

# Benchmark Financial Wealth Advisors LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Benchmark Financial Wealth Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (561) 416-2992 or by email at: [info@benchmarkfinancial.info](mailto:info@benchmarkfinancial.info). 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 Benchmark Financial Wealth Advisors LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Benchmark Financial Wealth Advisors LLC's CRD number is: 287966.*

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*Registration does not imply a certain level of skill or training.*

Version Date: 03/02/2018

## **Item 2: Material Changes**

Benchmark Financial Wealth Advisors LLC has not yet filed an annual updating amendment using the Form ADV Part 2A. Since the initial Form ADV 2A filing 5/26/17 the following updates have been made.

- |         |  |
|---------|--|
| Item 4  | Benchmark offers the Portfolio Guidance Direct Portfolios. Additional updates about this program are in Items 5, 7, 12, 17 |
| Item 5  | A new fee schedule for Qualified Plan Services   |
| Item 5  | Disclosure update for the sale of Investment Products  |
| Item 10 | Disclosure of Benchmark Financial Benefits & Risk Services LLC a property and casualty agency                              |

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Benchmark Financial Wealth Advisors LLC (hereinafter "BFWA LLC") is a Limited Liability Company organized in the State of Florida. The firm was formed in February 2017, and the principal owners are Roger Steven Kalina and DB Benchmark, LLC.

### B. Types of Advisory Services

#### *Portfolio Management Services*

BFWA LLC offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. BFWA LLC creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

BFWA LLC evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. BFWA LLC will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

BFWA LLC seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of BFWA LLC's economic, investment or other financial interests. To meet its fiduciary obligations, BFWA LLC attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, BFWA LLC's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is BFWA LLC's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

BFWA LLC may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, BFWA LLC will always ensure those other advisers are properly licensed or registered as an investment

adviser. BFWA LLC conducts due diligence on any third-party investment adviser, which may involve one or more of the following: phone calls, meetings and review of the third-party adviser's performance and investment strategy. BFWA LLC then makes investments with a third-party investment adviser by referring the client to the third-party adviser. These investments may be allocated either through the third-party adviser's fund or through a separately managed account managed by such third party adviser on behalf of BFWA LLC's client. BFWA LLC may also allocate among one or more private equity funds or private equity fund advisers. BFWA LLC will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

### ***Qualified Plan Advisory Services***

BFWA LLC offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Qualified plan advisory services may include, but is not limited to:

- identifying investment objectives and restrictions
- providing guidance on various assets classes and investment options
- recommending money managers to manage plan assets in ways designed to achieve objectives
- monitoring investment options and making recommendations for changes
- recommending other service providers, such as custodians, administrators and recordkeepers

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

### ***Wealth Guidance***

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

### ***Portfolio Guidance Direct***

We provide portfolio management services through Portfolio Guidance Direct Portfolios, an automated, online investment management platform for use by independent investment advisors and offered by Schwab Performance Technologies (the "Program" and "SWP," respectively). Through the Program, we offer clients a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange traded funds ("ETFs") and a cash allocation. The client may instruct us to exclude up to three ETFs from their portfolio. The client's portfolio is held in a brokerage account opened by the client at SWIA's affiliate, Charles Schwab & Co., Inc. ("CS&Co"). We are independent of and not owned by, affiliated with, or sponsored or supervised by SWP, CS&Co or their affiliates (together, "Schwab"). The Program is described in the Schwab Performance Technologies, Inc. Institutional Intelligent Portfolios™ Disclosure Brochure (the "Program Disclosure Brochure"), which is delivered to

clients by SWP during the online enrollment process.

### ***Services Limited to Specific Types of Investments***

BFWA LLC generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, hedge funds, private equity funds, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds, commodities, non-U.S. securities, venture capital funds and private placements. BFWA LLC may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

BFWA LLC will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by BFWA LLC on behalf of the client. BFWA LLC may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent BFWA LLC from properly servicing the client account, or if the restrictions would require BFWA LLC to deviate from its standard suite of services, BFWA LLC reserves the right to end the relationship.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. BFWA LLC does not participate in any wrap fee programs.

### **E. Assets Under Management**

BFWA LLC has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 175,800,000	\$0	December 2017

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Wealth Guidance & Asset Management Annual Fee Schedule*

Total Household Account Balance	OPTION #1 Percentage of Assets Under Management	OPTION #2 Percentage of Assets Under Management PLUS Wealth Guidance Fee
Under \$500,000	1.00%	0.50% Plus \$2,500 (minimum)
\$500,001 - \$1,500,000	0.75%	0.35% Plus \$3,500 (minimum)
\$1,500,001 - \$4,000,000	0.50%	0.25% Plus \$6,000 (minimum)
\$4,000,001 – And Up	0.35%	0.10% Plus \$10,000 (minimum)

#### *Asset Management Only Annual Fee Schedule*

Total Assets Under Management	Annual Fees
Under \$500,000	0.60%
\$500,001 - \$1,500,000	0.50%
\$1,500,001 - \$4,000,000	0.40%
\$4,000,001 – And Up	0.20%

#### Wealth Guidance & Asset Management

The advisory fee is calculated using the value of the assets in the Account on the last business day of the prior billing period.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of BFWA LLC's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.



### ***Selection of Other Advisers Fees***

BFWA LLC will receive its standard fee on top of the fee paid to the third party adviser. This relationship will be memorialized in each contract between BFWA LLC and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency.

BFWA LLC may engage in the selection of third-party money managers, but does not have any such arrangements in place at this time.

### ***Qualified Plan Advisory Services Annual Fee Schedule***

Total Plan Assets Under Management	Annual Fees
\$0 - \$50,000,000	1.00%

The fee is calculated using the value of the assets in the account on the last business day of the prior billing period.

These fees are generally negotiable based on the complexity of the Qualified Plan and the needs of the Plan Sponsor and the final fee schedule is attached as Exhibit II of the Qualified Plan Advisory Agreement. Clients may terminate the agreement without penalty for a full refund of BFWA LLC's fees within five business days of signing the Contract. Thereafter, clients may terminate the Qualified Plan Advisory Contract generally with 30 days' written notice.

### ***Portfolio Guidance Direct Fees***

Clients do not pay fees to SWP or brokerage commissions or other fees to CS&Co as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure.

#### ***Fixed Fee***

The rate for Qualified Plan advisory services is between \$1,500 and \$50,000. These fees are negotiable based on level of service.

### ***Wealth Guidance Fees***

#### **Fixed Fees**

The fixed rate for wealth guidance is between \$2,500 and \$75,000. These fees are negotiable based on level of service.

## **Hourly Fees**

The hourly fee for wealth guidance services is between \$150 and \$450.

Clients may terminate the agreement without penalty, for full refund of BFWA LLC's fees, within five business days of signing the Wealth Guidance & Investment Advisory Agreement. Thereafter, clients may terminate the Wealth Guidance & Investment Advisory Agreement generally upon 30 days written notice.

## **B. Payment of Fees**

### ***Payment of Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis, or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. Fees are paid in arrears.

### ***Payment of Selection of Other Advisers Fees***

The timing, frequency, and method of paying fees for selection of third-party managers will depend on the specific third-party adviser selected.

### ***Payment of Qualified Plan Advisory Services Fees***

Qualified Plan Advisory Services fees are withdrawn directly from all participant's accounts with client's written authorization. Fees are paid monthly or quarterly.

Fees are paid via check or credit card. Fees are paid monthly or quarterly in advance or arrears.

### ***Payment of Wealth Guidance Fees***

Wealth Guidance fees may be paid via check or credit card or withdrawn from client accounts maintained at the custodian (only for clients that BFWA LLC actively manages assets.).

Fixed Wealth Guidance fees are paid 25% in advance, but never more than six months in advance, with the remainder due upon completion of the service.

Hourly Wealth Guidance planning fees are paid 25% in advance, but never more than six months in advance, with the remainder due upon completion of the service.

### **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by BFWA LLC. Please see Item 12 of this brochure regarding broker-dealer/custodian.

### **D. Prepayment of Fees**

BFWA LLC collects fees in advance. Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

### **E. Outside Compensation For the Sale of Investment Products to Clients**

Investment adviser representatives of BFWA LLC in their roles as insurance agents accept compensation for the sale of investment products to BFWA LLC clients.

#### ***1. This is a Conflict of Interest***

BFWA LLC and its supervised persons will accept compensation for the sale of investment products. This presents a conflict of interest and gives the supervised person and BFWA LLC an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of investment products for which BFWA LLC receives compensation, BFWA LLC will document the conflict of interest in the client file and inform the client of the conflict of interest.

#### ***2. Clients Have the Option to Purchase Recommended Products From Other Providers***

Clients always have the option to purchase BFWA LLC recommended products through other agents that are not affiliated with BFWA LLC.

### ***3. Commissions are the Primary Source of Income for this Registered Investment Adviser***

Commissions are not BFWA's primary source of compensation.

### ***4. Advisory Fees in Addition to Commissions or Markups***

Advisory fees that are charged to clients are not reduced to offset the commissions on investment products recommended to clients.

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

BFWA LLC does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

BFWA LLC generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Employer Sponsored Retirement Plans

There is no account minimum for any of BFWA LLC's services except the Portfolio Guidance Direct Portfolios which is \$5,000. The minimum account balance to enroll in the tax-loss harvesting feature is \$50,000.

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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

BFWA LLC's methods of analysis include Fundamental analysis, Modern portfolio theory and Technical analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

### *Investment Strategies*

BFWA LLC uses long term trading, short term trading and margin transactions.

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

## **B. Material Risks Involved**

### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

### *Investment Strategies*

BFWA LLC's use of margin transactions generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments.

These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Selection of Other Advisers:** Although BFWA LLC will seek to select only money managers who will invest clients' assets with the highest level of integrity, BFWA LLC's selection process cannot ensure that money managers will perform as desired and BFWA LLC will have no control over the day-to-day operations of any of its selected money managers. BFWA LLC would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

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

### **C. Risks of Specific Securities Utilized**

BFWA LLC's use of margin transactions generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds

may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real estate funds** (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Hedge funds** often engage in leveraging and other speculative investment practices that may increase the risk of loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory

requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

**Private equity** funds carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Venture capital funds** invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

**Non-U.S.** securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

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

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

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

There are no self-regulatory organization proceedings to report.

SEG Capital LLC was an ETF market making firm with no individual clients. The firm made markets in multiple ETF sectors and Mr. Segal was the managing member of SEG



Capital. One of the SEG international market makers entered into a position in an ETF and hedged his underlying risk with a basket of stocks that made up the cash component for the ETF. He had to borrow the underlying stocks as he was short the basket to hedge the long position in the ETF. Mr. Segal requested that the trader cover the short in order to avoid the REG SHO violation and the trader agreed. The position was satisfied. ML, the clearing firm, never informed or conveyed that the position was hard to borrow or that it required to be covered. During the annual audit by the CBOE, it was determined the market maker had violated REG SHO by missing the cutoff for covering the position. SEG Capital LLC and Mr. Segal were disciplined. Mr. Segal was not required to admit or deny any wrong doing, they were each fined \$25,000 and censured.

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

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

Neither BFWA LLC nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

Neither BFWA LLC nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

Roger Steven Kalina

Benchmark Financial Insurance Advisors LLC – 2401 NW Boca Raton Blvd. Boca Raton, FL 33431, Managing Member, Fixed insurance sales, 3/17 to present, 25 + hours per month

Benchmark Financial Benefits & Risk Services LLC – 2401 NW Boca Raton Blvd. Boca Raton, FL 33431, Managing Member, fixed insurance sales, 5/17 to present, 5 hours per month

Philip Nathaniel Piedt

Fixed insurance sales, 4/11 to present, 25 + hours per month.

Daniel Jason Segal

Fixed insurance sales, 5/17 to present, 25 + hours per month

Investment adviser representatives of BFWA LLC are insurance agents. From time to time, they will offer clients products from those activities. Clients should be aware that these services pay compensation and thus involve a conflict of interest. BFWA LLC always acts in the best interest of the client. Clients are in no way required to purchase any product or service through any representative of BFWA LLC in such individual's capacities.

Benchmark Financial Benefits & Risk Services LLC acts as a property and casualty agency. Roger Kalina is the Managing Director. Clients will be offered services of this agency and should be aware that these services pay compensation and thus involve a conflict of interest. BFWA LLC always acts in the best interest of the client. Clients are in no way required to purchase any product or service through any representative of BFWA LLC in such individual's capacities.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

BFWA LLC may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Clients will pay BFWA LLC its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between BFWA LLC and each third-party advisor. BFWA LLC will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. BFWA LLC will ensure that all recommended advisers are licensed or notice filed in the states in which BFWA LLC is recommending them to clients.

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

#### **A. Code of Ethics**

BFWA LLC has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. BFWA LLC's Code of Ethics is available free upon request to any client or prospective client.

## **B. Recommendations Involving Material Financial Interests**

BFWA LLC does not recommend that clients buy or sell any security in which a related person to BFWA LLC or BFWA LLC has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of BFWA LLC may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of BFWA LLC to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. BFWA LLC will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of BFWA LLC may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of BFWA LLC to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, BFWA LLC will never engage in trading that operates to the client's disadvantage if representatives of BFWA LLC buy or sell securities at or around the same time as clients.

# **Item 12: Brokerage Practices**

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on BFWA LLC's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and BFWA LLC may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in BFWA LLC's research efforts. BFWA LLC will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

BFWA LLC will require clients to use Fidelity Brokerage Services LLC or Charles Schwab & Co., Inc. Advisor Services.

### ***1. Research and Other Soft-Dollar Benefits***

While BFWA LLC has no formal soft dollars program in which soft dollars are used to pay for third party services, BFWA LLC may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). BFWA LLC may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and BFWA LLC does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. BFWA LLC benefits by not having to produce or pay for the research, products or services, and BFWA LLC will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that BFWA LLC's acceptance of soft dollar benefits may result in higher commissions charged to the client.

### ***2. Brokerage for Client Referrals***

BFWA LLC receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

BFWA LLC will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

#### **Portfolio Guidance Direct Portfolios**

In addition to our portfolio management and other services, the Program includes the brokerage services of CS&Co, a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to use CS&Co as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with CS&Co by entering into an account agreement directly with CS&Co. We do not open the account for the client. If the client does not wish to place his or her assets with CS&Co, then we cannot manage the client's account through the Program. As described in the Program Disclosure Brochure, CS&Co. may aggregate purchase and sale orders for ETFs across accounts enrolled in the Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the Program.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

If BFWA LLC buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage

commissions, or more efficient execution. In such case, BFWA LLC would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. BFWA LLC would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for BFWA LLC's advisory services provided on an ongoing basis are reviewed at least Quarterly by Roger Kalina, Managing Partner, with regard to clients' respective investment policies and risk tolerance levels. All accounts at BFWA LLC are assigned to this reviewer.

All Wealth Guidance services are reviewed upon creation and delivery by Roger Kalina, Managing Partner. Wealth Guidance clients are provided an analysis concerning their financial situation. If so engaged, BFWA, LLC will continually provide wealth guidance services. Clients may request additional plans or reports for a fee.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, BFWA LLC's services will generally conclude upon delivery of the financial plan.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of BFWA LLC's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. BFWA LLC will also provide at least quarterly a separate written statement to the client.

Each Wealth Guidance client will receive access to Benchmark 360° after their initial analysis and BFWA, LLC will continually provide wealth guidance services if engaged for ongoing Wealth Guidance services.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

BFWA LLC does not receive any economic benefit, directly or indirectly from any third party for advice rendered to BFWA LLC's clients.

Charles Schwab & Co., Inc. Advisor Services provides BFWA LLC with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services 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 Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, 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 BFWA LLC client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to BFWA LLC other products and services that benefit BFWA LLC but may not benefit its clients' accounts. These benefits may include national, regional or BFWA LLC specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of BFWA LLC by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist BFWA LLC in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of BFWA LLC's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of BFWA LLC's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to BFWA LLC other services intended to help BFWA LLC manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on

practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to BFWA LLC by independent third parties. Charles Schwab & Co., Inc. Advisor Services 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 BFWA LLC. BFWA LLC is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

#### **B. Compensation to Non – Advisory Personnel for Client Referrals**

BFWA LLC may, via written arrangement, retain third parties to act as solicitors for BFWA LLC's investment management services. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. BFWA LLC will ensure each solicitor is properly registered in all appropriate jurisdictions.

#### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, BFWA LLC will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

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

BFWA LLC provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, BFWA LLC generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, BFWA LLC's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to BFWA LLC).

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

BFWA LLC will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.



## **Portfolio Guidance Direct Portfolios**

As described in the Program Disclosure Brochure, clients enrolled in the Program designate SWIA to vote proxies for the ETFs held in their accounts. We have directed SWIA to process proxy votes and corporate actions through and in accordance with the policies and recommendations of a third party proxy voting service provider retained by SWIA for this purpose. Additional information about this arrangement is available in the Program Disclosure Brochure. Clients who do not wish to designate SWIA to vote proxies may retain the ability to vote proxies themselves by signing a special CS&Co form available from us.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

BFWA LLC neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither BFWA LLC nor its management has any financial condition that is likely to reasonably impair BFWA LLC's ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years**

BFWA LLC has not been the subject of a bankruptcy petition in the last ten years.