

**Item 1: Cover Page  
Part 2A of Form ADV: Firm Brochure  
February 2017**

**Southwestern Advisory Group LLC**  
**[www.southwesternadvisorygroup.com](http://www.southwesternadvisorygroup.com)**

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Chief Compliance Officer**

This brochure provides information about the qualifications and business practices of Southwestern Advisory Group LLC. If clients have any questions about the contents of this brochure, please contact us at (254) 968-6428 or [Colegilliam.Parks@swagrp.com](mailto:Colegilliam.Parks@swagrp.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about our firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #282950.

Please note that the use of the term "registered investment adviser" and description of our firm and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise clients for more information on the qualifications of our firm and our employees.

## **Item 2: Material Changes**

Southwestern Advisory Group LLC is required to make clients aware of information that has changed since the last annual update to the Firm Brochure ("Brochure") and that may be important to them. Clients can then determine whether to review the brochure in its entirety or to contact us with questions about the changes.

In July 2016 we've initiated a conversion of registration from the SEC to the Texas Securities Board.

### Item 3: Table of Contents

Item 1: Cover Page.....	1
Item 2: Material Changes .....	2
Item 3: Table of Contents.....	3
Item 4: Advisory Business .....	4
Item 5: Fees & Compensation.....	5
Item 6: Performance-Based Fees & Side-By-Side Management .....	8
Item 7: Types of Clients & Account Requirements .....	8
Item 8: Methods of Analysis, Investment Strategies & Risk of Loss .....	8
Item 9: Disciplinary Information.....	9
Item 10: Other Financial Industry Activities & Affiliations.....	10
Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading.....	10
Item 12: Brokerage Practices .....	11
Item 13: Review of Accounts or Financial Plans.....	14
Item 14: Client Referrals & Other Compensation .....	15
Item 15: Custody .....	16
Item 16: Investment Discretion .....	16
Item 17: Voting Client Securities.....	16
Item 18: Financial Information .....	17
Item 19: Requirements for State-Registered Advisers.....	17

## **Item 4: Advisory Business**

Our firm is dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed under the laws of the State of Texas in 2016 and has been in business as an investment adviser since that time. Our firm is wholly owned by Parks' Southwestern Enterprise LLC.

Our firm provides asset management and investment consulting services for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. As a fiduciary it is our duty to always act in the client's best interest. This is accomplished in part by knowing the client. Our firm has established a service-oriented advisory practice with open lines of communication. Working with clients to understand their investment objectives while educating them about our process, facilitates the kind of working relationship we value.

### **Types of Advisory Services Offered**

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#### **Client Account Services:**

As part of our Client Account Services, a custodial account will be opened, consisting of individual stocks, bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments, or select separately managed accounts. The client's custodial account will be tailored to their specific needs and may include some or all of the previously mentioned securities. Accounts will be designed to meet a particular investment goal, as determined by the client.

#### **Consulting, Advice, Leadership and Coaching:**

Our firm provides a variety of standalone Consulting, Advice, Leadership and Coaching that solely focuses on the efficient management of financial resources based upon an analysis of current situation, goals, and objectives. Our process begins through fundamental analysis and the establishment of a documented foundation of each Client's individual situation. We then collaborate with them to define their current goals, and objectives, so that they too can be documented with complete clarity. Once we have confirmed that the goals and objectives of each engagement are in complete alignment with the Client's core values, our team will design, and recommend, the most advantageous strategies and solutions required to provide them with a focused path to success.

Consulting services will typically involve preparing a written deliverable and/or rendering face-to-face, or virtual, consultation(s). Our engagements may encompass business, institutional, non-profit or retail clientele, including, but not limited to, strategic and/or tactical planning, organizational ownership and vision, health and culture, board and leadership, management, operations, investments - allocation, feasibility, cost segregation, risk analysis and advice, tax planning, captive insurance feasibility, executive compensation, succession planning, exit planning and execution, human resources, retirement plan feasibility, employee benefits education, fiduciary due diligence, investment product analysis, distributions, capital campaigns and education, gifting and receipt, insurance ownership, real estate ownership, real estate investment analysis, structured settlement design, implementation and maintenance, budgeting and cash flow, option/hedging strategies, education funding, financial independence, retirement plan design, tax diversification, risk analysis,

insurance case design, product analysis, retirement income planning, retirement income distributions - maximization and efficiency, estate/legacy planning, and charitable gifting.

It should also be noted that we refer to Client(s) to accountant(s), attorney(s), or other professional specialist(s) as necessary for non-advice related services.

All retirement plan consulting services shall be in compliance with the applicable state laws regulating retirement consulting services. This applies to client accounts that are retirement or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and our firm accepts appointment to provide services to such accounts, our firm acknowledges its fiduciary standard within the meaning of Section 3(21) or 3(38) of ERISA as designated by an executed agreement with respect to the provision of services described therein.

### **Tailoring of Advisory Services**

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Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our asset management services. General investment advice will be offered to our Client Account Services, Consulting, Advice and Leadership and Retirement Plan Consulting clients.

### **Participation in Wrap Fee Programs**

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Our firm offers a wrap fee program as further described in Part 2A, Appendix 1 (the "Wrap Fee Program Brochure"). Our firm does not manage wrap fee accounts in a different fashion than non-wrap fee accounts. All accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

### **Regulatory Assets Under Management**

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Our firm manages \$40,000,000 on a discretionary basis and \$0 on a non-discretionary basis.

## **Item 5: Fees & Compensation**

### **Compensation for Our Advisory Services**

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#### **Client Account Services:**

The annual fee charged for this service is 0.25%. The annualized fee is billed on a pro-rata basis monthly or quarterly in advance based on the value of the account(s) on the last day of the previous billing period. Fees are negotiable and will be deducted from client account(s).

As part of this process, Clients understand the following:

- a) Clients must provide our firm with written authorization permitting direct payment of advisory fees from their account(s) maintained by a custodian who is independent of our firm;

- b) Our firm sends at least quarterly statements to the client showing the fee amount, the value of the assets upon which the fee is based, and the specific manner in which the fee is calculated as well as disclosing that it is the client's responsibility to verify the accuracy of fee calculation, and that the custodian does not determine its accuracy; and;
- c) The account custodian sends a statement to the client, at least quarterly, showing all account disbursements, including advisory fees.

Clients with separately managed accounts will incur an additional fee that ranges from 0.25% to 1.75%. The terms and conditions under which the client engages the third party investment advisor shall be set forth in a separate agreement between the client and third party manager selected by the client.

### **Consulting, Advice, Leadership and Coaching:**

For Consulting, Advice and Leadership services our firm offers an option of two billing methods depending on service needs: an hourly rate or an annual retainer, both described below. The billing method is determined by the client.

Our hourly fees for project-based service needs are as follows:

	<b><u>Hourly Engagement Rates:</u></b>	<b><u>Hourly Travel Rates</u></b> <b><u>(Additional but not concurrent)</u></b>
• President	\$300	\$240
• Vice Presidents	\$240	\$120
• Paraplanners or Associates	\$180	\$90
• Professional Administrative	\$120	\$60
• General Administrative	\$60	\$30

A base annual retainer of six hundred dollars (\$600) is required annually for all hourly engagements. Clients choosing to engage with our team on an hourly basis will not be invoiced for any additional billable hours unless the time required to service their engagement is greater than their base annual retainer. In the event that multiple types of personnel are involved in the hourly consultation, our firm may charge a combined hourly based on the previously disclosed schedule. Only properly licensed investment adviser representatives of our firm will render advisory services. Hourly fees will be directly invoiced and do not include implementation or trading costs. Fees will be due and payable within 15 days of receiving an invoice.

Alternatively, we offer a quarterly retainer option, where billing is based on Advised Assets, for complex engagements where tracking our team's billable hours would be inefficient. For all retail client engagements, Advised Assets will be mutually defined, and documented below, by calculating the Client(s) total net worth LESS their primary residence and any privately held business(s) in which they are directly involved in the day-to-day leadership, management or operations. We recommend that projects spanning over multiple years should be placed on a retainer. Quarterly retainer rates are invoiced according to the following negotiable schedule based on the client's total Advised Assets:

<b><u>Advised Asset Complexity</u></b>	<b><u>Engagement Fee</u></b>	<b><u>Quarterly Service Fee</u></b>
\$150,000 - \$299,999	\$1,500	\$375
\$300,000 - \$599,999	\$3,000	\$750
\$600,000 - \$1,199,999	\$6,000	\$1,500
\$1,200,000 - \$2,399,999	\$12,000	\$3,000

\$2,400,000 - \$3,599,999	\$24,000	\$6,000
\$3,600,000 - \$4,799,999	\$36,000	\$9,000
\$4,800,000 - \$5,999,999	\$48,000	\$12,000
\$6,000,000+	\$60,000	\$15,000

Monthly fees will be automatically drafted from a bank account designated by you. Annual fees and quarterly fees will be directly invoiced. Fees will be due and payable within 15 days of receiving an invoice.

Our firm will not require a retainer exceeding \$500 when services cannot be rendered within 6 (six) months. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with you. Engagement retainers will be invoiced immediately to cover our team's pre-engagement and implementation expenses. Quarter service retainer billings will be invoiced on the first calendar day of each calendar quarter based on the client's current Advised Asset value on the same day. Monthly billing is available with prior approval and/or if automatic draft has been authorized from an account designated by you.

Consultations that require travel will be billed according to the Hourly Travel Rates described above. Mileage will be charged at the standard IRS rate, currently \$0.54/per mile. Any airfare, car rental/car service, parking and lodging will be billed at actual cost. Airfare will be economy class. Lodging will be full or limited service properties, not luxury. Car rentals will be a full size sedan; not SUV or luxury makes and models.

Excluding travel expenses, the Client(s) WILL NOT be charged more than two (2) percent of Advised Assets in year one (1) and one (1) percent of Advised Assets in future years. Regarding the client(s) specific engagement, their current Advised Asset value is determined in the Advisory Agreement.

Quarterly service retainers WILL increase and decrease on a quarterly basis based on the client's current Advised Asset value on the first calendar day of each calendar quarter.

Non-retirement clients our firm will also continue to offer a "Legacy Base" annual retainer of three hundred dollars (\$300) for clientele with less than sixty thousand dollars (<\$60,000) in Advised Assets that also previously engaged with Southwestern Advisory Group, a financial advisory practice of Ameriprise Financial Services, Inc., and/or Southwestern Retirement Plan Services.

### **Other Types of Fees & Expenses**

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Wrap fee clients will not incur transaction costs for trades. More information about this can be found in our separate Wrap Fee Program Brochure.

### **Termination & Refunds**

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Either party may terminate the advisory agreement signed with our firm for Client Account Services in writing at any time. Upon notice of termination our firm will process a pro-rata refund of the unearned portion of the advisory fees charged in advance at the beginning of the quarter.

Consulting, Advice and Leadership clients may terminate their agreement at any time before the delivery of a financial plan by providing written notice. Fees will not be refunded for annual retainer engagements.

Either party to a Retirement Plan Consulting Agreement may terminate at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing an agreement. After five (5) business days from initial signing, either party must provide the other party thirty (30) days written notice to terminate billing. Billing will terminate 30 days after receipt of termination notice. Clients will be charged on a pro-rata basis, which takes into account work completed by our firm on behalf of the client. Clients will incur charges for bona fide advisory services rendered up to the point of termination (determined as 30 days from receipt of said written notice) and such fees will be due and payable.

### **Commissionable Securities Sales**

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Representatives of our firm are registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), member FINRA/SIPC. As such they are able to accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds. Clients should be aware that the practice of accepting commissions for the sale of securities presents a conflict of interest and gives our firm and/or our representatives an incentive to recommend investment products based on the compensation received. To mitigate this potential conflict, our firm will act in the client's best interest and we will disclose any commission that may be earned up front with clients. In Our firm does not prohibit clients from purchasing recommended investment products through other unaffiliated brokers or agents.

### **Item 6: Performance-Based Fees & Side-By-Side Management**

Our firm does not charge performance-based fees.

### **Item 7: Types of Clients & Account Requirements**

Our firm has the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, Limited Liability Companies and/or Other Business Types.

Our firm requires a minimum fee of \$1,500 for our Consulting, Advice and Leadership service. Our firm also requires a minimum fee of \$7,500 for our Retirement Plan Consulting service.

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

#### **Methods of Analysis**

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Our firm will utilize several disciplines of analysis. On occasion we will use technical analysis for forecasting the direction of prices through the study of past market data, primarily price and volume



by examining what investors fear or think about those developments and whether or not investors have the wherewithal to back up their opinions as opposed to a fundamental analysis which examines earnings, dividends, new products, research and the like. Technical analysis is frequently contrasted with fundamental analysis and each has limitations because of assumptions about the market. We enlist a more rational approach by utilizing both types of analyses. In addition to these we may employ charting which plots the span between the high and low prices of a trading period. Some widen and fill the interval between the open and close prices to emphasize the open/close relationship. The risk of relying on charting would be similar to the weaknesses of the technical approach, where the price reflects the trend as opposed to fundamental which holds that economic factors influence the price. Studying recurring, preferably periodic, movements in prices or other time series or cyclical analysis may also be incorporated in our methods of analysis. Cyclical may too narrowly predict price without integrating relevant factors. We strive to avoid risks of any one method by incorporating several methods.

### **Investment Strategies We Use**

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The investment strategies our firm will utilize will be long term purchases (securities held at least a year), short term purchases (securities sold within a year), and trading (securities sold within 30 days). Generally, there is more risk involved with shorter trading. We also use short sales to augment our strategies in which we would hope to make a profit from prices going down. The related risks occur when the price of the assets rises. There may also be costs for shorting such as a fee for borrowing the assets and payment of any dividends on the borrowed assets. Similarly margin transactions, option writing, including covered options, uncovered options or spreading may be used to augment our strategies.

### **Risk of Loss**

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Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and the account(s) could enjoy a gain, it is also possible that the stock market may decrease and the account(s) could suffer a loss. It is important that clients understand the risks associated with investing in the stock market, are appropriately diversified in investments, and ask any questions.

### **Description of Material, Significant or Unusual Risks**

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Our firm generally invests client cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, our firm tries to achieve the highest return on client cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to our Wrap Asset Management services, as applicable.

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

## **Item 10: Other Financial Industry Activities & Affiliations**

Representatives of our firm are registered representatives of PKS, member FINRA/SIPC, and licensed insurance agents. As a result of these transactions, they receive normal and customary commissions. A conflict of interest exists as these commissionable securities sales create an incentive to recommend products based on the compensation earned. To mitigate this potential conflict, our firm will act in the client's best interest and we will disclose any commission that may be earned up front with clients. In certain instances, commissions earned for annual premiums may vary and may be difficult to determine the actual compensation in advance.

### **Separately Managed Accounts:**

Through our Client Account Services, we offer access to actively managed investment portfolios of independent investment managers and/or investment programs (collectively "Independent Managers"). For all Programs, Client and Southwestern Advisory Group, LLC compile pertinent financial and demographic information to develop an investment program that will meet the Client's goals and objectives. Utilizing the platform tools, Client assets will be allocated among the different options in the Program and determine the suitability of the asset allocation and investment options for each Client, based on the Client's needs and objectives, investment time horizon, risk tolerance and any other pertinent factors. Unlike a mutual fund, where the funds are commingled, a separately managed account is a portfolio of individually owned securities that can be tailored to fit the Client's investing preferences.

For Clients selecting Independent Managers, Client authorizes us to hire and delegate the active discretionary management of all or part of the Assets to one or more Independent Managers based upon your stated investment objectives. The Independent Managers will have limited power-of-attorney and trading authority over those Assets we direct to them for management. They will be authorized to buy, sell and trade in accordance with your investment needs and to give instructions, related to their authority, to the broker-dealer and the custodian of your Assets. Such Independent Managers shall have authority to further delegate such discretionary investment authority to additional Investment Managers on terms and conditions deemed appropriate.

Clients in the Programs pay a program fee (each, a "Program Fee") ranging up to 3.00%. The level of the Program Fee will vary with the amount of assets under management and the particular investment styles and investment options chosen or recommended. Program Fees are calculated as an annual percentage of the assets under management based on the market value of the account at the end of each quarter. Unless otherwise agreed to by the Client, Program Fees are charged on a calendar quarter basis in advance and prorated to the end of the quarter upon inception of the account.

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

As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is the

underlying principle for our firm's Code of Ethics, which includes procedures for personal securities transaction and insider trading. Our firm requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Our firm recognizes that the personal investment transactions of our representatives demands the application of a Code of Ethics with high standards and requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, our firm also believes that if investment goals are similar for clients and for our representatives, it is logical, and even desirable, that there be common ownership of some securities.

In order to prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, our firm has pre-clearance requirements and a quarterly securities transaction reporting system for all of our representatives.

Neither our firm nor a related person recommends, buys or sells for client accounts, securities in which our firm or a related person has a material financial interest without prior disclosure to the client.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

## **Item 12: Brokerage Practices**

### **Selecting a Brokerage Firm**

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Our firm does not maintain custody of client assets. Client assets must be maintained by a qualified custodian. Our firm seeks to recommend a custodian who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. The factors considered, among others, are these:

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Quality of services

With this in consideration, our firm has an arrangement with TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers services to independent investment advisers which includes custody of securities, trade execution, clearance and settlement of transactions. TD Ameritrade enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. TD Ameritrade does not charge client accounts separately for custodial services. Client accounts will be charged transaction fees, commissions or other fees on trades that are executed or settle into the client's custodial account. Transaction fees are negotiated with TD Ameritrade and are generally discounted from customary retail commission rates. This benefits clients because the overall fee paid is often lower than would be otherwise.

Our firm also recommends that our clients use MTG, LLC dba Betterment Securities ("Betterment Securities"), a registered broker-dealer, member SIPC, as a qualified custodian. We are independently owned and operated and are not affiliated with Betterment Securities. Betterment Securities will hold your assets in a brokerage account and buy and sell securities when we and/or you instruct them to. While we recommend that you use Betterment Securities as custodian/broker, you will decide whether to do so and will open your account with Betterment Securities by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

TD Ameritrade may make certain research and brokerage services available at no additional cost to our firm. Research products and services provided by TD Ameritrade may include: research reports on recommendations or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by TD Ameritrade to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934.

TD Ameritrade does not make client brokerage commissions generated by client transactions available for our firm's use. The aforementioned research and brokerage services are used by our firm to manage accounts. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As part of our fiduciary duty to our clients, our firm will endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons creates a potential conflict of interest and may indirectly influence our firm's

choice of TD Ameritrade as a custodial recommendation. Our firm examined this potential conflict of interest when our firm chose to recommend TD Ameritrade and has determined that the recommendation is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

The availability of these services from Betterment Institutional benefits us because we do not have to produce or purchase them. In addition, we don't have to pay for Betterment Securities' services. These services may be contingent upon us committing a certain amount of business to Betterment Securities in assets in custody. We may have an incentive to recommend that you maintain your account with Betterment Securities, based on our interest in receiving Betterment Institutional and Betterment Securities' services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Betterment Securities as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Betterment Securities' services (see "How we select brokers/custodians") and not Betterment Institutional and Betterment Securities' services that benefit only us.

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. Although our firm will seek competitive rates, to the benefit of all clients, our firm may not necessarily obtain the lowest possible commission rates for specific client account transactions.

### **Soft Dollars**

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Our firm does not receive soft dollars in excess of what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The safe harbor research products and services obtained by our firm will generally be used to service all of our clients but not necessarily all at any one particular time.

### **Client Brokerage Commissions**

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TD Ameritrade does not make client brokerage commissions generated by client transactions available for our firm's use.

### **Client Transactions in Return for Soft Dollars**

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Our firm does not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

### **Brokerage for Client Referrals**

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Our firm does not receive brokerage for client referrals.

## **Directed Brokerage**

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Neither our firm nor any of our firm's representatives have discretionary authority in making the determination of the brokers-dealers and/or custodians with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. Our firm routinely recommends that clients direct us to execute through a specified broker-dealer. Our firm recommends the use of TD Ameritrade or Betterment Institutional.

## **Special Considerations for ERISA Clients**

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, our firm will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

## **Client-Directed Brokerage**

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Our firm allows clients to direct brokerage outside our recommendation. Our firm may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, clients may pay higher brokerage commissions because our firm may not be able to aggregate orders to reduce transaction costs, or clients may receive less favorable prices.

## **Aggregation of Purchase or Sale**

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Our firm provides investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when our firm believes that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, our firm attempts to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

## **Item 13: Review of Accounts or Financial Plans**

Our management personnel or financial advisors review accounts on at least an annual basis for our Client Account Services clients. The nature of these reviews is to learn whether client accounts are in line with the account objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Our firm does not provide written reports to clients, unless asked

to do so. Verbal reports to clients take place on at least an annual basis when our Client Account Services clients are contacted.

Consulting, Advice, and Leadership clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. Our firm provides ongoing services to clients and will meet with clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Consulting, Advice, and Leadership clients do not receive written reports.

Retirement Plan Consulting clients receive reviews of their retirement plans for the duration of the service. Our firm also provides ongoing services where clients are met with upon their request to discuss updates to their plans, changes in their circumstances, etc. Retirement Plan Consulting clients do not receive written or verbal updated reports regarding their plans unless they choose to engage our firm for ongoing services.

## **Item 14: Client Referrals & Other Compensation**

### **TD Ameritrade Institutional**

As disclosed under Item 12 of this Brochure, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice we give to our Clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our firm's participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our firm's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our firm's choice of TD Ameritrade for custody and brokerage services.

## **Betterment Institutional**

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We receive a non-economic benefit from Betterment Institutional and Betterment Securities in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Betterment Securities. 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 Betterment Institutional and Betterment Securities' products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

## **Referral Fees**

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Our firm does not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940.

### **Item 15: Custody**

Our firm does not have custody of client funds or securities. All of our clients receive account statements directly from their qualified custodians at least quarterly upon opening of an account. If our firm decides to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

### **Item 16: Investment Discretion**

Clients have the option of providing our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, our firm is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm's written acknowledgement.

### **Item 17: Voting Client Securities**

Our firm does not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, our firm will forward them to the appropriate client and ask the party who sent them to mail them directly to the client in the future.



## Item 18: Financial Information

Our firm is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$500 in fees and six or more months in advance.
- Our firm does not take custody of client funds or securities.
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

Our firm has never been the subject of a bankruptcy proceeding.

## Item 19: Requirements for State-Registered Advisers

### Executive Officers & Management Persons

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**Cole Gilliam Parks**

**Year of Birth:** 1985

#### **Business Background:**

- 03/2016 – Present Southwestern Advisory Group LLC; Managing Member, Chief Compliance Officer, and Investment Adviser Representative
- 03/2016 – Present Purshe Kaplan Sterling Investments, Inc.; Registered Representative
- 03/2005 – 03/2016 Ameriprise Financial Services, Inc.; Financial Advisor

#### **Exams, Licenses & Other Professional Designations:**

- 05/2009: Series 66
- 07/2008: Series 7

### Outside Business Activity

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Representatives of our firm are registered representatives of PKS, member FINRA/SIPC, and licensed insurance agents. As a result of these transactions, they receive normal and customary commissions. A conflict of interest exists as these commissionable securities sales create an incentive to recommend products based on the compensation earned. To mitigate this potential conflict, our firm will act in the client's best interest and we will disclose any commission that may be earned up front with clients. In certain instances, commissions earned for annual premiums may vary and difficult to determine the actual compensation in advance. Less than half of our representatives' time is spent with this activity.

### Performance Based Fees

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Our firm does not charge performance-based fees.

### **Disciplinary Information**

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Our firm and management persons have not been involved in any arbitration awards, found liable in any civil, self-regulatory organization or administrative proceedings.

### **Arrangements with Issuers of Securities**

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Our firm has nothing to disclose in this regard. Our firm does not have compensation arrangements connected with advisory services which are in addition to our advisory fees. As a fiduciary, our firm always put our Client's interest above our own. Information regarding participation of interest in client transactions can be found in our Code of Ethics as well as Item 11 of this Brochure.