

**Part 2A of Form ADV: *Firm Brochure***

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**April 30, 2017**

This brochure provides information about the qualifications and business practices of BDO Wealth Advisors, LLC ("BDOWA"). If you have any questions about the contents of this brochure, please contact us at 314-889-1165 or [dmaret@bdowealth.com](mailto:dmaret@bdowealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about BDOWA also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 222525.

## Item 2 Material Changes

This Firm Brochure, dated April 30, 2017, provides you with a summary of BDOWA advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of June 30. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following summarizes new or revised disclosures based on information previously provided in our Firm Brochure dated 09/30/2016:

Effective April 1, 2017, BDO Wealth Advisers, LLC entered into an arrangement with LBA Wealth Management, LLC ("LBA WM"), a SEC-registered investment adviser located in Jacksonville, Florida as part of our firm's ongoing efforts to expand the scope of services offered to advisory clients. Former LBA WM clients are now clients of our firm, and LBA WM employees are now part of BDOWA. Further, we have designated the Jacksonville office as BDOWA's principal place of business; and appointed David T. Albaneze as BDOWA's Chief Compliance Officer.

Finally, recognizing that services to similarly-situated clients may differ based on the BDOWA office providing the service and/or the particular investment style or strategy used by a BDOWA investment adviser representative, we have created separate Firm Brochures - this brochure covering the Ft. Lauderdale and St. Louis offices, and one for the BDOWA – Jacksonville office. Accordingly, we urge our clients and prospective clients to read carefully this brochure in its entirety an understanding of the services, fees and certain business practices of the BDOWA – Ft. Lauderdale and St. Louis offices. We will be pleased to provide a copy of the BDOWA – Jacksonville brochure upon client request.

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## Item 4 Advisory Business

BDOWA is a SEC-registered investment adviser with offices located in St. Louis, Missouri, and Jacksonville and Fort Lauderdale, Florida.

BDOWA began conducting business in June 2015 when it entered into a business expansion transaction with Stone Carlie Wealth Advisors, LLC ("SCWA."). In August 2016, BDOWA entered into a similar business expansion transaction with GSK Wealth Advisors, Inc. ("GSKWA"), in which substantially all of GSKWA's employees joined BDOWA and BDOWA began operating from the former office location of GSKWA in Fort Lauderdale. Jeffrey B. Koch became the Office Managing Partner (Wealth Advisory) - Fort Lauderdale, as well as a partner of BDO USA, LLP (the parent company to BDOWA). Effective April 1, 2017, BDOWA continued to expand the products and services offered to our clients when we entered into a similar arrangement with LBA Wealth Management, LLC ("LBA WM"), an SEC-registered investment adviser located in Jacksonville, Florida. In addition to LBA WM's employees joining our firm, BDOWA has designated the Jacksonville location as our firm's principal place of business and designated LBA WM's former Managing Member, David T. Albanese, as our firm's Chief Compliance Officer ("CCO").

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- BDO USA, LLP, sole Member/Owner

No individual partner of BDO USA, LLP owns more than 25% of the partnership interests thereof.

Services to similarly-situated clients may differ based on the BDOWA office providing the service and/or the particular investment style or strategy used by a BDOWA investment adviser representative. Disclosures pertaining to the advisory services, and fees offered through the Jacksonville office of BDOWA along with other information related to the firms' business practices, affiliations and potential conflicts of interest are provided in a separate Form ADV Part 2A brochure, which is available on request or may be accessed on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). This disclosure document provides this information for the Fort Lauderdale and St. Louis offices of BDOWA.

BDOWA offers the following advisory services to our clients:

### **DISCRETIONARY INVESTMENT MANAGEMENT SERVICES**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Primarily, discretionary services are provided by our two Florida-based offices. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal target asset allocation and create and manage a portfolio based on that target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

#### ***BDOWA - Fort Lauderdale***

We manage these advisory accounts on a discretionary basis. Therefore, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm or by a power of attorney. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. These restrictions and guidelines should be provided to our firm in writing.

Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following:

- Exchange-listed securities (Exchanged traded funds or listed company stock)
- Securities traded over-the-counter
- Mutual fund shares
- Separate Account Managers/Independent money managers (please refer to section titled "Selection and Monitoring of Separate Account Managers / Independent Money Managers").

NOTE: We will assist clients, as necessary, in disposing of existing investment products that are not part of the investment plan developed by BDOWA. These investment products can include: Exchange listed securities (stocks and ETFs), securities traded over-the-counter, foreign issuers, corporate debt securities, certificates of deposit, municipal securities, variable annuities, mutual fund shares, options, warrants and United State governmental securities.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

## **NON-DISCRETIONARY INVESTMENT ADVISORY SERVICES**

### ***BDOWA – St. Louis***

Our firm provides non-continuous asset management of client funds based on the individual needs of the client. This service is typically provided by our St. Louis office. We provide clients with asset allocation services designed to create diversified portfolios among mutual funds, exchange traded funds (ETFs) and/or independent money managers. We collect data regarding a client's current investments, goals and objectives, financial circumstances, investment restrictions and limitations imposed by the client (including types of securities or industry sectors), and risk tolerance. Based on the data gathered, we will prepare an Investment Policy Statement (IPS) and recommend an investment strategy and a portfolio of investments.

We manage these advisory accounts on a non-discretionary basis. Account supervision is guided by the client's risk tolerance (i.e., aggressive, moderate, conservative, etc.), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

On a quarterly basis (no less than semi-annually, upon instruction from the client), starting after the first full quarter of investment, we provide clients with a report regarding the performance of the portfolio and additional recommendations to rebalance and/or reallocate the client's investments. The investments used in the portfolios are continually monitored, and if a material change occurs in the management or philosophy of an investment, we may contact clients prior to our quarterly meeting and recommend action be taken.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following:

- Mutual fund shares
- Exchange-listed securities (Exchange Traded Funds "ETFs")
- Separate account managers/Independent money managers (please refer to section titled "Selection and Monitoring of Separate Account Managers / Independent Money Managers").

NOTE: We will assist clients, as necessary, in disposing of existing investment products that are not part of the investment plan developed by BDOWA. These investment products can include: Exchange-listed securities (stocks and ETFs), securities traded over-the-counter, foreign issuers, corporate debt securities, certificates of deposit, municipal securities, variable annuities, mutual fund shares, options, warrants and United States governmental securities.

Because some types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Our non-discretionary investment advisory services are based on asset allocation models that take into account the client's personal financial circumstances. Our engagement with a client will include, as appropriate, the following services:

1. We review the client's current investment portfolio against the client's personal circumstances as disclosed to us in the responses to a questionnaire completed by the client.
2. We prepare an analysis of the client's financial circumstances, investment holdings, strategy and goals. We provide a review of basic investment concepts, historical returns for various asset classes, and the advantages of diversification.
3. We provide assistance in identifying a targeted asset allocation and portfolio design based on modern portfolio theory (combining different asset classes in order to project an estimated rate of return consistent with the client's tolerance of risk and other circumstances).
4. We recommend various mutual funds, ETFs and/or independent money managers matched to each of the asset categories in the client's target asset allocation for consideration by the client.
5. We provide clients with a report on a quarterly (or no less than semi-annual) basis with respect to contributions and withdrawals in the client's investment portfolio, and the performance of the client's portfolio measured against appropriate benchmarks (including benchmarks selected by the client). We provide these statements in addition to the monthly statements received by the custodian.
6. We may periodically propose changes to a client's IPS and/or target asset allocation taking into consideration changes in the client's personal circumstances. We may also periodically recommend new mutual funds, ETFs, or independent money managers based on changes in the client's personal circumstances, the performance record of any of the client's investments, and/or the performance of any investment manager selected by the client.

Clients should provide us with any investment restrictions that should be imposed on a portfolio, and promptly notify us of any changes in those restrictions or in the client's personal financial circumstances.

## FINANCIAL PLANNING

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- *PERSONAL*: We review family records, budgeting, personal liability, estate information and financial goals.
- *TAX & CASH FLOW*: We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- *INVESTMENTS*: We analyze investment alternatives and their effect on the client's portfolio.
- *INSURANCE*: We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- *RETIREMENT*: We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- *DEATH & DISABILITY*: We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- *ESTATE*: We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature. You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Either party may terminate the financial planning agreement within five days of acceptance without penalty. After the five-day period, either party may terminate the agreement by providing written notice to the other party.

## SELECTION AND MONITORING OF SEPARATE ACCOUNT MANAGERS / INDEPENDENT MONEY MANAGERS

As part of our investment advisory services, we may recommend that you use the services of a separate account managers/independent money manager ("SAM") to manage all or a portion of your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific SAM. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the SAM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the SAM's performance to assess whether its management and investment style remains aligned with your investment goals and objectives. The SAM's will actively manage your assets and will assume discretionary investment authority over your account. Under our **discretionary investment advisory services**, we assume authority to hire and fire SAM(s) and/or reallocate your assets to other SAM(s) where we deem such action appropriate. Under our **non-discretionary investment advisory services**, we do NOT assume the authority to hire and fire SAM(s); instead, we will make recommendations based on the current situation and ask for your authority to move forward with the recommendation.

You may be required to sign an agreement directly with the recommended SAM(s). You may terminate your advisory relationship with the SAM(s) according to the terms of your agreement with the SAM(s). You should review each SAM's disclosure brochure for specific information on how you may terminate your advisory relationship with the SAM(s) and how you may receive a refund, if applicable.

Clients who are referred to SAM's will receive full disclosure, including services provided and fee schedules, at the time of the referral by delivery of a copy of the relevant SAM's Form ADV Part 2 or equivalent disclosure document. Either our firm or the SAM will provide all appropriate disclosure statements.

Advisory fees charged by SAM(s) are separate and distinct from our advisory fees. Assets managed by SAM(s) will be included in calculating our advisory fee, which is based on the fee schedule set forth in the "Portfolio Management Services Fees" section in this brochure. Advisory fees that you pay to the SAM(s) are established and payable in accordance with the ADV Disclosure Brochure provided by each SAM to whom you are referred. These fees may or may not be negotiable. You should review the recommended SAM's brochure and take into consideration the SAM's fees along with our fees to determine the total amount of fees associated with this program.

All SAM's that we recommend to our clients must either be exempt from registration or registered as investment advisers with the Securities and Exchange Commission or with the appropriate state authority.

## PENSION CONSULTING SERVICES

Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services. The primary clients for these services are pension, profit sharing and 401(k) plans.

### **Investment Policy Statement (IPS) Preparation:**

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.



**Selection of Investment Vehicles:**

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

**Monitoring of Investment Performance:**

We monitor client investments continually, based on the procedures and timing intervals delineated in the Investment Policy Statement. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

**Employee Communications:**

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide quarterly educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

**WRAP FEE PROGRAM**

We do not sponsor or act as a portfolio manager in a wrap fee program.

**ASSETS UNDER MANAGEMENT**

As of 04/01/2017, BDOWA was actively managing \$573,999,298 of clients' assets on a discretionary basis.

**Item 5 Fees and Compensation****PORTFOLIO MANAGEMENT SERVICES FEES****DISCRETIONARY INVESTMENT MANAGEMENT SERVICES**

The annualized fee for discretionary investment management services are charged as a percentage of managed assets, according to the following schedule:

***BDOWA - Fort Lauderdale***

<b><u>Asset Under Management</u></b>	<b><u>Annual Fee</u></b>
Up to \$500,000	1.50%
Plus, assets above \$500,000	1.25%

A minimum of \$250,000 of assets under management is required for our portfolio management services.

This account size may be negotiable under certain circumstances. BDOWA may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

**NON-DISCRETIONARY INVESTMENT MANAGEMENT / ADVISORY SERVICES**

## ***BDOWA – St. Louis***

The annualized fee for non-discretionary investment management / advisory services are charged as a percentage of managed assets, according to the following schedule:

<b><u>Asset Under Management</u></b>	<b><u>Annual Fee</u></b>
First \$1,000,000	1.00%
Next \$2,000,000	0.75%
Next \$2,000,000	0.50%
Next \$5,000,000	0.35%
Next \$5,000,000	0.25%
Above \$15,000,000	0.20%

A minimum of **\$250,000** of assets under management is required for our portfolio management services.

This account size may be negotiable under certain circumstances. BDOWA may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Clients are invoiced, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value) of the client's account, including accrued interest, at the end of the previous quarter. Fees will be debited from the client's account in accordance with the client authorization in the Client Services Agreement or paid by check directly from the client. BDOWA will send to Client a quarterly statement showing the amount of the advisory fee due, the Account value on which the fee is based and how the fee was calculated. The Custodian will send Client a quarterly statement showing all amounts paid from the Account, including all advisory fees paid by Custodian to BDOWA. Fee adjustments are not made for contributions and withdrawals to accounts within a calendar quarter, however, in the event a client terminates his or her Investment Management Agreement with BDOWA, the advisory fee for the calendar quarter in which the termination occurs will be pro-rated based on the number of days that the Account was open during the quarter, and client will be refunded the difference.

We encourage you to reconcile our invoices and statements with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian, please call the applicable office number located on the cover page of this brochure.

***Limited Negotiability of Advisory Fees:*** Although BDOWA has established the aforementioned fee schedules, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, and reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Furthermore, minimum account requirements and fees charged to pre-existing clients that have transitioned their accounts to BDOWA from the predecessor registered investment adviser (e.g., SCWA, GSKWA or LBA WM) may differ from the aforementioned fee schedule(s).

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

*For Illinois Clients:* Pursuant to Section 130.846 of the Illinois Administrative Code, unless a client has received this brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees.

## **PENSION CONSULTING FEES**

Our fees for Pension Consulting Services are based on a percentage of assets under advisement, according to the following schedule:

<b><u>Assets Under Advisement</u></b>	<b><u>Annual Fee</u></b>
Plan Assets	0.50% – 1.00%

Minimum annual fee: \$2,500

***Limited Negotiability of Consulting Fees:*** Although BDOWA has established the aforementioned fee schedule, we retain the discretion to negotiate alternative fees on a client-by-client basis. The amount of the fees will be based on the scope and complexity of the qualified plan and the services requested.

Clients are invoiced in advance at the beginning of each calendar quarter.

## **FINANCIAL PLANNING FEES**

Our Financial Planning fees are determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are typically calculated and charged on an hourly basis, however, a fixed fee may be negotiated depending on the scope and complexity of the contracted services. The hourly rates for our personnel change periodically. Current hourly billing rates by level are:

Partner:	\$400-650
Managing Director/Director	\$300-425
Financial Advisor/Manager/Senior Manager:	\$150-350
Client Service Associate:	\$ 75-160

Actual billing rates charged (within the stated range) are dependent primarily on the seniority and level of experience of the relevant personnel. Billing rates can change periodically. Personnel at the Client Service Associate level may be non-licensed personnel, providing administrative and clerical assistance only.

Although time incurred to prepare a Financial Plan will depend on each client's personal situation, an estimate will be provided for the total hours at the start of the advisory relationship. A typical Financial Planning engagement can range from 15 - 20 hours. A completed financial planning project will typically range from \$2,500-\$5,000, depending on the complexity of the client's circumstances.

A retainer may be requested upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$1,200 for work that will not be completed within six months. The balance is due upon completion of the plan.

**Limited Negotiability of Financial Planning Fees:** Although BDOWA has established the aforementioned fee schedule, we retain the discretion to negotiate alternative fees on a client-by-client basis. The amount of the fees will be based on the scope and complexity of the client situation and the services requested.

**Financial Planning Fee Offset:** BDOWA reserves the discretion to reduce or waive the hourly fee if a financial planning client chooses to engage us for our Investment Management Services.

## GENERAL INFORMATION

In performing our services, BDOWA shall not be required to verify any financial information received from the client or from the client's other professionals, and is expressly authorized to rely on the information provided. Moreover, clients are advised that it remains their responsibility to promptly notify their respective BDOWA account manager if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating and revising our previous recommendations and/or services.

**Termination of the Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason, upon written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

**Mutual Fund/ETF Fees:** All fees paid to BDOWA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or exchange-traded funds (ETFs) to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. Our recommendations are typically limited to no-load or load-waived mutual funds. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review the fees charged by the funds and our fees to fully understand the total amount of fees to be paid.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Brochure for additional information.

**Product and Service Fees in General:** The fees and expenses charged by funds and independent money managers are factors considered in making investment recommendations to clients.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

Note: BDOWA does not receive fees from any mutual fund, custodian or broker dealer in connection with our advisory services (i.e., 12b-1 fees or commissions).

**ERISA Accounts:** BDOWA is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986

(the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, BDOWA may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset BDOWA's advisory fees.

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

BDOWA does not charge performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

BDOWA provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans
- Charitable organizations
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the previous disclosures in Items 4 and 5.

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of equities, fixed income, and cash suitable to the client's investment goals and risk tolerance. The methodology we use is based on Modern Portfolio Theory. In Modern Portfolio Theory, certain mathematical principles are applied to the historical or forecasted performance of asset classes, and combinations of classes to identify asset allocations that attempt to maximize the client's rate of return within the constraints imposed by the client's circumstances. We then recommend mutual funds, exchange traded securities (equities or ETFs) and/or independent money managers deemed to correlate with certain asset classes to the client for investment.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Mutual Fund and/or ETF Analysis.** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Funds (mutual funds or ETFs) we recommend to clients are reviewed against a number of quantitative criteria, including manager tenure and track records, amounts invested or assets under management and other measurement statistics. In addition, mutual fund managers must meet qualitative criteria, including consistency of investment style, employee turnover, efficiency and capacity. Mutual funds are reviewed against these quantitative and qualitative criteria to determine whether a fund will be recommended.

Recommended funds (mutual funds or ETFs) are also reviewed each quarter to determine whether they continue to meet the quantitative and qualitative maintenance criteria. Any approved funds that fail to meet maintenance criteria may be placed on watch or removed from the recommended list. Advisory clients investing through removed funds will be informed of the removal and provided with new recommendations.

**Separate Account Manager / Independent Money Manager Analysis.** We examine the experience, expertise, investment philosophies, and past performance of independent money managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with an independent money manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in an independent money manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Independent money managers recommended to clients are evaluated against a number of quantitative criteria, including manager tenure and track records, amounts invested or assets under management and other measurement statistics. In addition, independent money managers must meet qualitative criteria, including consistency of investment style, employee turnover, efficiency and capacity. Money managers are reviewed against these quantitative and qualitative criteria to determine whether a fund will be recommended.

Recommended independent money managers are also reviewed each quarter to determine whether they continue to meet the quantitative and qualitative maintenance criteria. Any approved managers that fail to meet maintenance criteria may be placed on watch or removed from the recommended list. Advisory clients investing through removed managers will be informed of the removal and provided with new recommendations.

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Risks for all forms of analysis and risk of loss.** To screen and research mutual funds, ETFs and independent money managers, the following sources may be used: Data published by nationally recognized mutual fund and money manager databases, disclosures made available in mutual fund prospectuses, disclosures contained in money manager's Form ADV, responses to questionnaires, information acquired during on-site inspections, interviews and conference calls, Schwab or Fidelity program research, and mutual fund or money manager sponsored forums. Although our due diligence is comprehensive, it does not provide an independent verification of the performance or rankings of funds and managers that it screens. While we are alert to indications that data may be incorrect, there is always the risk that our analysis may be compromised by inaccurate or misleading information.

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

## INVESTMENT STRATEGIES

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases (buy-and-hold)** - Securities are purchased with the idea of holding them in the client's account for one year or longer. Typically this strategy is employed because we want exposure to a particular asset class over time, regardless of the current projection for the asset class. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, a security may decline sharply in value before a decision to sell is made.

**Short-term purchases** - Securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations. We may, at times, use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

Options trading/writing and margin transactions are not a fundamental part of overall investment strategy, but may be used at the request of the client (for short-term cash needs) or to transition an existing portfolio to our recommended portfolio.

**Risk of Loss.** Clients should understand that all of BDOWA's investment strategies and the investments purchased, sold and/or traded pursuant to such strategies involve risk of loss, including the potential loss of the entire investment in their account, which clients should be prepared to bear.

The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a client's investments will fluctuate due to market conditions and other factors. The investment decisions made and the actions taken for any investment strategies as well as for any client account will be subject to various markets, liquidity, currency, economic, political and other risks. The value of investments and the income derived from investments can go down as well as up. Past performance is not indicative of future results and future returns are not guaranteed. There is a risk that a client could lose all or a portion of his or her money. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9    Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

BDOWA is part of a group of affiliated companies owned, in whole or in part, directly or indirectly, by BDO USA, LLP ("BDO USA"), a national tax, assurance, business advisory and consulting firm. As such, BDOWA is an affiliate of other BDO USA subsidiaries that may from time to time conduct business, or hold licenses to conduct business, in areas such as insurance, real estate brokerage and investment banking. Some of such affiliate entities exist solely for internal, operational purposes, and are not market-facing. All such affiliate entities are legally separate and distinct from BDOWA and, with the exception of arrangements to share certain infrastructure and/or back-office functions with BDO USA, are also operationally separate and distinct from the firm; accordingly, they are not material to the business of BDOWA.

Certain management personnel of BDOWA are also active in BDO USA where they are individually licensed and practicing Certified Public Accountants providing accounting services for separate and typical compensation.

It is possible that client assets with respect to which BDOWA directly or indirectly provides asset management, financial planning or other services may include securities of public or private companies for which BDO USA serves as an auditor, or to which BDO USA, or an affiliate, provides accounting, tax or other services.

BDO USA can recommend BDOWA to accounting or consulting clients in need of investment advisory or other services offered by BDOWA. Conversely, BDOWA can recommend BDO USA to investment advisory clients in need of accounting or consulting services. Accounting and consulting services provided by BDO USA are separate and distinct from our advisory services, and are provided for separate and typical compensation. No BDOWA client is obligated to use BDO USA for any accounting or consulting services and conversely, no accounting or consulting client is obligated to use the advisory services provided by BDOWA.

Richard F. Kraner and Anne M. Phelps spend approximately half of their respective time in the accounting practice of BDO USA. Jeffrey Koch spends less than half of his time in the accounting practice of BDO USA. Sarah C. Hancock provides services to BDOWA on a project-by-project basis, and spends the majority of her time in the accounting practice of BDO USA.



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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

BDOWA and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

BDOWA's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [dmaret@bdowealth.com](mailto:dmaret@bdowealth.com), or by calling us at 314-889-1100.

BDOWA and individuals associated with our firm are prohibited from engaging in principal transactions. BDOWA and individuals associated with our firm are also prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell (mutual funds or exchange-traded securities) for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) (mutual funds and exchange-traded securities) which may also be recommended to a client.

We have established the following policies and procedures for implementing the Code of Ethics, to ensure compliance with our regulatory obligations and provide our clients and potential clients with full and fair disclosure of such conflicts of interest.

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. We maintain a list of recommended securities (current mutual funds and exchange-traded securities used in client portfolios.)
4. We have established procedures for the maintenance of all required books and records.
5. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.

6. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
7. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
8. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
9. Any individual who violates any of the above restrictions may be subject to disciplinary sanctions, up to and including termination.

## **Item 12 Brokerage Practices**

Due to the nature of the portfolio management services being provided, neither the BDOWA Ft. Lauderdale office nor the St. Louis office blocks client trades and, therefore, client transactions are implemented separately for each account. Consequently, certain client trades may be executed before others and at a different prices. Additionally, clients may not receive volume discounts available to advisers who block client trades.

We routinely recommend the brokerage and custodial services of either Schwab Institutional (Schwab Advisor Services) division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, or Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity"), a securities broker-dealer and a FINRA registered broker-dealer, member SIPC. We have an arrangement with each of Schwab and Fidelity through which such firm provides BDOWA with its platform services. The platform services include, among other items, brokerage, custodial, administrative support, record keeping and related services that are intended to provide support to our firm in conducting business and in serving the best interests of our clients. BDOWA is independently owned and operated and not affiliated with Schwab or Fidelity.

While our firm and its associated persons endeavor at all times to put the interest of our clients first as part of our fiduciary duty, you should be aware that receipt of additional services in itself creates a potential conflict of interest. All the firms we recommend to our clients for brokerage and custodial services are independent and unaffiliated. Regardless, you may utilize the broker/dealer of your choice and have no obligation to purchase or sell securities through the brokers we recommend.

### **SCHWAB**

#### ***BDOWA - St. Louis***

The BDOWA - St. Louis office routinely recommends the brokerage and custodial services of Schwab to clients.

Schwab provides BDOWA with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit BDOWA but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution (iii) provide research, pricing and other market data; (iv) facilitate payment of our fees from clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to BDOWA. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

### ***Trade Errors - Schwab***

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

## **FIDELITY**

### ***BDOWA - Fort Lauderdale***

BDOWA - Fort Lauderdale has an arrangement with Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides our firm with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services that assist us in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Fidelity also offers other services intended to help our firm manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom BDOWA may contract directly.

Fidelity generally does not charge its advisor clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of BDOWA's clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while BDOWA will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

#### ***Trade Errors - Fidelity***

Fidelity corrects the trade so that the position is as it would have been without the error. However, all profits or losses are placed in an error account. At the end of the quarter, if the error account has a negative balance then BDOWA will cover the balance. If there is a positive balance, then the balance is given to a charity of our choosing.

### **FINANCIAL PLANNING SERVICES**

Clients may use any broker dealer of their choice for the implementation of recommendations presented in a financial planning project. Clients may hire BDOWA to implement recommendations for separate and typical fees (Please refer to Item 5 for more details).

## **Item 13    Review of Accounts**

### **INVESTMENT MANAGEMENT / ADVISORY SERVICES**

The review of your accounts may differ depending on whether BDOWA provides discretionary or non-discretionary investment advisory services.

#### ***Discretionary***

We will monitor your accounts on a continuous basis and your advisory representative will conduct account reviews upon your request to ensure that the advisory services provided to you are consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- Contributions and withdrawals
- Year-end tax planning

- Market moving events
- Security specific events; and/or
- **Changes** in your risk/return objectives

As part of your agreement with BDOWA we may provide you with reports regarding the performance of your account(s). In addition, you will receive trade confirmations, monthly or quarterly statements, and year-end tax statements from your account custodian(s).

Your advisory representative will review your financial plan upon request or as necessary depending on the arrangements made with you at the inception of your advisory relationship to ensure that the planning advice or asset allocation recommendations originally made are consistent with your current investment needs and objectives. We encourage you and all existing clients to contact us with any questions, or changes to your financial situation or objectives. Changed circumstances may include, but are not limited to: marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss, and/or disability, among others.

Where warranted, we will provide you with updates to the financial plan in conjunction with the review. If you request a formal broad-based review and/or update to your financial plan, such reviews and updates will be subject to our then current hourly rate. We will not provide regular written reports for financial planning and consulting services. If you implement financial planning advice through our firm, you will receive trade confirmations and monthly or quarterly statements from relevant custodians.

### ***Non-Discretionary***

**REVIEWS:** While the underlying securities within non-discretionary investment advisory services accounts are continually monitored, these accounts are reviewed quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. Special reviews may be triggered by material changes in variables such as the client's individual circumstances or material changes in management or philosophy or investment products.

Deborah L. Maret and/or Anne M. Phelps formally reviews client accounts quarterly. Richard F. Kraner follows with an executive review.

Richard Kraner is responsible for the supervision and monitoring of investment advice offered to non-discretionary advisory clients, including investment advisory services provided by Deborah Maret and Anne Phelps. He can be reached at 314-889-1100. Mr. Kraner oversees all material investment policy changes and conducts periodic testing to ensure that client objectives and mandates are being met.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker dealer, we will provide quarterly (no less than semi-annual) reports consisting of a portfolio appraisal and portfolio performance versus appropriate benchmarks as determined in the client's investment policy statement.

## **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

## PENSION CONSULTING SERVICES

**REVIEWS:** Reviews are conducted based on the specific terms of the pension consulting engagement.

**REPORTS:** BDOWA will provide reports to Pension Consulting Services clients based on the terms set forth in the pension consulting engagement agreement.

### Item 14 Client Referrals and Other Compensation

#### ***Client Referrals***

It is BDOWA's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

#### ***Other Compensation***

It is BDOWA's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

### Item 15 Custody

BDOWA does not maintain physical custody of the investments under our management. We use third-party, institutional custodians, like Charles Schwab and Fidelity, to hold and safeguard stocks, mutual funds, and other assets. These custodians then independently maintain actual physical custody of client securities.

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, clients are provided with a report on quarterly (minimum semi-annual) basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

**Note:** The Jacksonville office of BDOWA is deemed to have custody due to the nature of the advisory services provided. Regulations impose additional safeguards for those client assets. Accordingly, in addition to the qualified custodian's obligation to send account statements at least quarterly directly to each BDOWA client (or the client's designated independent representative), BDOWA-Jacksonville contracts with an independent public accountant to conduct an annual surprise examination of those clients' accounts for which BDOWA-Jacksonville is deemed to have custody. Please refer to BDOWA – Jacksonville Form ADV Part 2 for more detailed information.

## **Item 16 Investment Discretion**

Clients of BDOWA may elect for us to provide either non-discretionary or discretionary asset management services. If discretionary services are elected by you, you will be required to grant our firm complete discretion over the selection and amount of securities to be purchased or sold, the broker/dealer to be used and the commission rates to be paid for your account without obtaining your prior consent or approval. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the Advisory Business section in this Brochure for more information on our discretionary management services.

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

## **Item 17 Voting Client Securities**

### ***BDOWA – Fort Lauderdale & St. Louis***

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. We may assist clients with any questions regarding proxy issues upon a client's request.

### ***Class Action Lawsuits***

We do not determine if securities held by you are the subject of a class action lawsuit, nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

Should we receive written or electronic notice of a class action lawsuit, settlement or verdict affecting securities owned by you, we will forward all notices, proof of claim forms and other materials to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward the information electronically.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

BDOWA has not been the subject of a bankruptcy petition at any time during the past ten years.