a primary source of compensation for KWA's IARs through their separate insurance licensing as an InsA.
  - c. **Note:** KWA Clients are free to select any broker, dealer or InsA you choose. You are not obligated to use any person of KWA in their separate capacity as an InsA.

Please see the ADV Part 2 B Brochure Supplement attached to this Form ADV Part 2 A for complete biographies on all of Keystone's IARs.

You may look up insurance licensing on Tyler, Gordon, James, Jason and Dennis at the following website maintained by the State of Utah by inserting the individual's name or license number in the fields provided. The website is <https://secure.utah.gov/agent-search/search.html#>

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

Not Applicable. KWA charges advisory fees only as described under Item 5 of this Brochure. We do not charge any Client, including those accounts for whom we act as sub-advisor a performance based (or incentive fee). Such fees are charged by investment advisers based on a percentage of the performance of an account (a share of capital gains on or capital appreciation of the assets of an account).

## **Item 7 – Types of Clients**

KWA generally provides portfolio management services, sub-advisor services and financial planning services to the following types of Clients:

- Individuals, including high net worth individuals and their self-directed retirement plan accounts
- Trusts, Estates, or Charitable Organizations
- Other investment advisers; and,
- As sub-advisor to registered investment companies, i.e., mutual funds

Although Keystone does not impose an account minimum for any of our portfolio management services, some of the platforms for whom we act as sub-advisor does impose such minimums. Please see the Form ADV Part 2 A for those firms (Schwab and Fidelity) for specific details.

The minimums are \$25,000 for all AlphaRotation Strategies.

Financial Planning fees have a \$250.00 minimum.

For sub-advised funds, please see the Fund's prospectus and SAI.

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

### **Methods of Analysis**

KWA's methods of analysis include:

- Charting involves the use of patterns in performance charts on an issuer of a security (stock, bond, mutual fund, ETF, etc.). KWA uses this technique to search for patterns to help predict favorable conditions for buying and/or selling a security.
- Fundamental analysis involves the review of financial statements and the general financial health of a company.
- Technical Analysis involves the review and assessment of past stock market data, and / or the analysis of management, innovation and competitive advantages in their industry.

- Cyclical analysis involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

## Investment Strategies

KWA's strategies may include the following:

- Long term trading
- Short term trading (securities sold within 30 days of purchase)
- Short sales
- Margin or leverage (where securities held in a Client's Account are used as collateral to increase the size of a portfolio; however, the potential for returns are offset by the cost of the loan from your custodial broker dealer) and,
- Options writing (including covered options, uncovered options, or spreading strategies).

## Tactical Asset Allocation through Keystone's AlphaRotation® Strategies

Keystone has developed six tactical asset allocation strategies using only ETFs in each strategy. These services are provided to Clients, third parties, including sub advisers, and the mutual fund for which Keystone acts as sub-advisor (see Item 4). Each AlphaRotation strategy described below is managed through a proprietary three-screen process on a monthly basis, except for commodities, which are screened twice per month. Each Strategy may hold from 1 to 5 ETFs and the composition of those holdings is spread across pre-determined asset classes within each strategy. Each strategy is designed to provide risk-controlled growth. AlphaRotation Strategies do not include shorting, options, or margin.

**Global Equity AssetRotation** generally holds from 1 to 3 global asset class ETFs; however, the allocation will be rotated monthly and will be more concentrated in the areas of highest relative strength. When conditions are conducive, the strategy can be invested fully in equities, or at times, the strategy can be in only one ETF, including an equity or U.S. Treasury ETF. We look for the highest relative strength in US equities, emerging market equities, developed international equities or US Treasuries.

**World Focused Asset Rotation** uses an unbiased system to attempt to keep the strategy invested in the global equity region, emerging market countries and foreign developed country ETFs. No shorting or leverage is used. The strategy starts with an allocation of 1-5 regional or single country ETFs. We then assign percentages of the top ranked regional, emerging market and developed foreign market country ETFs. The strategy is re-assessed monthly. The strategy is typically allocated 100% to equity ETFs, however, at times there could be only one ETF, including a US Treasury bond ETF.

**Global Bond Asset Rotation** uses from 1-4 Global Bond ETFs, however the strategy is re-assessed monthly and the allocation is not static. Investments may be concentrated in the areas of highest relative strength through Global and US bond ETFs to include US and international treasury ETFs.

**Global Income AssetRotation** uses 2 global income asset class ETFs but does not hold this allocation permanently. The strategy is re-assessed monthly and ETFs are rotated based on relative strength. ETFs held include Global and US bonds and other ETFs to include real estate investment trusts (REITs), master limited partnerships (MLPs), and dividend paying stock ETFs.

**Commodity AlphaRotation** uses 1-2 commodity based ETFs or exchange traded notes (ETNs). The initial allocation is not static. Assets held are rotated through bi-weekly (twice per month) running of the strategy. The allocation can be moved to 100% US Treasuries as screening / market conditions warrant.

**Multi-Asset AlphaRotation** uses the other strategies listed above; typically 40% Global Bond Rotation, 35% Global Equity Rotation and 25% Commodities. When appropriate, the strategy is fully invested in these strategies, however, we can also move the strategy to 100% US Treasury ETF. Each strategy is re-assessed monthly, except for the commodity strategy, which is re-assessed twice per month.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

KWA generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, KWA may use:

- Short sales (which have unique costs associated with shorting, including having the shorted securities available for delivery)
- Margin transactions, which incur an expense for the margin loan. In addition, in downward moving markets, a margined account may receive a margin call (consistent with the separate margin agreement entered into by each Client and the Client's custodial broker / dealer).
- Option writing against securities held in a Client's account. While this can increase the return in the Account, it can also create a capital gain (or loss), tax issues and cause a low cost basis or other stock position to be lost.

Short sales, margin transactions and option writing all hold higher risks of capital loss to Clients. If these activities are used for your accounts, please read the broker / custodian agreements, disclosures and discuss these with KWA's IARs. The potential for gain is increased; however, there is also increased and greater risk of capital loss that can exceed your invested capital.

KWA does not use or recommend private placement securities such as non-traded REITs, Private Equity etc. KWA uses one private fund, when suitable for Clients – CPC Diversified Fund, LLC. KWA no longer recommended CPC, although clients may own interests that were previously subscribed to by certain clients.

### **AlphaCentric Asset Rotation Fund**

Please refer to the prospectus and statement for additional information about the Fund for complete details related to the Fund's principal investment strategy and investment related risks. Select risks are discussed below:

Small and Mid-Capitalization Stock Risk: To the extent the Fund invests in the stocks of small and mid-sized companies, the Fund may be subject to additional risks, including the risk that earnings and prospects of these companies are more volatile than larger companies are.

**Tracking Risk of ETFs:** Investment in the Fund should be made with the understanding that the ETFs in which the Fund invests will not be able to replicate exactly the performance of the indices or sector they track because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities. In addition, the ETFs in which the Fund invests will incur expenses not incurred by their applicable indices. Certain securities comprising the indices tracked by the ETFs may from time to time, temporarily be unavailable, which may further impede the ETFs' ability to track their applicable indices.

**Investment in Other Fund Risk:** In the case that the Fund may invest in other investment companies such as ETFs, the value of your investment will fluctuate in response to the performance of the acquired funds. Investing in acquired funds includes additional fees and expenses and certain tax results that would not arise if you invested directly in the securities of the acquired funds.

**Emerging Market Risk:** Investing in emerging markets involves not only the risks described below with respect to investing in foreign securities, but also other risks, including exposure to economic structures that are generally less diverse and mature, and to political systems that can be expected to have less stability, than those of developed countries. The typically small size of the markets of securities of issuers located in emerging markets and the possibility of a low or nonexistent volume of trading in those securities may result in a lack of liquidity and in price volatility of those securities.

**Fixed Income Risk:** When the Fund invests in fixed income securities (U.S. Treasuries), the value of your investment in the Fund will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of fixed income securities owned by the Fund. In general, the market price of fixed income securities with longer maturities will increase or decrease more in response to changes in interest rates than shorter-term securities. The Fund will invest in a long term US Treasury ETF.

**Foreign Securities Risk:** Since the Fund's investments may include foreign securities, the Fund is subject to risks beyond those associated with investing in domestic securities. Foreign companies are generally not subject to the same regulatory requirements of U.S. companies, thereby resulting in less publicly available information about these companies. In addition, Foreign accounting, auditing and financial reporting standards generally differ from those applicable to U.S. companies.

**Non-diversification Risk:** In the case that a relatively high percentage of a non-diversified Fund's assets may be invested in the securities of a limited number of companies that could be in the same or related economic sectors, the Fund's portfolio may be more susceptible to any single economic, technological or regulatory occurrence than the portfolio of a diversified fund.

**Security Risk:** The value of the Fund may decrease in response to the activities and financial prospects of an individual security in the Fund's portfolio.

## **AlphaCentric Bond Rotation Fund**

Please see the prospectus and statement of additional information about the Fund for complete details related to the Fund's principal investment strategy and investment related risks. Select risks are discussed below:

**Acquired Fund Risk.** Because the Fund may invest in other investment companies such as ETFs, the value of your investment will fluctuate in response to the performance of the acquired funds. Investing in acquired funds involves certain additional expenses and certain tax results that would not arise if you invested directly in the securities of the acquired funds.

**Emerging Markets.** Investing in emerging markets involves not only the risks described below with respect to investing in foreign securities, but also other risks, including exposure to economic structures that are generally less diverse and mature, and to political systems that can be expected to have less stability, than those of developed countries. The typically small size of the markets of securities of issuers located in emerging markets and the possibility of a low or nonexistent volume of trading in those securities may also result in a lack of liquidity and in price volatility of those securities.

**Fixed Income Risk.** When the Fund invests in fixed income securities, the value of your investment in the Fund will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of fixed income securities owned by the Fund. In general, the market price of fixed income securities with longer maturities will increase or decrease more in response to changes in interest rates than shorter-term securities. Other risk factors include credit risk (the debtor may default) and prepayment risk (the debtor may pay its obligation early, reducing the amount of interest payments). These risks could affect the value of a particular investment by the Fund, possibly causing the Fund's share price and total return to be reduced and fluctuate more than other types of investments.

**Foreign Securities Risk.** Since the Fund's investments may include foreign securities, the Fund is subject to risks beyond those associated with investing in domestic securities. Foreign companies are generally not subject to the same regulatory requirements of U.S. companies, thereby resulting in less publicly available information about these companies. In addition, foreign accounting, auditing and financial reporting standards generally differ from those applicable to U.S. companies.

**Junk Bond Risk.** Lower-quality bonds, known as "high yield" or "junk" bonds, present greater risk than bonds of higher quality, including an increased risk of default. An economic downturn or period of rising interest rates could adversely affect the market for these bonds and reduce the Fund's ability to sell its bonds. The lack of a liquid market for these bonds could decrease the Fund's share price.

**Limited History of Operations.** The Fund is a new or relatively new mutual fund and has a limited history of operations for investors to evaluate.

**Management Risk.** The portfolio managers' judgments about the attractiveness, value and potential appreciation of particular stocks or other securities in which the Fund invests or sells short may prove to be incorrect and there is no guarantee that the portfolio manager's judgment will produce the desired

results.

Market Risk. Overall bond market risks may also affect the value of the Fund. Factors such as domestic economic growth and market conditions, interest rate levels and political events affect the securities markets.

Mortgage Backed Security Risk. When the Fund invests in mortgage-backed securities, the Fund is subject to the risk that, if the underlying borrowers fail to pay interest or repay principal, the assets backing these securities may not be sufficient to support payments on the securities.

Non-diversification Risk. Because a relatively high percentage of a non-diversified Fund's assets may be invested in the securities of a limited number of companies that could be in the same or related economic sectors, the Fund's portfolio may be more susceptible to any single economic, technological or regulatory occurrence than the portfolio of a diversified fund.

Real Estate Risk. The Fund is subject to the risks of the real estate market as a whole, such as taxation, regulations and economic and political factors that negatively impact the real estate market and the direct ownership of real estate. These may include decreases in real estate values, overbuilding, rising operating costs, interest rates and property taxes. In addition, some real estate related investments are not fully diversified and are subject to the risks associated with financing a limited number of projects.

Security Risk. The value of the Fund may decrease in response to the activities and financial prospects of an individual security in the Fund's portfolio.

Tracking Risk of ETFs. Investment in the Fund should be made with the understanding that the ETFs in which the Fund invests will not be able to replicate exactly the performance of the indices or sector they track because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities. In addition, the ETFs in which the Fund invests will incur expenses not incurred by their applicable indices. Certain securities comprising the indices tracked by the ETFs may, from time to time, temporarily be unavailable, which may further impede the ETFs' ability to track their applicable indices.

U.S. Agency Securities Risk. The Fund may invest in U.S. government or agency obligations. Securities issued or guaranteed by federal agencies and U.S. government sponsored entities may or may not be backed by the full faith and credit of the U.S. government.

**Notice to all KWA Clients: Investing in securities involves a risk of loss that you, as a Client of KWA should be prepared to bear. We do not represent directly or indirectly, any level of performance, the success of any strategy or investment recommendation / decision.**

## Item 9 – Disciplinary Information

KWA does not have any disciplinary information to disclose under this section for KWA or any employee. This includes the following categories of disclosure:

1. Criminal or civil actions
2. Administrative proceedings, or
3. Self-regulatory proceedings

See the Part 2 B Brochure supplement, attached, for Mr. Dennis Overstreet for disclosure of a personal matter.

## Item 10 – Other Financial Industry Activities and Affiliations

Insurance Agents (InsAs): James Don Vanderbeek, Tyler Jay Vanderbeek and Gordon Levi Nelson are all insurance agents associated with an insurance agency and / or appointed with various insurance companies. Please see Item 5 for additional and complete detail.

From time to time, these individuals will offer Clients InsA products or services through these separate registrations. Through this disclosure, Clients are informed that these services, which are separate from the advisory services described in this brochure, are purchased, sold or exchanged for typical and customary commission compensation. This commission compensation is separate from and in addition to the advisory fees as described in Item 5 of this Brochure.

Additional and customary commission compensation is a conflict of interest between KWA's financial interest and those of our advisory Client as commissionable products conflict with the fiduciary duties of a registered investment advisor. The KWA's goal is to act in the best interest of our client. This includes the decision or recommendation to purchase, sell or exchange commissionable products to our advisory clients. Clients are in no way required to utilize the services of any IAR of KWA in their capacity as an InsA.

### Sub-Advisor to a Registered Investment Companies (Mutual Funds)

KWA is now the sub-adviser to two mutual funds: AlphaCentric Asset Rotation Fund and AlphaCentric Bond Rotation Fund (see Item 4). Both funds mirror separate account products managed by KWA. Clients who were invested solely in either of these products had their separate retail accounts liquidated with the assets from the liquidation moved to the appropriate Fund.

In doing so, KWA will receive compensation beyond its portfolio management fees charged to Clients by KWA's investment in the Funds.

This is a conflict of interest between the interests of KWA and the interest of our Clients. Please see Item 5 disclosure related to *this conflict of interest and how KWA addresses the conflict*.



**Joint Venture Agreement:** KWA has entered into a Joint Venture Agreement with AlphaCentric Advisors and the investment advisor to the AlphaCentric Funds, a group / separate series under the Mutual Fund Series Trust and open-end investment company that is registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended.

Under this joint venture both KWA and AlphaCentric will contribute capital to the establishment of the AlphaCentric Asset Rotation Fund and recommend to the Board of Trustees that AlphaCentric serve as the investment advisor with KWA as sub-advisor. The joint venture agreement stipulates the sharing of expenses (typically at a 50-50 split) for:

- Expenses related to the establishment of the fund
- Payment of operating expense reimbursements until the fund launched and / or breaks even
- Defines compensation to both parties
- Splitting up-front commissions and marketing fees (excluding sales charges)
- Sharing of the expense of platform set-up fees, revenue sharing, administration or sub-transfer agency
- Account based and asset based fees paid by the primary advisor to broker dealers or custodians in the fund; and,
- Requires a payment by KWA of \$10,000 to pay for start-up and operating expenses

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

Employees of KWA follow our own advice. As a result, employees may purchase or sell the same securities (or different securities) that are recommended to and held by Clients. This is called “personal securities trading.” Personal trading is a conflict of interest between the interests of employees and the interests of Clients. To mitigate this conflict of interest, KWA has developed and implemented a Code of Ethics (“Code”) which applies to KWA and all of our employees. The Code is required by two sets of regulations, the Investment Advisers Act of 1940, as amended and the Investment Company Act of 1940, as amended. The Code addresses the following areas:

- Supervision and standard of business conduct
- The requirement to comply with the Code and applicable security laws
  - Remedial sanctions imposed on those who violate the Code
- Fiduciary duty / Conflict of Interest
- Prohibition on the use of material nonpublic information about an issuer
  - Blacklist of a security if KWA is in possession of material, non-public information until such time the information is publicly available
    - Prohibition on taking any action by the employee for themselves, a Client or communicating the information to any third party
- Prohibitions including:
  - Front running or trading ahead of Client orders
  - Taking advantage of knowledge about security recommendations or proposed transactions for Client accounts or the Fund

- Among others
- Personal securities reporting for each employee, member of their household and beneficial ownership accounts
  - Initially, for new employees, within 10 days of the date of hire to disclose the following:
    - Members of an employee's household
    - Brokerage accounts to which the employee has a beneficial ownership
      - Disclosure of all security holdings
    - Disclosure of all non-custodied securities (those in certificate form or those that are not held by a qualified third party custodian, i.e., private placements)
    - Disclosure of all Outside Business Activity ("OBA")
  - For all employees:
    - Quarterly reporting of all reportable security transactions (within 30 days of the end of the calendar quarter) through duplicate confirmations and statements directly from the employee's personal account broker / custodian – duplicates delivered directly to our CCO unless the accounts are held at Charles Schwab and Company (where we can access the data electronically)
    - Prohibition on certain activities, including purchasing or holding an ETF (exchange traded funds); the purchase of an initial public offering ("IPO")
    - Pre-clearance to purchase a private security transaction (i.e., hedge fund, private equity or real estate fund)
    - Pre-clearance of all reportable transactions on the "restricted list<sup>3</sup>," including the purchases into and out of the sub-advised mutual funds
    - The requirement to report known violations of the Code to the CCO
    - Limits on gifts given or received to third parties; and
    - A written acknowledgement of each employee's receipt, understanding and compliance with the Code. Additional certifications are required each time the Code is revised

Clients may request a copy of KWA's Code of Ethics by contacting James Vanderbeek, CCO at (435)713-4220 or via email to [jim@keystone-wealth.com](mailto:jim@keystone-wealth.com).

Our employees are permitted to purchase, hold and sell securities, including the same securities used in Client accounts, except for ETF Securities. In doing so, employees and their family members may purchase or sell the same security at the same time transactions are occurring for Client accounts. For example, they may be included in the same block trade except for ETFs. For securities other than ETFs, we may block clients and employees together, as long as all participants in the block are treated in a uniform and consistent basis if the order is completely filled. Participants receive their pro-rated share of the block transaction. If multiple fills are required, the executions will be averaged to the execution prices and all participants will receive their pro-rated share.

For block transactions that are not fully completed, the Client transactions are completed first, then the employee trades are then filled after all Client transactions. Due to the type of securities used by

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<sup>3</sup> Restricted list of securities are ANY security held by the Fund, KWA's discretionary portfolio management or discretionary sub-advised accounts. Securities NOT on this list are not required to be pre-cleared.

KWA, this is not a typical or frequent issue or occurrence.

## Item 12 – Brokerage Practices

### **Directed Brokerage - Individual Portfolio Management Clients (“Retail” Clients) and SMA Clients**

KWA does not have the discretion to select broker dealer for the execution of Client security transactions. As a result, we require all Clients to select the recommended broker, below, and then direct KWA to use that broker dealer / custodian for all of your security transactions, including Client’s self-directed retirement accounts.

KWA recommends the broker custodian and then you should evaluate the broker / custodian to confirm the broker / custodian meets your needs.

All transactions for your Account(s) we manage are then placed at the selected broker / custodian as indicated in the portfolio management agreement we have with you. When you have made your selection of a broker / custodian, we will assist you in the opening of an account(s) with that broker custodian.

KWA is not affiliated, directly or indirectly with the recommended broker / custodian.

KWA does not choose a broker for you or negotiate commissions on a transaction-by-transaction basis, or consider other broker dealers for your Account transactions. The requirement for you to select a broker / custodian and direct us to use your selected broker custodian is *Directed Brokerage*. This means that KWA does not evaluate or seek out other brokers, dealers, prices or commissions for your security transactions. As a result, best execution may not be achieved for your account or transactions.

### **Recommended Broker**

KWA recommends, for advisory Clients only one broker dealer – Charles Schwab & Co. Inc. / **Schwab Institutional (Schwab)**.

KWA is a participant in the Schwab Institutional division of Charles Schwab & Co., Inc. (“Schwab”), a FINRA-registered broker-dealer registered with the Financial Industry Regulatory Authority (“FINRA”), U.S. Securities and Exchange Commission (“SEC”), an SEC registered investment adviser and member of the Security Investors Protection Corporation (“SIPC”), to maintain custody of Clients’ assets and to effect trades for their accounts.

KWA has a majority of the firm’s assets held at Schwab. KWA’s experience is that Schwab offers competitive services at competitive prices for our Clients. KWA is independently owned operated and is not affiliated with Schwab.

Schwab is an independent, third party qualified custodian. Schwab will hold all of your account assets we manage under our portfolio management services and are the official record-keeper of your account assets, including tax reporting. Schwab offers to independent Investment Advisors like KWA the following types of services:

- Custody services for no additional fee
- Trade execution, clearance and settlement of transactions
- Among others

If you select Schwab as your broker / custodian, you will also (through the advisory agreement we have with you) direct us to place all transactions for your account(s) assets at Schwab. Please be aware of the following:

In requiring the use of Schwab as your directed broker, we are unable to seek out other brokers or dealers for your Account transactions, or to negotiate commissions or transaction costs. As a result, you may pay higher prices or higher commission costs through directed brokerage when compared to investment advisers who have the discretionary authority to select, the broker and negotiate commissions on a transaction-by-transaction basis. As a result, best execution for your transactions may not be achieved.

### **Information applicable to Schwab**

In recommending Schwab to you, we have evaluated the services provided to our Clients and us. In that evaluation, we have determined that Schwab provides an excellent blend of services, commission costs, and free custody services for our Clients, along with other benefits that are mutually beneficial to KWA and Clients. Our review and assessment of Schwab included, but were not limited to:

- Commission charges, execution, clearance and settlement of transactions
- Ability to block trade
- Reputation and financial strength
- Free custody services to our clients
- No-transaction fee funds (mutual funds and ETFs)
- Access to institutional shares of mutual funds at no load or load waived shares
- Duplicate confirmations and reports
- Dedicated trading desks / electronic trading
- Operational support (typically back office related services), and
- Other benefits we receive (see Item 14, below)

We have evaluated the execution services of Schwab based on the securities we recommend to you or use in your portfolio accounts we manage. We use:

- ETFs
- Mutual Funds
- Closed end funds; and,
- Individual stocks or bonds, or options on stocks or bonds

- Hedging
- American Depositary Receipts
- Margin
- Others

Of particular importance to our Clients (and us as portfolio managers) is the availability of many ETFs or mutual funds on a “no-transaction fee” basis. This means that Schwab does not charge Clients a commission or transaction fee for the purchase or sale of hundreds of ETFs or institutional shares of mutual funds (which otherwise would not be available to you for “no transaction fee”). The use of no transaction fee funds or ETFs is one factor in providing investment advice to Clients.

Due to the type of securities we primarily (but not exclusively) use in Client accounts, we believe that even with our requirement of directed brokerage to Schwab for account transactions will achieve best execution. Schwab has this obligation for all accounts held at Schwab, not just those of our Clients.

Please note that best execution is not a defined term. It is comprised of a number of factors, which equate the best overall execution of a particular transaction (price, commission, timing, etc.) based on the then current facts and circumstances.

#### **Other Broker Dealers Used - Self Directed Retirement Plan Clients**

Retirement plans, KWA is instructed to place transactions for the Client at Fidelity Investments and Fidelity’s specialty division that serves retirement plans. Retirement plan Client assets may also be held at Charles Schwab & Company.

#### **Fidelity Investments**

Utah State University Clients with 401a and 403b accounts have selected and require us to use Fidelity Investments for the Client’s security transactions. The Client separately evaluated Fidelity and determined Fidelity provides services at a cost that is reasonable and in the best interest of the plan and the plan’s participants.

Fidelity Investments is a third party, independent securities broker and custodian. We do not otherwise recommend Fidelity to any of our clients.

As the client(s) have directed us to use Fidelity for their retirement plan services, the following applies:

In requiring the use of Fidelity Investments as your directed broker, we are unable to seek out other brokers or dealers for your Account transactions, or to negotiate commissions or transaction costs. As a result, you may pay higher prices or higher commission costs through direct brokerage as compared to investment advisers who have the brokerage discretionary authority to select, the broker and negotiate commissions on a transaction-by-transaction basis. As a result, best execution for your transactions may not be achieved.

### **Trading Activity**

When we place a transaction for your Account at Schwab, there is a commission (also known as a transaction fee) charged, unless the mutual fund or ETF is one of the “no transaction” funds available to you through Schwab. Commissions (or transaction fees) apply to stocks, bonds or other securities (options, for example). In evaluating Schwab, we believe Schwab charges an advantageous commission or transaction fee for each transaction (for purposes of disclosure, a commission and transaction fee mean the same thing). KWA does not participate directly or indirectly in these commission / transaction fees charged by Schwab.

Client trades may be executed at different times at different prices due to the timing of portfolio management decisions; certain security, liquidity constraints, and specific client objectives, risk tolerances, or tax considerations.

### **Block Trading**

If multiple Client transactions in the same security can be placed at the same time, we may, but are not obligated to, aggregate (block) the same transactions at the same time at Schwab for all Clients except those of the mutual fund for whom we are sub-advisor.

As indicated above (see Code of Ethics disclosure) we may include an employee (or employee beneficial ownership Accounts) in the block with those of Clients. In most transactions, we are able to obtain (or sell) in the full block of securities we are trying to purchase or sell. If multiple transactions occur during a trading day, Schwab will average price those transactions. Each participating Account will receive the average price for the number of shares represented by the Account in the block trade.

An Exception: Employee or related (personal) accounts. Our employee / related accounts are traded (when partial fills occur) after the full allocation for Client accounts are executed.

Block trading allows us the ability to increase the size of orders, thus allowing us (and Schwab) the opportunity to negotiate the price of the security, in an attempt to execute the transaction at a price more advantageous than placing all of the transactions separately.

You will receive directly from Schwab, a confirmation of each transaction, we place on your behalf as your registered investment advisor and portfolio manager. These confirmations are provided directly to you via US Postal Service or electronic as you may elect. Your custodian also provides KWA with a copy of all confirmations for information and reconciliation purposes.

In addition, you will typically receive a monthly custodial report directly from Schwab on your Account. This report will reflect all current positions, all transactions, including debits and credits, made to your account during the time period.

## **Mutual Funds**

As sub-advisor to the AlphaCentric Asset Rotation Fund, and the AlphaCentric Bond Rotation Fund, KWA *has brokerage discretionary authority*. This means we have the authority to select, the broker and negotiate commissions on a transaction-by-transaction basis.

By Policy, we will not block non-mutual fund trades with those of the Fund when the Fund transactions are executed at a broker dealer other than Schwab.

When trading for the Fund and our other Client accounts at Schwab, KWA will block the Fund and Client accounts together, including SMAs that are held at Schwab.

We may aggregate block the transactions of our employees, personal accounts and the accounts of KWA (if any) with the transactions of the Fund for whom we are sub-advisor.

However, as described under the Code of Ethics section of this Disclosure, we require, consistent with 17j-1 under the Investment Company Act of 1940, the pre-clearance of personal security transactions into and out of the Fund for whom we are sub-adviser and we also mandate the minimum holding period of 30 days after the initial purchase to sell the holdings.

It may be difficult with the pre-cleared and holding periods for KWA to aggregate block personal and proprietary trades with those of the Fund. If this does occur, all participating accounts receive their pro-rated portion of the block transaction.

KWA has reviewed a number of third party execution broker dealers based on expertise, service, financial stability and other factors as potential executing brokers for the Fund. All transaction fees for the Fund (and the ETFs traded for the Fund) are at one cent per share (\$0.01 cents per share), or less. For the identification of our approved brokers, please contact KWA's Chief Compliance Officer at the telephone number or email address on the cover of this Brochure.

## **Rotational System**

Due to the inability to aggregate Schwab directed brokerage accounts with those of the Fund, KWA has developed a rotational system to ensure fair and equitable treatment of all of our Clients when the services may overlap groups of Clients.

The rotational system is:

1. For trading in the same securities across Client accounts at Schwab and for the Fund we:
  - a. Place the Fund transactions first an entire week;
  - b. Place the Schwab accounts next; and,
2. The next week:
  - a. Schwab accounts go first;

- b. Fund trades go next
- 3. And so-on

This rotational system applies to ETF transactions ONLY and those related to the AlphaRotation Strategies. The investment of Fund contributions daily is exempt from the rotational system as the rotational system is run at each month end to determine if a change or rebalance occurs.

Due to the nature of our services and the ETF securities used in the AlphaRotation Strategies, we anticipate that transaction for the Fund and Schwab can all be completed in one day without any impact (positive or negative) on any client in the rotation.

**Transactions at Fidelity (for certain Retirement Plans):**

The disclosure above, also does not apply to retirement accounts held at Fidelity as the plan fiduciaries on behalf of the plan and its individual participants have contracted with Fidelity (and then directed KWA to use Fidelity) as the custodian of the plan and participant assets. As is the case with all retirement plans, the participant has a menu of available options for participants to invest in; as a result, KWA is limited in the services provided to these clients.

**Prohibited Brokerage Activity:**

Due to the nature of our business and portfolio management services, the following are brokerage activities we do not engage in:

- Receipt of commission compensation (direct or indirect) from security transactions, we place on your behalf at Schwab
- Client directed brokerage to any broker or dealer, except those identified in this brochure
- Soft dollar credits or transactions from Schwab or any other broker dealer used on behalf of the Fund, at this time
- Brokerage for Client referrals
- Cross, Agency cross or principal transactions

**Trade Errors**

If KWA caused the error, KWA will make the client whole (in the case of a loss) or we confirm with the impacted Client(s) that the Client can retain the error in the case of a profit (if, for example, we violated a client imposed restriction). We will:

- Notify impacted clients of the error and the multiple confirmations they will receive from the broker / custodian of the account assets
- Document the error on our trade error report form
- If the error results in a loss we will determine who caused the error and in the case of a loss, require the other party (broker / custodian) to contribute to making clients whole
- Document the error, our research and solution to the error by capturing all relevant data and information regarding the error



- Do not establish a Trade Error Account at Schwab or any broker, dealer, although the broker dealer may establish error accounts for KWA for the broker custodian to place an error transaction

## **Item 13 – Reviews of Accounts**

### **Discretionary Advisory Accounts Managed by KWA**

Client accounts are reviewed at least quarterly by our Investment Adviser Representatives (“IAR”) and each Client’s primary designated IAR. Reviews address the compliance of the Client account with the IPS and Risk Tolerance; Client, imposed investment restrictions, among other review activity, including performance. Accounts are assigned across these individuals.

Additional reviews may be triggered by material market, economic or political events or changes to your financial circumstance or situation (retirement, termination of employment, new job, move, the birth of a child, marriage, divorce, or inheritance, etc.). Please contact us as soon as practical when your personal circumstances change.

### **Financial Planning Reviews**

Financial planning services are reviewed by Gordon. This is the only review conducted (prior to delivery of a plan to a Client).

### **Mutual Fund – Registered Investment Company**

Tyler and Gordon monitor the Funds. They utilize reports provided to KWA by the Fund’s custodian and administrator related to permitted securities, concentration, cash for investment or cash needed for redemptions, etc. This monitoring occurs daily.

## **Reports provided to Clients**

### **Discretionary Advisory Accounts Managed by KWA**

Clients receive at least a quarterly report from KWA via Morningstar Office. Such reports (also called a portfolio appraisal) identifies the gross value of the account, net returns, debits and credits, including the fee payable to KWA from your Account(s).

All reports are electronically delivered to Morningstar’s secure web portal. Clients are notified via email that the reports are available for review and / or download (printing). If a Client does not sign up for the Morningstar web portal, quarterly reports are not provided (KWA does not mail reports to clients). As a result, we encourage all Clients to establish their web portal through Morningstar. KWA will assist any client in doing so.

These reports are separate from and in addition to the reports; you will receive directly from Schwab, your custodian. As KWA does not value securities in your account at Schwab (the custodian does), there may be a difference between the Morningstar reports and those you receive from Schwab. This may be due to accrued interest due or payable on fixed income securities, settlement versus transaction dates or dividend credits, among others.

The reports provided by KWA are supplemental. Schwab is the official record-keeper of your account assets for capital gain, loss or the related tax information. KWA does not provide accounting or legal advice. Please seek the guidance of these other professionals. If you have not received your Schwab custodial reports, please contact Schwab or KWA for assistance.

### **Financial Planning**

Not Applicable; updates to plans are available for an additional fee for the service.

### **Mutual Fund**

KWA does not provide reports to the Funds or the Fund's primary advisor, unless requested. KWA receives daily reports on Fund Compliance, (i.e., compliance with investment objectives, concentration limits, etc.), that are automatically tested by the Fund's Advisor and / or custodian / third party administrator each trading day.

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

### **Client Referrals**

KWA uses third party investment advisers as Cash Solicitor(s). In such relationships, KWA's arrangements, although compliant with the Cash Solicitors Rule under the Investment Advisers Act of 1940 are not typical Cash Referral arrangements. *This is because KWA does not pay a portion of its portfolio management fee to the Solicitor.*

In these relationships, the third party Cash Solicitor charges an advisory fee to its clients for services, including the introduction of the client to KWA. As a result, any introduced prospective client introduced to KWA charges a fee that is higher than the standard fees charged by accounts acquired by KWA directly or through TPIAs / SMAs (where KWA is a sub-adviser).

In this case, KWA charges its standard advisory fee and the Cash Solicitor charges its standard advisory fee (and will ask KWA to have that fee directly debited from your account assets under management by KWA).

This means that KWA and the Cash Solicitor's fees are added together at each (initial and quarterly debit requests).

*Please realize that KWA does not mark up or charge a higher fee on the assets managed, this is solely due to the Solicitor's decision, Form ADV Disclosures and contractual obligations*

*with the Solicitor's clients<sup>4</sup>.*

As a result, Non-Typical Cash Solicitor introduced prospective clients are more expensive than traditional Cash Solicitor Services or those clients obtained directly by KWA or through SMA sub-advisory relationships.

In all cases when a Cash Solicitor is used to acquire clients, KWA treats such referred clients as "Retail Clients" (as described under Item 4 of this Brochure). KWA determines suitability of our advice, documents the investment policy, risk tolerance and related factors. The solicitor may review materials from KWA and meet with the introduced Client to review performance and other money managers that may be servicing the solicitor's clients, as applicable.

Although KWA does not pay a portion of KWA's standard advisory fee to clients acquired through a Solicitor, KWA will not directly debit the Solicitor's fee due and payable unless KWA has on file for each prospective account introduced to KWA a copy of the prospective client's signed acknowledgement and receipt of the following:

- The Cash Solicitor's Form ADV, Part 2 A B
- A copy of the Cash Solicitor Disclosure Document required by the Cash Solicitation Rule on the Cash Solicitor's letterhead; and,
- A copy of KWA's Form ADV Part 2 A B

Please review carefully, the Cash Solicitor's Form ADV and Separate Disclosure Brochure for fee information.

Mutual Fund Transactions: KWA does not direct brokerage commissions for the Fund to any broker or dealer who is part of the Fund's selling group. To pay for mutual fund sales by directing brokerage is a prohibited practice for KWA as it is in violation of federal securities laws.

Other Compensation: KWA and/or our clients may receive certain products and services from Schwab free of charge or at discounted rates including, but not limited to, the following:

- Access to its institutional trading and custody services, which are typically not available to Schwab retail investors
- The execution of securities transactions
- Custodial services for client assets at no direct charge
- Research on business management and compliance
- Compliance, business and legal consulting

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<sup>4</sup> For example, if KWA's advisory fee for a Solicited prospective client is 1.25%, the total fee charged to a Client's account includes both KWA's actual fee and the Cash Solicitor's fee. For example:

1.70% on the first \$1 million of AUM (1.25% - KWA and 0.45% for the Solicitor's Services)  
1.65% on \$1,000,001 to \$2 million of AUM (1.25% - KWA and 0.40% for the Solicitor's Services)  
1.60% on \$2,000,001 to \$3 million of AUM (1.25% - KWA and 0.35% for the Solicitor's Services)  
1.50% on \$3,000,001 and over AUM (1.25% - KWA and 0.25% for the Solicitor's Services)

- Publications and conferences on practice management or business succession
- Access to employee benefits providers and human capital consultants
- Insurance providers
- 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
- Schwab's products and services that assist KWA in managing and administering clients' accounts include software and other technology that:
  - Provide access to client account data (such as trade confirmations and account statements);
  - Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
  - Provide research, pricing and other market data;
  - Facilitate payment of Keystone's fees from your custodial accounts; and
  - Assist with back-office functions, record keeping and client reporting.
- Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of KWA personnel.

KWA does not believe that clients whose accounts held by Schwab bear any additional costs in connection with KWA's receipt of the products and services. However, KWA would not receive these products and services if the client accounts were not held in custody and traded by Schwab. In evaluating whether to recommend that clients custody their assets at Schwab, KWA may take into account the availability of those benefits received as described above as part of the total mix of factors we consider. Our evaluation is not solely the nature, cost or quality brokerage services provided by Schwab, which may create a potential conflict of interest between our recommendation of Schwab and your selection of Schwab as your custodial broker-dealer.

Insurance Agents / Agencies: As described under Item 4 and 5, certain of KWA's employees are also separately licensed as InsAs of insurance agencies and are appointed directly with a number of insurance companies. As a result, these InsAs are licensed to receive separate and customary commission compensation from the purchase, sale or exchange of insurance products or services for KWA's Clients. The insurance commissions received by these individuals are in addition to and separate from the fees you pay to KWA for advisory services (portfolio management and financial planning). Insurance commissions earned are not offset against the advisory fees payable to KWA.

NO Client of KWA is obligated in any way to use the employees of KWA who are also InsA as described above. You are free to select any broker, dealer or insurance agent / company you wish.

## **Item 15 – Custody**

KWA does not have custody of a Client's funds or securities; however, we can directly debit your advisory fees due and payable to us via direct debit request to your custodian (as applicable). To directly debit our advisory fees, the following conditions apply:

- You authorize direct debiting in the advisory agreement we have with you (not applicable to planning services)

- You will receive a worksheet through the Morningstar Office web portal showing the:
  - a. Assets on which the fee is based
  - b. The fee
  - c. The amount of the fee due for the period
- KWA will make a debit request to the custodian (typically the account number and amount of the fee due and payable); and,
- You receive, at least quarterly directly from your custodian (Schwab) an account statement which reflects all transactions, positions, debits and credits to your account, including the amount of the fee payable to KWA. Please review the fee calculation worksheets for accuracy, as your custodian does not perform this task.

## **Item 16 – Investment Discretion**

For individual portfolio management accounts, including SMAs: KWA has investment discretionary authority.

For the sub-advised mutual fund: KWA has investment discretionary authority.

This means that KWA has the authority (limited power of attorney) to purchase, sell, hold or dispose of securities and other assets in the account consistent with your stated investment goals or objectives, subject to your imposed investment restrictions, if any.

Limited power of attorney authority is in the written agreement we have with you or in the master Sub-Advisor Agreement, we have in place with an Account's Primary Advisor.

For the Mutual Fund: the limited power of attorney is in the sub-advisor agreement we have with the Advisor to the Mutual Fund.

## **Item 17 – Voting Client Securities (Proxy Voting)**

Retail accounts: KWA does not accept and does not provide proxy voting services or take proxy voting authority for client securities. Clients will receive proxies directly from the issuer of the security through services provided by Schwab. KWA does not provide advice or guidance in regards to corporate actions related to the issuer of any security.

Mutual Fund: Consistent with the sub-advisory agreement for the Mutual Fund, KWA has the authority and responsibility to vote proxies on behalf of the Fund and its shareholders. As a result, KWA will be using the proxy voting guidelines provided by the Fund to KWA or, KWA will work with the Advisor to the Fund and to determine proxy voting guidelines.

KWA has the responsibility to vote proxy materials KWA receives from the Custodian. There is no vote responsibility for proxies not received by KWA or those received after the ballot / meeting deadline. Records of all votes received, ballots cast, and related information are maintained by KWA in its books and records for the Fund – and are communicated to the Fund's Advisor and the Fund's Board of Trustees as required.

## **Item 18 – Financial Information**

KWA does not have any financial information to disclose to any Client, which is required to be disclosed, or which could affect the ability for KWA to provide services to Client.

# Keystone Wealth Advisors, LLC

## Form ADV Part 2B – Individual Disclosure Brochure

*For*

**James Don Vanderbeek**

Personal CRD Number: 1485860

Investment Adviser Representative

Keystone Wealth Advisors, LLC  
595 South Riverwoods Parkway, Suite 170  
Logan, Utah, 84321  
(435) 713-4220  
[jim@keystone-wealth.com](mailto:jim@keystone-wealth.com)

*This brochure supplement provides information about James Don Vanderbeek that supplements the Keystone Wealth Advisors, LLC brochure attached. Please contact James Don Vanderbeek, CCO if you did not receive Keystone Wealth Advisors, LLC's brochure or if you have any questions about the contents of this supplement.*

*Additional information about James Don Vanderbeek is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2: Educational Background and Business Experience

**Name:** James Don Vanderbeek

**Born:** 1951

### Education Background and Professional Designations / Qualifications

BS Education, Utah State University – 1975

Series 6 (7/86), 7 (1/08), 22 (11/86), 63 (7/86) and 65 (8/06) examinations

Insurance: Resident Producer, Accident & Health, Casualty, Life, Property, Variable Contracts (5/02)

### Business Background:

08/2011 – Present	Investment Adviser Representative Keystone Wealth Advisors, LLC
04/2007 – 11/2014	Registered Representative LPL Financial LLC
01/2002 – Present	President Vancor, Inc.
04/2007 – 10/2010	Managing Member Vanderbeek Advisors, LLC
03/2002 – 04/2007	Registered Representative Equity Services, Inc.

## Item 3: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business.

## Item 4: Other Business Activities

James Don Vanderbeek is a licensed insurance agent through Vancor, Inc. From time to time, he will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Refer to Form ADV Part 2 A disclosures related to these other business activity for details.



### **Item 5: Additional Compensation**

Refer to Form ADV Part 2 A, Item 4 and 10 for details related to additional compensation received by Jim as an insurance agent.

### **Item 6: Supervision**

As a co-owner and representative of Keystone Wealth Advisors, LLC, James Don Vanderbeek is also the CCO (effective July 2014). James works closely with KWA's other owners to supervise the advisory practice. As a result, supervision at KWA is a shared responsibility between James, Tyler and Gordon. The contact telephone number for James Don Vanderbeek is (435) 713-4220.

**Keystone Wealth Advisors, LLC**  
Form ADV Part 2B – Individual Disclosure Brochure

*For*

**Tyler Jay Vanderbeek**  
Personal CRD Number: 5311989  
Investment Adviser Representative

Keystone Wealth Advisors, LLC  
595 South Riverwoods Parkway, Suite 170  
Logan, Utah, 84321  
(435) 713-4220  
[tyler@keystone-wealth.com](mailto:tyler@keystone-wealth.com)

*This brochure supplement provides information about Tyler Jay Vanderbeek that supplements the Keystone Wealth Advisors, LLC brochure attached. Please contact James Don Vanderbeek, CCO if you did not receive Keystone Wealth Advisors, LLC's brochure or if you have any questions about the contents of this supplement.*

*Additional information about Tyler Jay Vanderbeek is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2: Educational Background and Business Experience

**Name:** Tyler Jay Vanderbeek

**Born:** 1977

### Education Background and Professional Designations / Qualifications

Tyler Jay Vanderbeek studied at Utah State University, but did not receive a degree.

**CFP® - Certified Financial Planner<sup>5</sup>**

Series 7 (1/08), 66 (3/08) examinations

Insurance: Resident producer, Accident, Health & Life (5/02)

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<sup>5</sup> The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; 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® certification in the United States. To attain the right to use the CFP® 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® Certification Examination. The examination, administered in 10 hours over a two-day period, 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.

## **Business Background:**

06/2011 – Present	Managing Member Keystone Wealth Advisors, LLC
12/2007 – Present	Vice-President Vancor, Inc.
12/2007 – 06/2011	Registered Representative Linsco Private Ledger
01/2002 – Present	Insurance Sales Self – Employed

### **Item 3: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business.

### **Item 4: Other Business Activities**

Tyler is a vice president of Vancor, Inc., and a licensed insurance agent. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Please see Form ADV Part 2 A disclosures related to these other business activity for details.

### **Item 5: Additional Compensation**

Please see Form ADV Part 2 A, Item 4 and 10 for details related to additional compensation received by Tyler as an insurance agent.

### **Item 6: Supervision**

Tyler works closely with KWA's other owners to supervise the advisory practice. As a result, supervision at KWA is a shared responsibility between James, Tyler and Gordon. The contact telephone number for Tyler is (435) 713-4220.

# **Keystone Wealth Advisors, LLC**

## **Form ADV Part 2B – Individual Disclosure Brochure**

*For*

### **Gordon Levi Nelson**

Personal CRD Number: 2982767  
Investment Adviser Representative

Keystone Wealth Advisors, LLC  
595 South Riverwoods Parkway, Suite 170  
Logan, Utah, 84321  
(435) 713-4220  
[gordon@keystone-wealth.com](mailto:gordon@keystone-wealth.com)

*This brochure supplement provides information about Gordon Levi Nelson that supplements the Keystone Wealth Advisors, LLC brochure attached. Please contact James Don Vanderbeek, CCO if you did not receive Keystone Wealth Advisors, LLC's brochure or if you have any questions about the contents of this supplement.*

*Additional information about Gordon Levi Nelson is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2: Educational Background and Business Experience

**Name:** Gordon Levi Nelson

**Born:** 1967

### Education Background and Professional Designations / Qualifications

BS Accounting, Utah State University – 1992

Masters Accounting, Utah State University – 1992

CFP® - Certified Financial Planner (see footnote 5 for important information on the CFP designation)

CPA - Certified Public Accountant<sup>6</sup>

Series 6, (1/98), 7 (5/99), 24 (1/98), 63 (1/98) and 65 (2/99) examinations

Insurance: Resident Producer, Life, Variable Contracts (5/02)

### Business Background:

07/2011 – Present	Chief Investment Officer Investment Adviser Representative Keystone Wealth Advisors, LLC
09/2003 – 10/2014	Registered Representative LPL Financial LLC
07/1999 – 09/2003	Financial Consultant Merrill Lynch
05/1996 – 07/1999	CPA

<sup>6</sup> CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination.

In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two-year period or 120 hours over a three-year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy has adopted the AICPA's Code of Professional Conduct within their state accountancy laws or has created their own.

08/1992 – 05/1996

Peterson Allred Nelson, CPAs  
CPA  
Rudd & Company CPAs

### **Item 3: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business.

### **Item 4: Other Business Activities**

Gordon is a licensed insurance agent. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Please see Form ADV Part 2 A disclosures related to these other business activity for details.

Gordon is also a 1% limited partner of a commercial real estate company; Wasatch Conservice Development Group, LLC.

### **Item 5: Additional Compensation**

Please see Form ADV Part 2 A, Item 4 and 10 for details related to additional compensation received by Gordon as an insurance agent.

### **Item 6: Supervision**

As a co-owner and representative of Keystone Wealth Advisors, LLC, Gordon Levi Nelson works closely with the other partners of KWA, Tyler and James. The contact telephone number for Gordon Levi Nelson is (435) 713-4220.

**Keystone Wealth Advisors, LLC**  
Form ADV Part 2B – Individual Disclosure Brochure

*For*

**Jason Ray Nelson**

Personal CRD Number: 4250838  
Investment Adviser Representative

Keystone Wealth Advisors, LLC  
595 South Riverwoods Parkway, Suite 170  
Logan, Utah, 84321  
(435) 713-4220  
[jason@keystone-wealth.com](mailto:jason@keystone-wealth.com)

*This brochure supplement provides information about Jason Ray Nelson that supplements the Keystone Wealth Advisors, LLC brochure attached. Please contact James Don Vanderbeek, CCO if you did not receive Keystone Wealth Advisors, LLC's brochure or if you have any questions about the contents of this supplement.*

*Additional information about Jason Ray Nelson is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*



## Item 2: Educational Background and Business Experience

**Name:** Jason Ray Nelson

**Born:** 1977

### Education Background and Professional Designations / Qualifications

Associates in Business, Utah State University - 2010  
Series 24 (12/03), 6 (1/98), 7 (5/99), 63 (1/98 and 10/00) and 65 (04/08)  
examinations  
Insurance: Resident producer, Life (5/02)

### Business Background:

02/2013 – Present	Investment Adviser Representative Keystone Wealth Advisors, LLC
05/2002 – Present	Insurance Agent
7/2000 - 02/2013	Financial Advisor Zions Bank/ Contango Capital Advisors

## Item 3: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business.

## Item 4: Other Business Activities

Jason is a licensed insurance agent. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Please see Form ADV Part 2 A disclosures related to these other business activity for details.

## Item 5: Additional Compensation

Please see Form ADV Part 2 A, Item 4 and 10 for details related to additional compensation received by Jason as an insurance agent.

## Item 6: Supervision

As a representative of Keystone Wealth Advisors, LLC, Jason Ray Nelson works closely with his supervisor, Tyler Vanderbeek, and all advice provided to clients is reviewed by the supervisor prior to implementation. The contact telephone number for Tyler Vanderbeek is (435) 713-4220.

# **Keystone Wealth Advisors, LLC**

## **Form ADV Part 2B – Individual Disclosure Brochure**

*For*

**Dennis Ryan Overstreet**

Personal CRD Number: 6230904

Investment Adviser Representative

Keystone Wealth Advisors, LLC  
9075 S. 1300 E, Suite 103  
Sandy, Utah 84094  
(801) 608-4564  
[dennis@keystone-wealth.com](mailto:dennis@keystone-wealth.com)

*This brochure supplement provides information about Dennis Ryan Overstreet that supplements the Keystone Wealth Advisors, LLC brochure attached. Please contact James Don Vanderbeek, CCO if you did not receive Keystone Wealth Advisors, LLC's brochure or if you have any questions about the contents of this supplement.*

*Additional information about Dennis Ryan Overstreet is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2: Educational Background and Business Experience

**Name: Dennis Ryan Overstreet Born:**  
1979

### Education Background and Professional Designations / Qualifications

Dennis Ryan Overstreet has three years of education at UNLV.

Series 65 examination (06/13)

Insurance: Accident, Life and Health Insurance Licensing – Utah (2009)

### Business Background:

08/2013 – Present	Investment Adviser Representative Keystone Wealth Advisors, LLC
10/2012- Current	Owner Secure Retirement Planning
02/2009 – Present	Insurance Agent – Life, Accident and Health
02/2009 - 10/2012	Agent New Millennium
01/2005- 01/2009	Agent Zip Realty
02/2000 - 12/2004	Electrician GSL

## Item 3: Disciplinary Information

Dennis Ryan Overstreet filed for bankruptcy in May 2011. The bankruptcy proceeding was discharged in August 2011.

## Item 4: Other Business Activities

Dennis Overstreet is a licensed insurance agent. From time to time, he will offer clients advice or products from this activity. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Please see the attached Form ADV Part 2 A for complete detail.

## Item 5: Additional Compensation

Please see Form ADV Part 2 A, Item 4 and 10 for details related to additional compensation received by Dennis as an insurance agent.

### **Item 6: Supervision**

As a representative of Keystone Wealth Advisors, LLC, Dennis Ryan Overstreet works closely with supervisor Tyler Vanderbeek. All advice provided to clients is reviewed by the supervisor prior to implementation. The contact telephone number for Tyler Vanderbeek is (435) 713-4220.

**Privacy Disclosure (see next page)**

## FACTS

### What does Keystone Wealth Advisors, LLC do with your personal information?

<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>■ Social Security number and personal or family obligations</li> <li>■ Employment status and Marital status</li> <li>■ Income / net worth and Investment experience, securities owned</li> </ul> <p>Note: When you are no longer our customer, we will continue to share your information as described in this notice.</p>
<b>How?</b>	All financial companies need to share Client personal information to run their everyday business. In the section below, we list the reasons financial companies can share their Client's personal information, the reasons Keystone Wealth Advisors, LLC chooses to share, and whether you can limit this sharing.

Reasons we can share your personal information	Does Keystone Wealth share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> Such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> To offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	No
<b>For our affiliates everyday business purposes—</b> Information about your transactions and experiences	Yes	No
<b>For our affiliates everyday business purposes—</b> Information about your creditworthiness	No	No
<b>For our affiliates to market to you</b>	No	No
<b>For non-affiliates to market to you</b>	No	No

### Questions?

Call 435-713-4220 or go to [www.alpharotation.com](http://www.alpharotation.com)

Who we are	
Who is providing this notice?	Keystone Wealth Advisors, LLC
What we do	
How does Keystone Wealth protect my personal information?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>We take the protection of your information seriously and have implemented these and other safeguards.</p>
How does Keystone Wealth collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>■ Provide Data or Enter into an Agreement for Services</li> <li>■ Applications or Establish a custodial account</li> <li>■ Provide data for a comprehensive financial plan</li> </ul> <p>Among other information Keystone needs to provide services to you.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>■ Sharing for affiliates everyday business purposes—information about your creditworthiness</li> <li>■ Affiliates from using your information to market to you</li> <li>■ Sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. Keystone does not share your information.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. These companies can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ Although our employees may own an insurance company, those services are not part of Keystone. We only recommend insurance when asked to do so.</li> </ul>
Non-affiliates	<p>Companies not related by common ownership or control. These companies can be financial or nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ We do not share information unless necessary to provide our services to you, or if requested by a state or federal agency or upon subpoena or similar.</li> </ul>
Joint marketing	<p>A formal agreement between non-affiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>■ None</li> </ul>
Other important information	
Please contact Keystone Wealth Advisors, LLC with any privacy questions you may have. We take our responsibility seriously and work diligently in the protection of your personal information from unauthorized access or use.	