



**Form ADV Part 2A  
Firm Brochure  
April 22, 2020**

This Brochure provides information about the qualifications and business practices of SWMG, LLC. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer at [josh@strittmatterwealth.com](mailto:josh@strittmatterwealth.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

SWMG, LLC is a registered investment advisory firm. Registration of an investment advisory firm does not imply a particular level of skill or training.

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

**SWMG, LLC**

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## Material Changes

### Annual Update

The Material Changes section of this brochure will be updated annually, or when material changes occur since the previous release of our Firm Brochure. This Item discusses only specific material changes that are made to this Brochure and provides our clients with a summary of such changes.

### Material Changes since the Last Update

Since the last amendment, the following material changes were made:

- Item 4 – We updated the disclosure language regarding our financial planning, investment management, and educational seminar services.
- Item 5 – We updated the disclosure language to reflect that we do not receive a portion of the fee charged for the tax overlay management services.
- Item 10 – We updated the disclosure language regarding our insurance and TPAM affiliations.
- Item 19 – We removed Item 19 because we are no longer a state registered investment adviser therefore disclosure information in Item 19 is no longer required.

### Full Brochure and Additional Information

Full Brochure and additional information about SWMG, LLC are available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with us who are registered or are required to be registered, as investment adviser representatives ("IAR").

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## Advisory Business

### Firm Information

SWGM, LLC (“SWMG,” “we,” “us,” “our”), a limited liability company formed in 2012, is a registered investment advisory firm located in Fort Worth, Texas.

### Principal Owners

SWMG is owned and controlled by Josh Strittmatter its President and CEO. Mr. Strittmatter also services as the Chief Compliance Officer.

### Investment Advisory Services

#### Financial Planning and Consulting Services:

We provide financial planning services that find ways to help you understand your overall financial situation and help you set financial objectives. Clients have the option to choose either our Comprehensive Planning Service or our Modular Planning and Consulting Service.

Our Comprehensive Planning Service reviews your financial goals, tax planning strategies, asset allocation, risk management, retirement planning, and other areas and objectives and results in a holistic plan. Clients may then elect to have us perform a financial review of the plan and/or update the plan as needed.

Clients only in need of targeted planning may choose to utilize our Modular Planning and Consulting Services. This service will focus on a specific planning area or address a specific concern as indicated by the client.

#### Investment Management Services:

We provide investment management services on both a discretionary and non-discretionary basis through the use of various third-party asset managers (“TPAM”) in Unified Managed Accounts (“UMA”). These TPAMs may be recommended when their philosophy, investment strategy, and style meet the client’s financial needs, investment objectives, and risk tolerance. The TPAMs will implement their strategies using model portfolios comprised of stocks, mutual funds, exchange-traded funds (ETFs), and additional securities. The services provided by the TPAM, the compensation to be paid, and other terms of the relationship between the client and the manager will be described in the TPAM’s disclosure documents and its managed account agreement. We will receive a portion of the investment advisory fee paid by the client to the TPAM.

#### Tax Overlay Management Program

Our tax overlay management services are available through UMA accounts with TPAMs as described above. This program develops a tax strategy for the client accounts based on the information and instructions provided by the client. Tax overlay management services do not involve general tax advice, tax return preparation, or tax planning services. The objectives of the tax overlay management program are to:

- Reduce the overall tax burden of the account while seeking to maintain the risk and return characteristics of the investment strategies selected.
- Avoid short-term gains, when possible.

Early termination and/or removal of the overlay management services may result in adverse tax consequences, including the realization of short-term capital gains. Clients should consult with their tax professional regarding these issues and the tax overlay strategy.

Clients utilizing this program must promptly inform SWMG of any material changes in their financial circumstances that may impact their assets. Clients will incur a separate fee for tax overlay management services, however SWMG does not receive any portion of this fee.

### **Financial Education Seminars & Workshops**

We offer various financial education workshops and seminars through local colleges and businesses for a fee. Classes include Retirement Planning, Estate Planning, Long-Term Care, and Social Security Optimization. Classes include textbooks with interactive materials, and attendees may receive an optional complimentary consultation. Our seminars are self-sponsored events that SWMG utilizes to promote SWMG's advisory services. The local colleges do not recommend or endorse SWMG's advisory services. Per some of our relationships with the local colleges, SWMG may receive a portion of the workshop fees.

We offer both Financial Planning Services and Investment Management Services. When preparing a financial plan, we may have an incentive to recommend our Investment Management Services. Additionally, our IARs hold insurance licenses. When preparing a financial plan, we may have an incentive to recommend insurance products for which we or any of our personnel earn a separate fee or commission. However, Financial Planning Services clients are under no obligation to act upon any recommendations of SWMG or to effect any transactions through SWMG or our IARs if they decide to follow the recommendations. For additional information on our insurance brokerage licenses, please see Item 10 – Other Financial Industry Activities and Affiliations.

### **Client Investment Objectives/Restrictions**

SWMG offers the same suite of services to all our clients. However, specific client financial plans and their implementation are dependent upon the individual client's Investment Policy Statement which outlines a client's current financial situation such as income, net worth and risk tolerance levels. This information is essential in the development of a client-specific plan in the selection of investments that matches restrictions, needs, and targets. On a case by case basis, our clients may impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent us from properly servicing the client's account, or if the restrictions would require us to deviate from our standard suite of services, we reserve the right to end the relationship. We may request additional information and documentation such as current investments, tax returns, insurance policies, and estate plan. We will discuss your investment objectives, needs, and goals, but you must inform us of any changes. Unless directed by you, we do not independently verify any information provided to us by you or your attorney, accountant or other professionals.

### **Wrap Fee Programs**

SWMG does not participate in, recommend, or offer wrap fee programs.

### **Assets under Management**

As of December 31, 2019, SWMG manages \$135,051,352 on a discretionary basis and \$0 on a non-discretionary basis.

## Fees and Compensation

### Planning & Consulting Fees

The fees for our financial planning and consulting services are non-negotiable and vary depending on the complexity of the process undertaken, the types of issues addressed, the scope of services provided and the frequency with which the services are rendered. All fees are agreed upon before entering into the agreement you sign. The below ranges are the standard fee ranges that are typically charged.

Financial Planning and Consulting Fee Schedule	
Hourly	\$200 per hour
Comprehensive Financial Planning	\$1,750 - \$15,000
Modular Financial Planning & Consulting	\$500 - \$2,000
Financial Reviews	\$1,000 - \$2,000

### Investment Management Fees

SWMG is compensated for providing investment management services by charging a fee based on the assets under management. The fee schedule is as follows:

Investment Management Fee Schedule	
\$0 - \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%
\$1,000,001 - \$2,000,000	1.00%
\$2,000,001 +	Negotiable

SWMG's investment management fees are annual fees and may be negotiable. Client accounts at the custodian may also be charged for certain additional assets managed by SWMG but not held by the custodian (i.e., alternative investments, variable annuities, mutual funds, 401(k)s).

A client who selects the tax overlay management services will incur a separate fee. The tax overlay management fee is in addition to the fees charged by SWMG and the TPAM. Tax overlay management fees are disclosed in the TPAM's applicable disclosure documents.

### Seminar & Workshop Fees

Our financial education seminars and workshops are provided for a fee. This fee is non-negotiable and dependent on the specific course in which you enroll. The fee includes all course materials and an optional consultation.

### Financial Seminar & Workshop Fees

Course Fees	\$59 - \$69 per Course
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## Fee Billing & Payment

Financial planning and consulting fees are paid via credit card or check upon signing the agreement. SWMG will provide clients with an estimate of the amount of time a plan will take and costs. These fees are non-negotiable.

Clients receiving hourly planning services are charged a two-hour minimum for ad-hoc hourly planning and consulting services, payable upon signing an agreement. Additional fees are payable as services that exceed two hours are performed or when services are completed. SWMG will regularly invoice clients for fees that are due and payable.

For Comprehensive Financial Planning and Modular Financial Planning services, SWMG will provide clients with an estimate of the amount of time a plan will take and the costs. The agreed upon fee will be due and payable upon signing an agreement. Plans produced will be delivered within six months or sooner of the date of the agreement. SWMG considers fees for planning or consulting projects to be earned as progress is realized toward the creation of the plan or completion of the service. Under no circumstance will we earn fees in excess of \$500 more than six months in advance of the service rendered.

Fees for investment management services are paid quarterly in advance and are negotiable on assets under management in excess of \$2,000,000. Payments are due on the first day of the calendar quarter and are based on the account's asset value as of the last business day of the prior calendar quarter. Fees are prorated for accounts opened during the quarter. We will deduct our investment management fee only when in receipt of your written authorization by executing an investment advisory agreement permitting the fees to be paid directly from your account. We will send a copy of your invoice to the custodian. The qualified custodian will deliver an account statement to you at least quarterly which will show all disbursements from your account. We urge you to review all statements for accuracy.

You are responsible for all third-party fees (i.e., custodian fees, mutual fund fees, transaction fees, etc.). These fees are separate and distinct from the fees and expenses charged by SWMG.

## Termination of Agreement

SWMG's services will automatically renew annually unless terminated by either you or SWMG. Either party may terminate the agreement prior to delivery of the plan or completion of the services with 30-day advance written notice. Upon termination of any service, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable up to and including the effective date of termination.

Notwithstanding the above, if we do not deliver the appropriate disclosure statement to you at least 48 hours prior to you entering into any written or oral advisory contract with this us, then you have the right to terminate the contract without penalty within five (5) business days after entering into the contract.

## Other Expenses and Fees

The fees discussed above include payment solely for our asset management and financial planning services provided by us and are separate to certain fees or charges that are imposed by third parties in connection with investments made on your behalf for your account. Third-party fees may include markdowns, markups, brokerage commissions, other transaction costs and/or custodial fees.

Also, all fees paid to us for asset management services are separate from the expenses charged by exchange-traded funds and mutual funds to their shareholders. These fees and expenses will be used to pay management fees for the funds, other fund expenses, account administration, and a possible distribution fee. Exchanged traded funds and mutual funds can be invested in directly by you without our services. However, you would not receive our services to assist you in determining which products or services are most suitable for your financial situation and objectives. You should review both the fees we charge and the fees charged by the fund(s) to understand the total fees to be paid fully.

Furthermore, our IARs are also insurance agents, licensed to sell insurance products. If clients purchase these products through us, we receive the normal commissions; thus, a conflict of interest exists between our interests and those of advisory clients. We do not require your IAR to encourage you to implement investment advice using any insurance product recommendations. You are free to implement insurance product recommendations through any insurance agency you may select.

We require that all IARs disclose this conflict of interest when such recommendations are made. We also require IARs to disclose to you that they may purchase recommended products from other representatives not affiliated with us.

### ITEM 6

## Performance-Based Fees

We do not charge any performance-based fees which are fees based on a share of capital gains on or capital appreciation of your assets.

### ITEM 7

## Types of Clients Description

We provide our investment advisory services to:

- Individuals including trusts, estates, 401(k)s and IRAs of a household
- High net worth individuals
- Business entities including sole proprietorships.

Our minimum account size requirements for planning or consulting relationships is \$250,000 in investable assets.

### ITEM 8

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

### Methods of Analysis

We use various methods of analysis and investment strategies. Methods and strategies will vary based on the IAR providing advice.

**Fundamental Analysis** – We evaluate economic and financial factors to determine if a security may be underpriced, overpriced or fairly priced. This method entails assessing a security by attempting to determine its intrinsic value by examining related financial, economic, and other qualitative and quantitative factors. Fundamental analysis requires an in-depth look at all factors that can affect the security's value, from macroeconomic factors (like the overall economy and industry conditions) to individually specific factors (like the financial situation and management of companies). The overall objective of performing the fundamental analysis is to determine a value that an investor can use to determine what sort of position to take with that security. This method of security analysis is contrary to technical analysis. Fundamental analysis involves using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

**Technical Analysis** – This method involves the evaluation of securities by performing an analysis of static information that is generated by market activity, such as past prices and volume. Technical analysis does not attempt to measure a security's intrinsic value but instead, use charts and other tools to determine the patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

**Modern Portfolio Theory** - Modern portfolio theory (MPT) is a risk-averse theory that involves the construction of portfolios to maximize and optimize expected return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward. According to the theory, it's possible to construct an "efficient frontier" of optimal portfolios offering the maximum possible expected return for a given level of risk.

## **Investment Strategies**

When formulating investment advice or managing your assets, we will use a variety of strategies including:

- Strategic Asset Allocation
- Constant-Weighting Asset Allocation
- Tactical Asset Allocation
- Dynamic Asset Allocation Strategy
- Long/Short Investment Strategy

Your accounts are managed separately with your underlying investment strategies, restrictions, or investment limitations defined within the investment management agreement.

## **Potential Risks**

Investing involves different levels of risk that can result in loss of any profits and/or principal you have not realized. We manage your account in a manner consistent with your pre-determined risk tolerance and suitability profile. However, we cannot guarantee that our efforts will be successful. Investing in securities involves the risk of loss clients should be prepared to bear.

Investing involves the assumption of risk including:

**Financial Risk:** which is the risk that the companies we recommend to you perform poorly, which affect the price of your investment.

**Market Risk:** which is the risk that the stock market will decline, decreasing the value of the securities we recommend to you with it.

**Inflation Risk:** which is the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.

**Political and Governmental Risk:** which is the risk that the value of your investment will be affected by the introduction of new laws or regulations.

**Interest Rate Risk:** which is the risk that the value of the investments we recommend to you will fall if interest rates rise.

**Call Risk:** which is the risk that your investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.

**Credit Risk:** which is the risk that the issuer of the bond will default on all or part of their interest and principal obligations.

**Default Risk:** which is the risk that issuer is unable to pay the contractual interest or principal on the investment promptly or at all.

**Manager Risk:** which is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.

**Industry Risk:** which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.

**High-Yield Corporate Debt Securities:** Risks include interest-rate risk and credit risk, as described above.

**Municipal Securities:** Risks include interest rate risk and credit risk, as described above.

**Partnership Interests (real estate, oil and gas interests):** The primarily risks involved with this type of investment are liquidity risk, industry risk, and financial risk. Non-traded securities such as partnership interests are long-term investments. As such, you may not be able to sell at the time you desire without adversely affecting the price of your original investment.

## ITEM 9

### Disciplinary Information

#### Regulatory and Disciplinary

As of the date of this brochure, we have not been subject to any disciplinary, legal, or regulatory events related to past or present investment clients. There has been no disciplinary, legal, or regulatory events related to us or any of our management persons.

## ITEM 10

### Other Financial Activities and Affiliations

#### Financial Industry Activities

Neither SWMG nor its management persons are registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither SWMG nor its management persons are registered or as an application pending to register as a futures commission merchant, commodity pool operator or commodity trading advisor.

## **Affiliations**

SWMG is affiliated with an insurance company in that SWMG's President and CEO, Josh Strittmatter, is the sole owner of both SWMG and Strittmatter Insurance Agency, LLC. Certain of the firm's IARs are also insurance agents, licensed to sell insurance products. These IARs may recommend insurance products to you through the affiliated insurance company and receive additional compensation from the sale of insurance products. The receipt of additional compensation for the sale of insurance products creates a conflict of interest. SWMG does not require your IAR to encourage you to implement investment advice through our affiliated insurance product recommendations or through our affiliated insurance company. You are free to implement insurance product recommendations through any insurance agency or company you may select. We require that all IARs disclose this conflict of interest when such recommendations are made. We also require IARs to disclose to you that they may purchase recommended products from other representatives not affiliated with us or our affiliated insurance company.

We take the following additional steps to address any conflicts of interests:

- We review and document the clients financial background including investment objectives, risk tolerance, and financial goals;
- Our management team conducts regular reviews of each client account to verify that all recommendations made to a client account to verify that recommendations are suitable based on their investor profile;

## **Selection of Other Investment Advisers**

We may recommend or select TPAMs for our clients. We do not receive compensation from the TPAMs. A conflict of interest does not exist between SWMG and the TPAMs we recommend or select because of the lack of financial incentive for recommending or selecting TPAMs for our clients. You are under no obligation to utilize the services of the recommended TPAM and are free to implement our recommendations through any manager you may select. All TPAMs will be properly licensed and registered as investment advisers in the proper jurisdictions.

### **ITEM 11**

## **Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics**

SWMG has developed a code of ethics that will apply to all of our supervised persons. We and our IARs must act in a fiduciary capacity when providing investment advisory services to you

and all of our clients. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. This fiduciary duty is considered the core underlying principle of our code of ethics, which also covers our insider trading and personal securities transactions policies and procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will acknowledge that they have read, understand and agree to comply with our Code of Ethics.

Our Code of Ethics is available to clients and prospective clients upon request.

### **Recommendations Involving a Material Financial Interest**

Neither we nor any related person recommend to clients or buys or sells for clients' accounts, securities in which we or a related person has a material financial interest.

### **Participation or Interest in Client Transactions**

There may be instances where an IAR will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which an IAR, its affiliates or other clients may also have a position or interest. Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis. Generally, in such circumstances, the affiliated and client accounts will share execution costs equally. Completed trade orders will be allocated according to the instructions from the initial trade order. Partially filled trade orders will be allocated on a pro-rata basis. Any exceptions will be explained in the trade order.

### **Personal Trading**

Employees are permitted to have personal securities accounts as long as personal investing practices are in line with fiduciary standards and regulatory requirements, and do not conflict with their duty to SWMG and our clients. SWMG monitors and controls personal trading through pre-approval of all personal securities transactions or blackout periods imposed upon employees trading in the same securities as SWMG. We forbid any officer or employee, either personally or on behalf of others, to trade on material, nonpublic information or to communicate such information to others in violation of the law.

## **ITEM 12**

### **Brokerage Practices**

Our policies and procedures prohibit unfair trading practices and to avoid conflicts of interests, where possible, or to disclose conflicts when they arise. We will attempt to resolve conflicts when reasonably possible.

SMWG currently has arrangements with TD Ameritrade Inc., member SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member, whereby SWMG requires its investment management clients to utilize TD Ameritrade on their accounts. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. SWMG receives some benefits from TD Ameritrade through our participation in the program. SWMG participates in TD Ameritrade's Institutional advisor program, and SWMG may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between our participation in this program and the investment advice we give to our clients, although

SWMG receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors.

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

We may receive succession planning, practice valuation, and equity management services from third-party vendors through Advisers participation in the TD Ameritrade Institutional Equity Management Program. In addition to meeting the minimum eligibility criteria for participation in the TD Ameritrade Institutional Equity Management Program, we may have been selected to participate in the TD Ameritrade Institutional Equity Management Program based on the amount and potential profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with Adviser and there is no employee or agency relationship between TD Ameritrade and SWMG. TD Ameritrade has established the TD Ameritrade Institutional Equity Management Program as a means of assisting independent unaffiliated investment advisers to grow and maintain their respective investment advisory business. TD Ameritrade does not supervise SWMG and has no responsibility for our management of client portfolios or our other advice or services to clients.

SWMG's participation in the TD Ameritrade Institutional Equity Management Program raises potential conflicts of interest. We may encourage our clients to custody their assets at TD Ameritrade. Consequently, in order to participate in the TD Ameritrade Institutional Equity Management Program, we may have an incentive to recommend to clients that their assets be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Our participation in the TD Ameritrade Institutional Equity Management Program does not relieve us of the duty to seek best execution of trades for client accounts.

As a fiduciary, we are obligated to seek out the best execution of your transactions for that accounts that we manage. In general, the execution of securities transactions are at a total

cost or proceeds in each transaction and are the most favorable under the circumstances. However, we do not limit the best execution to the lowest available price. Additional factors are taken into consideration when determining the arrangement and services in the selection of a broker-dealer or qualified custodian. Our review consists of reviewing the commission and fee structures of various broker/dealers, research platform, and execution services. We periodically review and evaluate the execution services provided by our affiliated broker/dealers and qualified custodians used by us. Accordingly, while SWMG does consider competitive rates, it does not necessarily obtain the lowest possible commission rates for your account transactions. Therefore, the overall services provided by our affiliated broker-dealers and qualified custodians are evaluated to determine the best execution. You may pay trade execution charges and higher commissions through the trading platforms approved by us than through platforms that have not been approved by us. Not all investment advisers restrict or limit the broker/dealers their clients can use. Some investment advisers permit their clients to select any broker/dealer of the client's choosing.

We do not receive client referrals from broker/dealers.

We do not recommend, request, require or permit clients to direct us to executed transactions through a specific broker-dealer other than those we recommend.

We do not aggregate trade orders.

## ITEM 13

# Review of Accounts

## Periodic Reviews

We review investment management accounts no less than semi-annually. These accounts will be reviewed by the IAR responsible for the client account. Accounts are reviewed to evaluate asset allocation, investment strategy and objectives, cash balance, and performance as well as the general economic outlook and current investment trends.

Financial plans will be reviewed annually by the IAR responsible for creating the plan. Clients may also elect to have us perform a financial review of the plan and/or update the plan as needed for a fee.

## Review Triggers

We conduct periodic reviews to evaluate current market, economic and political events and how these may affect client accounts. Additional reviews may be triggered by these events or by events in the client's financial or personal status.

## Regular Reports

Investment management clients will receive advisory account reports no less than quarterly. These reports show asset value by cash balances, security, unit cost, total cost, current per share values, etc. Clients are urged to review the quarterly reports provided by us with those provided by their custodian and notify us of any differences. Clients are encouraged to phone or email us as often as they deem necessary to receive information regarding the investment tactics and strategies being followed.

Financial planning and consulting clients are provided a one-time written financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

#### ITEM 14

### Client Referrals and Other Compensation

We may occasionally pay a referral fee to third party solicitors. However, no fee is paid unless we have a signed solicitor agreement. All solicitors who refer clients to us must be in compliance with the requirements of the jurisdiction in which they operate and must be appropriately licensed to perform such services. You must sign a disclosure form that contains the details of the referral agreement. Our fiduciary duties still apply to referral relationships, and we must put the interest of our clients first and see the best execution of securities transactions on behalf of our clients.

Please see Item 12 Brokerage Practices for information regarding benefits we receive from our custodian.

#### ITEM 15

### Custody

We are deemed to have custody of client funds and securities due to our ability to deduct management fees from clients' accounts. We will not take physical custody of clients' funds and will not assign or transfer trading authorization to another advisor. Clients will receive account statements from the qualified custodian(s) holding their funds and securities at least quarterly. The custodian's account statements will indicate the amount of our advisory fees deducted from the clients' account(s) each billing period. These statements should be carefully reviewed by the client for accuracy. Item 5 – Fees and Compensation has additional information regarding our ability to deduct management fees from clients' accounts.

#### ITEM 16

### Investment Discretion

#### Discretionary Authority for Trading

We provide our investment management services on both a discretionary and non-discretionary basis. If you are participating in our discretionary investment management services, upon receiving your written authorization via our executed investment advisory agreement, we will maintain trading authorization over your designated account and may also implement trades on a discretionary basis.

When discretionary authority is granted, we will have the limited authority to determine the type of securities to be purchased, sold or exchanged and a number of securities that can be bought, sold or exchanged for your portfolio without obtaining your consent for each transaction.

If you do not grant this limited investment discretion, your IAR will be required to contact you and get affirmation regarding our investment recommendations such as the security being recommended, the number of shares, whether the security should be bought or sold before implementing changes in your account.

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, it is critical that you

respond promptly. If we do not receive a response to our request immediately, the timing of trade implementation may lead to an adverse impact where we may not achieve the optimal trading price.

On a case by case basis, you may place reasonable restrictions on the types of investments that may be purchased or sold in your account so long as the restrictions are explicitly set forth or included as an attachment to the investment advisory agreement.

#### ITEM 17

### Voting Client Securities

We do not have the authority to vote proxies as it pertains to the issuers of securities held in your account. The responsibility for voting your securities places increased liability to us and does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting your securities.

Therefore, you are responsible for voting all proxies for securities held in accounts managed by us. Typically, our qualified custodian will forward you your proxy information. Although we do not vote your proxies, you can contact us if you have a question about a particular proxy.

#### ITEM 18

### Financial Information

We are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

We are currently not in, nor have been historically in a financially precarious situation or the subject of a bankruptcy petition.