

# ACAS, LLC

**d/b/a DCO Wealth Management**  
**d/b/a Tate Asset Management**

## Firm Brochure

*This brochure provides information about the qualifications and business practices of ACAS, LLC. If you have any questions about the contents of this brochure, please contact us at (888) 500-9267. 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 ACAS, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration as an investment advisor does not imply a certain level of skill or training.*

ACAS, LLC  
11622 El Camino Real, Suite 100  
San Diego, CA 92130

2802 Flintrock Trace, Suite 214  
Austin, Texas, 78738

(888) 500-9267  
[www.tateassetmanagement.com](http://www.tateassetmanagement.com)  
[www.dcowealthmanagement.com](http://www.dcowealthmanagement.com)[www.jf-wm.com](http://www.jf-wm.com)  
[www.onewiseadvisor.com](http://www.onewiseadvisor.com)  
[www.retiresd.com](http://www.retiresd.com)

Version Date: March 31, 2017

## **Item 2: Material Changes**

Since our last annual amendment filed, March 30, 2016, we have the following material changes to disclose:

- We will now be registered with and regulated by the Securities and Exchange Commission.  
See, Item 1 for additional information.

In the future, this section of the Brochure will discuss only the specific material changes that were made to the Brochure and will provide you with a summary of all material changes that have occurred since the last filing of this Brochure. This section will also identify the date of our last annual Brochure update. Currently, our Brochure may be requested at any time without charge, by contacting Daniel C. Osgood at (888) 500-9267.

### Item 3: Table of Contents

Item 1 - Cover Page .....	1
Item 2 - Material Changes.....	2
Item 3 - Table of Contents .....	3
Item 4 -Services, Fees and Compensation .....	5
Item 5 - Account Requirements and Types of Clients .....	5
Item 6 -Portfolio Manager Selection and Evalutaion .....	5
Item 7 -Client Information Provided to Portfolio Managers.....	8
Item 8 - Client Contact with Portfolio Managers.....	8
Item 9 - Additional Information .....	8

## Item 4: Services, Fees and Compensation

ACAS, LLC has been in business since June 1, 2012 and is principally owned by Daniel C. Osgood and Christopher A. Tate. ACAS, LLC was organized to provide investment consulting, discretionary advisory and financial planning services. We are registered with and regulated by the United States Securities and Exchange Commission ("SEC").

The purpose of this Wrap Fee Program Brochure ("Wrap Brochure") is to describe and disclose the services, fees, potential conflicts of interest, and other necessary information clients should consider prior to becoming a client of ACAS' investment advisory programs covered in this Wrap Brochure. For a complete description of other services and fee arrangements offered by our firm, clients should refer to our Form ADV Part 2 ("Firm Brochure"). You may obtain a copy of the Firm's Brochure by calling (888) 500-9267. Please retain this Wrap Brochure for your records. ACAS offers its services on both a wrap fee and non-wrap fee basis. More information regarding ACAS' Non-Wrap Fee services may be found in the Firm Brochure.

ACAS sponsors a wrap-fee program, which is an investment advisory program (the "Program") in which the client pays a single fee for a variety of services, including, investment advisory services, portfolio management, brokerage, custody, and other associated account fees. ACAS may recommend the use of other investment advisers (referred to as "Sub-Advisers") to manage the portion of a client's assets in the Program. The terms and conditions under which client will engage a Sub-Adviser will be set forth in separate written agreements between the client and ACAS and the client and the designated Sub-Adviser. Clients will generally not come in contact with Sub-Adviser and ACAS will serve as the communication conduit between the client and Sub- Adviser.

Through the Program, ACAS provides investment supervisory and management services defined as providing continuous investment advice based on each client's individual needs. Upon execution of an investment advisory agreement, ACAS assists clients with the establishment of an individual account ("Account") for the client at an approved custodian. Clients must appoint ACAS as their investment adviser on the Account. ACAS will be granted with trading authorization over each client's individual account in order to implement ACAS' continuous investment advice.

Accounts in the Program are managed on the basis of each client's financial situation and investment objectives. Clients should notify ACAS if their financial situation or investment objectives have changed, or if they want to impose and/or modify any reasonable restrictions on the management of their account. Periodically, ACAS may contact clients to determine whether their financial situation or investment objectives have changed. ACAS strives to be reasonably available to consult with clients relative to the status of the Account.

As stated above, clients in the Program pay a single annualized fee, based upon a percentage of the market value of all Program assets, for participation in the Program. The Program may cost clients more or less than purchasing such services separately. The fees charged for the Program generally do not exceed 2% annually and are generally charged quarterly in advance. The Program Fee includes the ACAS's management fee, the management fee for each selected Sub-Advisor, if any, trading costs, and annual custodial fees.

ACAS, in its sole discretion, may negotiate fees with individual clients based on the client's individual financial situation, complexity, and assets under management. The specific fee charged to each client for the Program will be outlined in, or attached to, the investment advisory agreement. Program fees are billed on a quarterly (calendar) basis. Clients must provide the approved custodian with authorization to have fees deducted directly from the Account and paid to FTIAS. The authorization will remain valid until a written revocation of the authorization is received by the approved custodian.

### Other Fees

In addition to the wrap fee discussed above, you may also pay custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund (such as fund management fees and other fund expenses, each of which shall be disclosed in the fund's prospectus), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap fee you are charged by our firm.

### Other Fee Disclosures

The Program may cost a client more or less than purchasing the services separately. Factors bearing on the relative cost of the Program that would be relevant when considering the alternative of purchasing the services offered in the Program separately include the trading activity in a client's account and the corresponding brokerage commissions that would be charged for execution of trades, and the fees charged for investment advisory services under the Program.

The cost of non-wrapped investment advisory services may be lower than investment advisory services provided under the wrap program. Because ACAS may receive more compensation from a client from the client's participation in the Program than if the client received advisory services and brokerage services separately, ACAS may have a financial incentive to recommend the Program to clients over other types of advisory services. ACAS may give advice to others that may be different from the advice given to Program clients. A non-wrapped pricing arrangement may be more cost effective for accounts that do not experience frequent trading activity.

ACAS receives a portion of the fees paid by the client as a result of their participation in the program. The amount of this compensation may be more than what the person would receive if the client participated in other programs of the sponsor or paid separately for investment advice, brokerage, and other services. ACAS may therefore have a financial incentive to recommend the Program over other programs or services.

## **Item 5: Account Requirements and Types of Clients**

ACAS provides investment advisory services to the following types of Clients:

- Individuals, Personal Trusts and Estates – private investors, investing their personal assets
- Pension and Profit Sharing Plans – retirement plan sponsors or company plans
- Foundation and Endowments – non-profit organizations that manage a pool of assets, and distribute funds according to a mandate or mission
- Corporations and Businesses – taxable business entities, investing cash reserves ACAS generally does not impose a minimum account size for establishing a relationship.

## **Item 6: Portfolio Manager Selection and Evaluations**

ACAS is responsible for the overall investment advice and management services offered to clients. ACAS offers advisory services and based on the individual objectives of each specific client portfolio and may or may not represent the overall objectives of the clients' total investment assets. ACAS generally recommends Sub-Advisors to manage the portion of the client's assets in the Program.

The terms and conditions relating to the engagement of a Sub-Advisor are set forth in separate written agreements between the client and ACAS and the client and the designated Sub-Advisor. Clients generally do not come in contact with Sub-Advisor and the Adviser serves as the communication conduit between the client and Sub-Advisor. ACAS provides information received from the client to the Sub-Advisors selected, including the client's financial and personal profile as well as any applicable client questionnaires and/or investment policy statements, or other similar documents. Sub-Advisors are granted investment discretion by the client to exercise discretionary trading authority for the day to day management of client accounts.

ACAS may at any time terminate the relationship with a Sub-Advisor that manages clients' assets. Factors involved in the termination of a Sub-Advisor may include a failure to adhere to management style or clients' objectives, a material change in the professional staff of the Sub-Advisor, unexplained poor performance, and dispersions of client account performance or the firm's decision to no longer include the advisor as one of its preferred program managers.

Clients are advised and should understand that:

- An advisor's past performance is no guarantee of future results;
- There is a certain market and/or interest rate risk which may adversely affect any advisor's objectives and strategies, and could cause a loss in a client's account(s); and
- Client risk parameters or comparative index selections provided to the firm are guidelines only – there is no guarantee that they will be met or not be exceeded.

Information collected by ACAS regarding selected managers is believed to be reliable and accurate but the firm does not independently review or verify it on all occasions. All performance reporting will be the responsibility of the respective Sub-Advisors. Such performance reports will be provided directly to the clients and the firm. The firm does not audit or verify that these results are calculated on a uniform or consistent basis as provided by an advisor directly to the firm or through the consulting service utilized by the advisor.

### **Methods of Analysis, Investment Strategies and Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. The client process begins with the development of an understanding of the client, using financial planning principals. ACAS may use any information provided by the client regarding financial goals, resources, attitudes, age, experiences, and investment time horizon to assess the client's risk profile and investment objectives in determining an appropriate plan for the client's assets. The client information is then used to develop a recommendation and investment plan tailored to the client's individual needs within the asset allocation parameters.

The next step in the process involves implementation within client portfolios. ACAS and Sub-Advisors may use a variety of security types and methods including but not limited to mutual funds, exchange traded funds, closed end funds, individual equities, individual fixed income securities, and options. A variety of security analysis methods may be used including fundamental analysis, technical analysis, charting or cyclical analysis. Information for this analysis may be drawn from financial newspapers and magazines, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases and corporate ratings services.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. Some of the primary risks of investing are summarized below:

- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Credit Risk:** The risk of loss of principal stemming from a borrower's failure to repay a loan.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in

good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

- **Alternative Strategy Mutual Fund.** Certain mutual funds invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involved special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential liquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry. These types of funds tend to have higher expense ratios than more traditional mutual funds. They also tend to be newer and have less of a track record of performance history.
- **Closed-End Funds.** Client should be aware that closed-end funds may not be readily marketable. In an effort to provide investor liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.
- **Exchange-Traded Funds (ETFs).** ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETFs shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publically-traded companies. ETFs shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company. ETFs may be closed and liquidated at the discretion of the issuing company.
- **Exchange-Traded Notes (ETNs).** An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks. ETNs may be closed and liquidated at the discretion of the issuing company.
- **Leverage and Inverse ETFs, ETNs and Mutual Funds.** Leveraged ETFs, ETNs, and mutual funds, sometimes labeled "ultra" or "2x" for example, are designed to provide a multiple of the underlying index's return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs, and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of funds expenses and other factors. This is referred to as tracking error. Continual resetting of returns within the product may add to the underlying costs and increase tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions are magnified over time. Because of these distortions, these products should be actively monitored, as frequently as daily, and may not be appropriate as an intermediate or long-term holding. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities

or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs, and mutual funds.

- **Options.** Certain types of option trading are permitted in order to generate income or hedge a security held in FTIAS-IA accounts; namely, the selling (writing) of covered call options or the purchasing of put options. Client should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security may be called away and the IA account will no longer hold the security. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold.
- **High-Yield Debt.** High yield debt is issued by companies or municipalities that do not qualify for “investment grade” ratings by one or more rating agencies. The below investment grade designation is based on the rating agency’s opinion of an issuer that it has a greater risk to repay both principal and interest and a greater risk of default than those issuers rated investment grade. High yield debt carries greater risk credit risk than investment grade debt. There is the risk that the potential deterioration of an issuer’s financial health and subsequent downgrade in its rating will results in a decline in market value or default. Because of the potential inability of an issuer to make interest and principal payments, an investor may receive back less than originally invested. There is also the risk that the bond’s market value will decline as interest rates rise and that an investor will not be able to liquidate a bond before maturity.

## **Item 7: Client Information Provided to Portfolio Managers**

In managing client assets in the Program, ACAS may provide client information to Sub-Advisors as necessary to manage the client portfolio. This information may include, among other things, income, net worth, risk tolerance, and investment objectives. The Sub-Advisor may use this information to determine the appropriate asset allocation and to manage your investments. When you update your information with ACAS, the Sub-Advisor will be provided with the same updated information.

## **Item 8: Client Contact with Portfolio Managers**

Clients will generally not come in contact with Sub-Advisor and ACAS will serve as the communication conduit between the client and Sub-Advisor.

## **Item 9: Additional Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.



## **D. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither ACAS nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

## **E. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither ACAS nor its representatives are registered as a FCM, CPO, or CTA.

## **F. Relationships Material to this Advisory Business and Possible Conflicts of Interests**

From time to time, ACAS may refer clients to third party investment advisers or money managers. In the event that such clients elect to establish accounts with the third party adviser, ACAS may receive as compensation a portion of the advisory fee that the client pays to the third party adviser. This arrangement creates a conflict of interest and incentive for ACAS to recommend third party advisers based on the portion of the advisory fee it may receive rather than the interests of the client. ACAS is required at all times to act in the best interests of its client. Clients are not required to establish accounts with third party advisers recommended by ACAS.

We have four investment adviser representatives, including Managing Member, Christopher Tate, who are licensed to sell insurance products and may recommend and sell life, disability, health, and long-term care insurance and will receive the usual and customary commissions in addition to any agreed upon advisory fee. Our IARs may be eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of insurance policies or other investment products that he recommends.

While our IARs endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest, and may affect their judgment when making recommendations. We require that all IARs disclose this conflict of interest when such recommendations are made. Also, we require IARs to disclose that Clients may purchase recommended insurance products from other insurance agents not affiliated with us.

In addition, Daniel C. Osgood owns DCO Wealth Management, Inc. ("DCO"), an entity that provides financial planning services for which Mr. Osgood receives separate and distinct compensation from ACAS. From time to time, DCO may recommend services that are available through ACAS or unaffiliated third party investment advisers. This arrangement may create a conflict of interest and incentive for Mr. Osgood to recommend services based on compensation he may receive through ACAS. As a fiduciary, Mr. Osgood is required at all times to act in the best interests of clients. Clients are not required to use ACAS for recommendations made by Mr. Osgood.

### **Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

From time to time, representatives of ACAS may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of

ACAS to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. However as fiduciaries, ACAS and its representatives are required at all times to place the interests of clients ahead of their own.

From time to time, representatives of ACAS may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of ACAS to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. However, as fiduciaries, ACAS and its representatives are required at all times to place the interests of clients ahead of their own.

#### **Client Referrals and Other Compensation**

ACAS may refer clients to third party investment advisers or money managers. In the event that such clients elect to establish accounts with the third party adviser, ACAS may receive as compensation a portion of the advisory fee that the client pays to the third party adviser. This arrangement creates a conflict of interest and incentive for ACAS to recommend third party advisers based on the portion of the advisory fee it may receive rather than the interests of the client. ACAS is required at all times to act in the best interests of its client. Clients are not required to establish accounts with third party advisers recommended by ACAS.

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

ACAS does not directly or indirectly compensate third parties for client referrals.

#### **Financial Information**

ACAS does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

Neither ACAS nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

Neither ACAS nor its management or owners have been the subject of a bankruptcy petition in the last ten years.