

**FORM ADV PART 2A INFORMATIONAL BROCHURE**

ROYAL CAPITAL WEALTH MANAGEMENT LLC

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This brochure provides information about the qualifications and business practices of Royal Capital Wealth Management LLC. If you have any questions about the contents of this brochure, please contact us at (866) 729-6552. 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. Our registration does not imply a certain level of skill or training.

Additional information about Royal Capital Wealth Management LLC (CRD# 292217) is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**ITEM 2: STATEMENT OF MATERIAL CHANGES**

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Royal Capital Wealth Management LLC is required to disclose any material changes to this ADV Part 2A here in Item 2. There are no material changes to report.

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**ITEM 3: TABLE OF CONTENTS**

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INFORMATIONAL BROCHURE  
ROYAL CAPITAL WEALTH MANAGEMENT LLC

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**ITEM 4: ADVISORY BUSINESS**

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- A. Royal Capital Wealth Management LLC (“RCWM”) has been in business since January of 2018. However, Thomas Johnson and his partner, Andrew Johnson have been working in the financial services industry for over 30 years helping clients reach their financial goals and objectives.
- B. At RCWM we take the time to educate ourselves in multiple facets of what goes into constructing an investment portfolio and how to successfully implement it. We believe our extensive knowledge of the industry and what it takes to create investment strategies provides a unique approach to managing our clients’ financial lives.

Asset Management

When we perform asset management services, we will do so on both a discretionary and non-discretionary basis. In most cases, RCWM will have had multiple discussions with clients to guide these decisions to ensure they are within the client’s investment objectives. This means that while we will continue an ongoing relationship with each client, being involved in various stages of their lives and decisions to be made, we will not seek specific approval of changes to client accounts. Because we take discretion when managing accounts, clients engaging us will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an agreement that outlines the responsibilities of both the client and RCWM.

RCWM will gather client investment objectives and information through both a risk assessment questionnaire and client dialogue and from there provide a deliverable to the client recapping the information gathered for investment purposes. Advisory services are tailored to the specific needs of an individual client. Clients may place reasonable restrictions on the management of assets, including specific securities or types of securities. However, clients should understand that significant restrictions cannot only decrease the ability of RCWM to meet the client’s goals, but also increase the costs associated with managing the client’s portfolio.

In limited circumstances, we may provide asset management services on a non-discretionary basis, which means we will manage the clients’ accounts as we do for our discretionary clients, except we will consult with the client prior to implementing any investment recommendation. Clients should be aware that some recommendations may be time-sensitive, in which case recommendations not implemented because we are unable to reach a non-discretionary client may not be made on a timely basis and therefore client’s account may not perform as well as it would have had RCWM been able to reach the client for a consultation on the recommendation.

- C. Royal Capital Wealth Management neither participates in, nor sponsors a wrap fee program.
- D. Assets under Management

As of this date, RCWM has approximately \$103 million in assets under management.

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**ITEM 5: FEES AND COMPENSATION**

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**A. Fees Charged**

All investment management clients will be required to execute an Investment Management Agreement that will describe the type of management services to be provided and the fees, among other items. Clients are advised that they may pay fees that are higher or lower than fees they may pay another advisor for the same services. Clients are under no obligation at any time to engage or to continue to engage RCWM for investment services. If you do not receive a copy of this brochure at least 48 hours prior to the execution of an Agreement, you may terminate the agreement within the first five (5) business days without penalty.

**Asset Management**

Generally, fees vary from 0.01% to 1.50% per annum of the market value of a client's assets managed by RCWM. Please Refer to the Fee Schedule below. Fees are negotiable, and the fee range stated is a guide. The fee chosen within that range is determined in part by the nature of the account, including the size of the account, complexity of asset structures, the nature of the ongoing financial analysis needed for that particular client, the complexity of the portfolio, and other factors that would be dependent upon the specific client.

Assets Under Management	Annual Rate
0 - \$500,000	1.50%
\$500,001 - \$999,999	1.25%
\$1,000,000 – \$9,999,999	1.00% - 0.50%
\$10,000,000 and above	0.50% -0.01%

**B. Fee Payment****Asset Management:**

For clients whose assets are managed by the firm, investment advisory fees will be debited directly from each client's account. The advisory fee is paid quarterly in advance, and the value used for the fee calculation is the last business day of the previous quarter. This means that if your annual fee is 1.00%, we will take the previous quarter's ending value, multiply the value by 1.00%, and then divide by 4 to calculate our fee. To the extent there is cash in your account, it will be included in the value for the purpose of calculating fees only if the cash is part of an investment strategy. Once the calculation is made, we will instruct your account custodian via written notice to deduct the fee from your account and remit it to RCWM.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Each month, the client will receive a statement from their account custodian showing all transactions in their account, including the fee.

**C. Other Fees**

There are a number of other fees that can be associated with holding and investing in securities. You will be responsible for fees including transaction fees for the purchase or sale of a mutual fund or Exchange Traded Fund, or commissions for the purchase or sale of a stock. Expenses of a fund will not be included in management fees, as they are deducted from the value of the shares by the mutual fund manager. When selecting mutual funds that have multiple share classes for recommendation to clients, RCWM will take into account the internal fees and expenses associated with each share class,

and it is RCWM policy to choose the lowest-cost share class, absent circumstances that dictate otherwise. For complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. RCWM can provide or direct you to a copy of the prospectus for any fund that we recommend to you. Any fees paid to third party managers are separate from, and in addition to, fees paid to RCWM.

Please make sure to read Item 12 of this informational brochure, where we discuss broker-dealer and custodial issues.

D. *Pro-rata* Fees

If a client engages RCWM to provide asset management services during a billing quarter, the fees for that quarter will be pro-rated according to the number of days left until the next quarter. Likewise, if you terminate our relationship during a billing period you will be receive a refund for fees collected in advance but related to services to services that would have been provided from the date of termination through the end of the quarter. Once your notice of termination is received, we will assess fees for the number of days between the end of the prior billing period and the date of termination to be paid in whatever way you direct (check, wire). RCWM will cease to perform services, including processing trades and distributions, upon termination. Assets not transferred from terminated accounts within 30 (thirty) days of termination may be “de-linked”, meaning they will no longer be visible to RCWM and will become a retail account with the custodian.

E. Compensation for the Sale of Securities

This item is not applicable.

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**ITEM 6: PERFORMANCE-BASED FEES**

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RCWM will not charge performance based fees.

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**ITEM 7: TYPES OF CLIENTS**

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Clients advised may include individuals, families, trusts, charitable organizations and foundations, pensions and corporations. RCWM does not require a minimum dollar amount be placed with the firm.

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**ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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It is important for you to know and remember that all investments carry risks. **Investing in securities involves risk of loss that clients should be prepared to bear.**

Each client’s portfolio will be invested according to that client’s investment objectives, which are typically ascertained through the financial planning process for those clients who were introduced to the firm and began with such services. For other clients, information regarding investment objectives will be obtained through client interviews and documents provided by the client. Once we ascertain your objectives for each account, we will develop a set of asset allocation guidelines, and client assets will be invested in one or a combination of our proprietary investment models. Using fundamental analysis, we base our conclusions on predominantly publicly available research, such as regulatory filings, press releases, competitor analyses, and in some cases research we receive from our custodian or other market analyses.

We may periodically recommend changes to the investment strategies and client portfolios to meet the guidelines of the asset allocation for the program or an individual client's objectives. It is important to remember that because market conditions can vary greatly, your asset allocation guidelines are not necessarily strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe necessary. We may utilize both active and passive portfolios depending on the client's objectives.

There are no limits to the types of securities that may be placed in a strategy, or that RCWM may evaluate for a client or for inclusion in a strategy. However, investments most typically include individual securities including both equities and fixed income.

When RCWM makes changes to an investment strategy, these changes may not be made simultaneously. Rather, some accounts may be modified before others. This may result in accounts being traded earlier inadvertently having an advantage over accounts traded later.

Additionally, as assets are transitioned from a client's prior advisors to PFA, clients may hold legacy securities and may place restrictions on individual security types. Legacy securities are those that a client owned prior to or separate from its PFA portfolio. If a client transitions mutual fund shares to PFA that are not the lowest-cost share class, and PFA is not recommending disposing of the security altogether, PFA will attempt to convert such mutual fund share classes into the lowest-cost share classes the client is eligible for, taking into account any adverse tax consequences associated with such conversion.

### Third Party Managers

In some circumstances, RCWM can utilize other managers to assist in the management of client assets. These managers are selected by RCWM after a process whereby RCWM evaluates each manager's investment performance, operations, and offerings to determine if the manager would be a fit for RCWM clients. This process continues on an ongoing basis, throughout the time the client works with the third party manager. It is important to remember that any fees paid to these managers are separate from, and in addition to, fees paid to RCWM.

### Risk of Loss

There are always risks to investing. **Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear.** It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to

government regulation. Changes in zoning, tax structure or laws impact the return on these investments.

- **Tax Risks Related to Short Term Trading:** Clients should note that RCWM may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. RCWM endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.
- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.
- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- **Margin Risk.** "Margin" is a tool used to maximize returns on a given investment by using securities in a client account as collateral for a loan from the custodian to the client. The proceeds of that loan are then used to buy more securities. Margin carries a higher degree of risk than investing without margin.
- **Risks specific to private placements, sub-advisors and other managers.** If we invest some of your assets with another advisor, including a private placement, there are additional risks. These include risks that the other manager is not as qualified as we believe them to be, that the investments they use are not as liquid as we would normally use in your portfolio, or that their risk management guidelines are more liberal than we would normally employ.
- **Information Risk.** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.
- **Small Companies.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up, or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company's future. For example, a company's management may lack experience, or the company's capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited as compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small



companies and requests immediate or short term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.

- **Concentration Risk.** While RCWM selects individual securities, including mutual funds, for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client's equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client's equity portfolio may be affected negatively, including significant losses.

- **Transition Risk.** As assets are transitioned from a client's prior advisers to RCWM there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by RCWM. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of RCWM may adversely affect the client's account values, as RCWM's recommendations may not be able to be fully implemented.

- **Restriction Risk:** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.

- **Risks Related to Investment Term & Liquidity:** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.

- **REITs:** In limited circumstances, RCWM may recommend that portions of client portfolios be allocated to real estate investment trusts, otherwise known as "REITs". A REIT is an entity, typically a trust or corporation, that accepts investments from a number of investors, pools the money, and then uses that money to invest in real estate through either actual property purchases or mortgage loans. While there are some benefits to owning REITs, which include potential tax benefits, income and the relatively low barrier to invest in real estate as compared to directly investing in real estate, REITs also have some increased risks as compared to more traditional investments such as stocks, bonds, and mutual funds. First, real estate investing can be highly volatile. Second, the specific REIT chosen may have a focus such as commercial real estate or real estate in a given location. Such investment focus can be beneficial if the properties are successful, but lose significant principal if the properties are not successful. REITs may also employ significant leverage for the purpose of purchasing more investments with fewer investment dollars, which can enhance returns but also enhances the risk of loss. The success of a REIT is highly dependent upon the manager of the REIT. Clients should ensure they understand the role of the REIT in their portfolio.

- **MLPs:** RCWM may recommend that portions of client portfolios be allocated to master limited partnerships, otherwise known as "MLPs". An MLP is a publicly traded entity that is designed to provide tax benefits for the investor. In order to preserve these benefits, the MLP must derive most, if not all, of its income from real estate, natural resources and commodities. While MLPs may add diversification and tax favored treatment to a client's portfolio, they also carry significant risks beyond more traditional investments such as stocks, bonds and mutual funds. One such risk is management

risk-the success of the MLP is dependent upon the manager's experience and judgment in selecting investments for the MLP. Another risk is the governance structure, which means the rules under which the entity is run. The investors are the limited partners of the MLP, with an affiliate of the manager typically the general partner. This means the manager has all of the control in running the entity, as opposed to an equity investment where shareholders vote on such matters as board composition. There is also a significant amount of risk with the underlying real estate, resources or commodities investments. Clients should ask RCWM any questions regarding the role of MLPs in their portfolio.

- **International Investing:** Investing outside of the United States, especially in emerging markets, can have special or enhanced risks. The most obvious are political risk (changes in local politics can have a vast impact on the markets in that country as well as regulations affecting given issuers) and currency risk (changes in exchange rates between the dollar and the local denominations can materially affect the value of the security even if the underlying fundamentals and market price are stagnant). There are other risks, including enhanced liquidity risk, meaning that while domestic equities and mutual funds are generally easily liquidated (though there may be a risk of loss due to the timing of the sale), equities in other jurisdictions may be subject to the circumstances of lower overall market volume and fewer companies on an emerging exchange. In addition, there may be less information and less transparency in a foreign market or from a foreign company. Foreign markets impose different rules than domestic markets, which may not be to an investor's advantage. Also, companies in foreign jurisdictions are generally able to avail themselves of local laws and venues, meaning that legal remedies for U.S. investors may not be as easily obtained as in the U.S.

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**ITEM 9: DISCIPLINARY INFORMATION**

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For all of the information regarding Tom and Andrew Johnson, we encourage you to independently view their background on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and FINRA's BrokerCheck website at [www.finra.org/brokercheck](http://www.finra.org/brokercheck). For the IAPD website, select Investment Adviser Search from the left navigation menu, then select the option for Investment Adviser Representative and enter 1215434 or 837948 in the field labeled "Individual CRD Number".

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**ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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A. Broker-dealer

None of the principals of RCWM, nor any related persons are registered, or have an application pending to register, as a broker dealer or as an associated person of the foregoing entities.

B. Futures Commission Merchant/Commodity Trading Advisor

Neither the principals of RCWM, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

C. Relationship with Related Persons

Certain professionals of RCWM are separately licensed as independent insurance agents. As such, these professionals may conduct insurance product transactions for RCWM clients, in their capacity as licensed insurance agents, and will receive customary commissions for these transactions in addition to any compensation received in his capacity as employees of RCWM. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. These professionals

therefore have incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage RCWM or utilize these professionals to implement any insurance recommendations. RCWM attempts to mitigate this conflict of interest by disclosing the conflict to clients, and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with RCWM, or to determine not to purchase the insurance product at all. RCWM also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of RCWM, which requires that employees put the interests of clients ahead of their own.

D. Recommendations of other Advisers

RCWM occasionally recommends other advisers, but in no event will RCWM receive any compensation, directly or indirectly from those advisors. For more information regarding RCWM use of third-party managers, please see response to Item 8 for a full discussion.

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**ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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- A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.
- B. Not applicable. RCWM does not recommend to clients that they invest in any security in which RCWM or any principal thereof has any financial interest.
- C. On occasion, an employee of RCWM may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.
- D. On occasion, an employee of RCWM may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

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**ITEM 12: BROKERAGE PRACTICES**

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A. Recommendation of Broker-Dealer

RCWM does not maintain custody of client assets, though RCWM may be deemed to have custody if a client grants RCWM authority to debit fees directly from their account (see Item 15 below). Assets will be held with a qualified custodian, which is typically a bank or broker-dealer. RCWM recommends that

investment accounts be held in custody by Schwab Advisor Services (“Schwab”), which is a qualified custodian. RCWM is independently owned and operated and is not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when RCWM instructs them to, which RCWM does in accordance with its agreement with you. While RCWM recommends that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. RCWM does not open the account for you, although RCWM may assist you in doing so.

### **How we select brokers/custodians**

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including both quantitative (ex: costs) and qualitative (execution, reputation, service) factors. We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to RCWM as part of our evaluation of these broker-dealers.

### **Your brokerage and custody costs**

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”).

### **Products and services available to us from Schwab**

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab’s business serving independent investment advisory firms like RCWM. They provide RCWM and our clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help RCWM manage or administer our clients’ accounts, while others help RCWM manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to RCWM. Following is a more detailed description of Schwab’s support services:

#### *Services that benefit you.*

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

#### *Services that may not directly benefit you.*

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or a substantial number of our clients’ accounts, including accounts

not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

*Services that generally benefit only us.*

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

#### **Our interest in Schwab's services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. We may have an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's 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 Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to RCWM as part of our evaluation of these broker-dealers.

#### **B. Aggregating Trades**

Commission costs per client may be lower on a particular trade if all clients in whose accounts the trade is to be made are executed at the same time. This is called aggregating trades. Instead of placing a number of trades for the same security for each account, we will, when appropriate, execute one trade for all accounts and then allocate the trades to each account after execution. If an aggregate trade is not fully executed, the securities will be allocated to client accounts on a *pro rata* basis, except where doing so would create an unintended adverse consequence (For example, if a *pro rata* division would result in a client receiving a fraction of a share, or a position in the account of less than 1%.)

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### **ITEM 13: REVIEW OF ACCOUNTS**

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All accounts and corresponding financial plans will be managed on an ongoing basis, with formal reviews with the client by a member of senior management, specifically the managing member, on at least an annual basis. However, it is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger a review of accounts.

The annual report in writing will include information related to portfolio performance. Clients will receive statements directly from their account custodian, as well as copies of all trade confirmations directly from their account custodian. Clients will also receive a bill itemizing the fees to be debited, including the formula used to calculate the fee, the amount of assets the fee is based, and the time period covered by the fee.

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**ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

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A. Economic Benefit Provided by Third Parties for Advice Rendered to Client.

*Please refer to Item 12, where we discuss recommendation of Broker-Dealers.*

B. Compensation to Non-Advisory Personnel for Client Referrals.

RCWM does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

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**ITEM 15: CUSTODY**

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RCWM deducts fees from client accounts, but would not have custody of client funds otherwise. Clients will receive statements directly from their account custodian, as well as copies of all trade confirmations directly from their account custodian.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Each quarter, clients will receive a statement from their account custodian showing all transactions in their account, including the fee. Clients will also receive a bill itemizing the fees to be debited, including the formula used to calculate the fee, the amount of assets the fee is based, and the time period covered by the fee. The invoice will also state that the fee was not independently calculated by the custodian.

We encourage clients to carefully review the statements and confirmations sent to them by their custodian, and to compare the information on your quarterly report prepared by RCWM against the information in the statements provided directly from their account custodian. Please alert us of any discrepancies.

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**ITEM 16: INVESTMENT DISCRETION**

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When RCWM is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You may receive at your request written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive monthly

statements from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and RCWM.

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**ITEM 17: VOTING CLIENT SECURITIES**

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Copies of our Proxy Voting Policies are available upon request.

From time to time, shareholders of stocks, mutual funds, exchange traded funds or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. RCWM will vote proxies on behalf of its clients. For these situations, RCWM generally utilizes independent proxy voting services. Proxies are voted directly by the independent proxy voting services in a manner that is consistent with the agreed upon guidelines, which have been adopted by RCWM.

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**ITEM 18: FINANCIAL INFORMATION**

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RCWM does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.

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**ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

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- A. Principal Officers: The Managing Principal of RCWM is Thomas Johnson and his partner is Andrew Johnson. For more information on the firm's owners, please refer to the ADV Part 2B provided below.
- B. Other Business: Please see Item 10.C. in regards to this information.
- C. Performance Based Fees: RCWM will not collect performance based fees.
- D. Disclosure Events: One of the firm's principals, Andrew Johnson has been involved in the following events described below.

On two occasions, one of the firm's principals, Andrew Jay Johnson, was involved in certain disciplinary events that may be considered material to a client's evaluation of RCWM's business, even though the events took place longer than twenty years ago. Each event occurred while affiliated with a former broker-dealer.

In May of 1993, NASD Arbitration Claim 92-01618 alleged that Andrew Johnson was selling away a stock offering not previously approved by his current broker dealer. Mr. Johnson denied this claim. Mr. Johnson was deemed liable to pay \$100,000 in compensatory damages.

In November of 1997, Civil Litigation, U.S. District, Southern District of Indiana (IP95-1659-C), a complaint was filed alleging fraud and breach of fiduciary duty with respect to an investment in an individual security offering. The case was settled for \$35,000.

- E. Management Relationships with Issuers: Not applicable.

**FORM ADV PART 2B BROCHURE SUPPLEMENT**

**Thomas Lee Johnson**

**ROYAL CAPITAL WEALTH MANAGEMENT LLC**

4000 W. 106<sup>th</sup> Street, Suite 125-190  
Carmel, IN 46032

Thomas Johnson  
(866) 729-6552

**July 25, 2018**

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This Brochure Supplement provides information about Thomas Johnson that supplements the Royal Capital Wealth Management LLC Brochure. You should have received a copy of that Brochure. Please contact us at (866) 729-6552 if you have any questions about the contents of this supplement. Registration does not imply any certain level of skill or training.

Additional information about Thomas Johnson is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



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**ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

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**Thomas Lee Johnson, Born: 1958**

**EDUCATION:**

B.S. in Finance, Radford University, 1981

**BUSINESS EXPERIENCE:**

Royal Capital Wealth Management LLC, Managing Member, 01/2018 – Present

RBC Capital Markets, LLC, Investment Adviser and Registered Representative, 03/2009 – 12/2017

Citigroup Global Markets Inc., Registered Representative, 07/1993 – 03/2009  
(Firm was previously named Lehman Brothers, Inc. 04/1992-07/1993)

Dean Witter Reynolds, Inc., Registered Representative, 08/1983 – 03/1992

**PROFESSIONAL DESIGNATIONS:**

**Series 65, 63**

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**ITEM 3: DISCIPLINARY INFORMATION**

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. Johnson.

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**ITEM 4: OTHER BUSINESS ACTIVITIES**

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This item is not applicable.

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**ITEM 5: ADDITIONAL COMPENSATION**

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Other than salary, annual bonuses, or regular bonuses, Mr. Johnson does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through RCWM.

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**ITEM 6: SUPERVISION**

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Mr. Johnson is a principal of the firm, and also the firm's Chief Compliance Officer. He has no direct supervisor. However, all employees of RCWM are required to follow the supervisory guidelines and procedures manual which are designed to ensure compliance with securities laws in the states where RCWM is registered.

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**ITEM 7: STATE REQUIREMENTS**

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- A. Mr. Johnson has **not** been involved in any of the events listed below.
1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
    - i. an investment or an investment-related business or activity;
    - ii. fraud, false statement(s), or omissions;
    - iii. theft, embezzlement, or other wrongful taking of property;
    - iv. bribery, forgery, counterfeiting, or extortion; or
    - v. dishonest, unfair, or unethical practices.
  2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
    - i. an investment or an investment-related business or activity;
    - ii. fraud, false statement(s), or omissions;
    - iii. theft, embezzlement, or other wrongful taking of property;
    - iv. bribery, forgery, counterfeiting, or extortion; or
    - v. dishonest, unfair, or unethical practices.
- B. Mr. Johnson has not been the subject of a bankruptcy petition at any time.

**FORM ADV PART 2B BROCHURE SUPPLEMENT**

**Andrew Johnson**

ROYAL CAPITAL WEALTH MANAGEMENT LLC  
4000 W. 106<sup>th</sup> Street, Suite 125-190  
Carmel, IN 46032

Andrew Johnson  
(866) 729-6552

**July 25, 2018**

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This Brochure Supplement provides information about Andrew Johnson that supplements the Royal Capital Wealth Management LLC Brochure. You should have received a copy of that Brochure. Please contact us at (866) 729-6552 if you have any questions about the contents of this supplement. Registration does not imply any certain level of skill or training.

Additional information about Andrew Johnson is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

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**Andrew Jay Johnson, Born: 1948**

**EDUCATION:**

B.S. in Economics, Purdue University, 1970

Investment Related Coursework, University of Pennsylvania, Wharton School, 1986-1988

**BUSINESS EXPERIENCE:**

Royal Capital Wealth Management LLC, Managing Member, 01/2018 – Present

RBC Capital Markets, LLC, Investment Adviser and Registered Representative 03/2009 – 12/2017

Citigroup Global Markets Inc., Registered Representative 04/1992 – 03/2009

(Firm was previously named Lehman Brothers, Inc. – 04/1992-07/1993)

Dean Witter Reynolds, Inc., Registered Representative 08/1979 – 03/1992

**PROFESSIONAL DESIGNATIONS:**

Series 65, 63

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**ITEM 3: DISCIPLINARY INFORMATION**

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Andrew Johnson has previously been involved in disciplinary proceedings. For all the information regarding Andrew Johnson, we encourage you to independently view his background on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and FINRA's BrokerCheck website at [www.finra.org/brokercheck](http://www.finra.org/brokercheck). For the IAPD website, select Investment Adviser Search from the left navigation menu, then select the option for Investment Adviser Representative and enter 837948 in the field labeled "Individual CRD Number".

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**ITEM 4: OTHER BUSINESS ACTIVITIES**

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Mr. Johnson is separately licensed as an independent insurance agent. As such, Mr. Johnson may conduct insurance product transactions for clients, in his capacity as a licensed insurance agent, and will receive customary commissions for these transactions in addition to any compensation received in his capacity as an employee of RCWM. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. Mr. Johnson therefore has an incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage RCWM or utilize Mr. Johnson to implement any insurance recommendations. RCWM attempts to mitigate this conflict of interest by disclosing the conflict to clients, and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with RCWM, or to determine not to purchase the insurance product at all. RCWM also attempts to mitigate the conflict of interest by including in its Compliance Manual a Code of Ethics, which includes a reminder of the fiduciary duty RCWM owes to its clients.

Andrew Johnson owns Royal Capital, LLC, a real estate investment firm. The ownership of this firm is not related to any investment decisions made on behalf of clients. Clients are not advised to invest through Royal Capital LLC.

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**ITEM 5: ADDITIONAL COMPENSATION**

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Other than salary, annual bonuses, or regular bonuses, Mr. Johnson does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through RCWM.

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**ITEM 6: SUPERVISION**

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Mr. Johnson is a principal of the firm, and is supervised by the firm's Chief Compliance Officer, Thomas Johnson. Additionally, all employees of RCWM are required to follow the supervisory guidelines and procedures manual which are designed to ensure compliance with securities laws in the states where RCWM is registered.

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**ITEM 7: STATE REQUIREMENTS**

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- A. On two occasions, Andrew Jay Johnson was involved in certain disciplinary events that may be considered material to a client's evaluation of RCWM's business, even though the events took place longer than ten years ago. Each event occurred while affiliated with a former broker-dealer.

In May of 1993, NASD Arbitration Claim 92-01618 alleged that Andrew Johnson was selling away a stock offering not previously approved by his current broker dealer. Mr. Johnson denied this claim. Mr. Johnson was deemed liable to pay \$100,000 in compensatory damages.

In November of 1997, Civil Litigation, U.S. District, Southern District of Indiana (IP95-1659-C), a complaint was filed alleging fraud and breach of fiduciary duty with respect to an investment in an individual security offering. The case was settled for \$35,000.

Mr. Johnson has not been the subject of a bankruptcy petition at any time.