

Q3 Advisors, LLC

FORM ADV PART 2A

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This Brochure provides information about the qualifications and business practices of Q3 Advisors, LLC. If you have any questions about the contents of this Brochure, please contact Craig Wear at 800-876-0703. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

We are a registered investment adviser. However, registration of an investment adviser does not imply any level of skill or training. The oral or written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Q3 Advisors LLC is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Summary of Material Changes

Since our last ADV Part 2A Brochure filing on March 26, 2019, we have made the following material changes to this brochure:

In July of 2019, Q3 Advisors moved its principal place of business to 221 E. Blount Ave #663, Knoxville, Tennessee 37920. The Firm's new mailing address is 107 Rainbow Drive, #742, Livingston, Texas, 77399.

Since this brochure's previous update, and because we wished to expand our advisory services, we have registered with the SEC as a multi-state adviser since we have determined that we would be required by individual state laws to register in those particular states. Prior to this brochure update, we had been registered with the SEC as a "robo-advisor" by virtue of our Active401K platform.

You may request our full Brochure by contacting us at 800-676-0703 or by email at craig.wear@q3adv.com. You may also download a free copy via the Internet from the SEC's website at www.adviserinfo.sec.gov.

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Item 4 – Advisory Business

Q3 Advisors was formed May 2016 as a limited liability company organized pursuant to the laws of the State of Texas and most recently registered to do business with the State of Tennessee. In March of 2019, Q3 Advisors began doing business as Craig G. Wear to provide education and financial consulting services. Q3 Advisors is 100% owned by Craig Wear, who serves as Managing Member.

Active401K

Q3 Advisors provides active management, on a nondiscretionary basis to all types of clients who are participants in defined contribution plans such as 401K, 403B, 457, and profit-sharing plans., This service is termed “Active 401k” and is software driven based upon proprietary algorithms purchased from third parties or developed and owned by Q3 Advisors.

This service will assist clients who desire initial and ongoing assistance, recommendations and alerts in designing and managing a diversified portfolio and adjusting for changing conditions. Active 401k includes investment monitoring, adviser alerts, and dynamic asset allocation and other signals from computer-based models for and retirement plan participants that wish to manage their own investments in those accounts but want assistance with ongoing investment decisions. Client receives verbal, electronic, or written recommendations regarding investment allocations and client decides whether to follow recommendations. This service is offered through other financial professionals, including registered investment advisers (collectively and individually the “Other Adviser”). Other Advisers offer a variety of investment advisory programs and services that include separate account portfolio management programs, asset allocation programs, and financial planning services. Other Advisers may recommend and offer subscriptions to Q3 Advisors services to its individual clients based on clients’ financial needs.

Q3 Advisors will initially have each client complete a survey designed to obtain his or her risk tolerance and other relevant information to assess client’s investment needs. Once the client’s risk profile is determined through the analytical tools, asset allocation models are recommended that are customized based upon the investment alternatives available within the client’s plan or account. The client will then be responsible for deciding whether to act on the recommendation. On an ongoing basis, the client will continue to receive recommended allocations as market conditions change. Recommended investments will be limited to investment products offered within the individual plans or accounts as determined by Q3 Advisors. See Item 8, Methods of Analysis, Investment Strategies, and Risk of Loss for further detail on Q3 Advisor’s selection process of investment products.

Q3 Advisors may also enter relationships with platform providers who may refer Other Advisers to Q3 Advisors. Platform providers do not solicit or refer clients to Q3 Advisors. Q3 Advisors may pay a portion of the fees paid by the Other Adviser to the platform provider who introduced the Other Adviser to Q3 Advisors.

Retirement Planning, Education, and Consulting Services

In addition to investment advisory services, Q3 Advisors, doing business as Craig G. Wear, offers education and consulting services. These services involve non-investment related publications in print form or by web to help educate individuals on retirement strategies and tax efficiencies. Q3 Advisors may discuss general financial concepts in connection with the topic of tax savings applicable to certain retirement vehicles. For further details on educational services offered, contact Craig Wear, CCO, by phone at (800) 676-0703 or via email at craig.wear@Q3Adv.com.

In conjunction with the education services, clients may engage Q3 Advisors for personal tax consulting services in accordance with a financial consulting agreement. This service enables clients to access Craig Wear for the purpose of obtaining further explanations of subject matter covered in the aforementioned publications. Q3 Advisors will utilize the foundation provided in the general education services and tailor it to a client based on an analysis of factors, including but not limited to, the client's annual income, net worth, proposed retirement date, tax status, and objectives. Such services do not include recommendations concerning the purchase or sale of individual securities or industry sectors. We provide comprehensive retirement planning evaluation, projections and advice, with the added focus on the possibilities of the implementation of specific Roth conversion strategies.

Q3 Advisors does not serve as a law firm or accounting firm, and no portion of its services should be construed as legal or accounting services. To the extent requested by a client, Q3 Advisors may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.).

Q3 Advisors may also refer clients or prospective clients to Other Advisers from its adviser network for specific investment recommendations and/or implementation purposes. Q3 Advisors may be deemed to be engaged in solicitation activities on behalf of such Other Adviser, by referring clients or prospective clients seeking advice about their particular circumstances or pursuing a particular investment strategy to such Other Adviser. The client or prospective client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Q3 Advisors.

For Active 401k, each recommendation is tailored to the client based upon risk profile, objectives and other information provided via the analytical tools. The Firm cannot accept restrictions on investments in client accounts. The ultimate responsibility for effecting the recommendations lies with the client and it is the client's responsibility to decide whether to put in place the recommendations.

Q3 Advisors does not sponsor or manage a wrap fee program.

Although Q3 does have Active401K subscribers who work directly with us, all recommendations resulting from the use of the Active401K service are effected by our clients. Therefore, we do not have assets under management.

Item 5 - Fees and Compensation

The Other Adviser executes an Advisor Selling Agreement (“Advisor Agreement”) appointing the Other Adviser to offer the Active 401k to its clients. In turn, the Active 401k is made available to the client by executing a service agreement, which sets forth the rights and obligations of Q3 Advisors and client.

Other Advisors pay a one-time fee of \$499 for the Active401K service and a \$50 minimum monthly fee or \$5 monthly per participant if greater than a minimum number of participants. This is delineated below:

One advisor per firm:	\$50 monthly fee waived if there are 10 or more subscribers
2-5 advisors per firm:	\$50 monthly fee waived if there are 25 or more subscribers
6-10 advisors per firm:	\$50 monthly fee waived if there are 50 or more subscribers

Fees are paid by Other Advisers directly to Q3 Advisors as specified in the Advisor Agreement. We also allow “flat rate pricing” for plan advisors. These are negotiated, but are generally \$6 per year per participant, paid in advance, and with a minimum of \$150.

Our Active401K fees for individuals who purchase this service directly from us are \$79 - \$199 per year. From time to time, we may choose to lower the minimum fee.

Similar advisory services may be available from other investment advisers and the fees may be higher or lower than fees charged by those investment advisers for similar services. Other Advisers previously contracted with Q3 Advisors may be paying a different fee for the service. Q3 Advisors is not involved in the fee selection chosen by Other Advisers and has no control over the amount Other Advisers charge clients. Other Advisers may bill the clients directly for their cost of the service and this may be more or less than the Other Advisers’ fee paid to Q3 Advisors. Clients should understand that any cost to them may differ from one adviser to another and may be more than the cost of purchasing the same services separately or similar services elsewhere. Clients may also bear certain charges imposed by third parties other than Q3 Advisors in connection with investments made through their accounts or plans. Clients should contact their advisers, plan administrators, custodians or brokerage firms for further information on fees and expenses. For further details on Other Adviser’s description of fees, clients are encouraged to review their adviser’s Form ADV Part 2 Disclosure Brochures, as provided by Q3 Advisors.

Q3 Advisors offers various fixed rate packages to Other Advisers to utilize the program on behalf of clients. Fees are paid by each Other Adviser, through a third-party payment processor. Clients have the right to terminate the service agreement without penalty within five days after entering into the service agreement, and upon 30 days advance written notice thereafter. The Adviser Agreement can be terminated by the Other Adviser upon 30 days’ notice. No refund for partial month fees will be issued to the Other Adviser. Subscriptions Fees paid by the Other Adviser to Q3 Advisors are non-refundable and payable in advance based on the specified period in the Adviser Agreement. Participant Fees will not be pro-rated for client services initiated or

terminated during a calendar month. Participants Fees will be charged through the end of the calendar month of the effective date of termination.

The aforementioned fees are for Q3 Advisors services only. All fees paid to Q3 Advisors for advisory services are separate from the fees and expenses charged to clients by the investments in the clients account. A complete explanation of these expenses is contained in each investment's prospectus. No portion of such fees are payable to Q3 Advisors. Clients are encouraged to read each prospectus carefully.

Fees are paid directly by the Other Adviser to Q3 Advisors. Fees are not collected from clients for services to be performed more than six months in advance and in amounts more than \$1200.00.

Q3 Advisors may charge platform providers an upfront, non-refundable flat fee to begin referring Other Advisers to Q3 Advisors. This fee is negotiable and can be waived at the discretion of Q3 Advisors.

Our fees for our Retirement Planning services range from \$1,500 - \$9,500 per year. Fees are not collected from clients for services to be performed more than six months in advance and in amounts more than \$1,200.

Item 6 - Performance-Based Fees and Side-by-Side Management

Q3 Advisors does not charge any performance-based fees or fees that are based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7 - Types of Clients

Q3 Advisors provides its Active401 service to individuals and their retirement plan advisors through 401K, 403B, and other types of retirement plans.

Q3 Advisors provides its Financial Planning and Retirement Consulting services to individuals and high net worth individuals.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Q3 Advisors uses mathematical based models and data research to monitor changing conditions and risk levels in the financial markets. Multiple indicators and methods are used to reduce risk of reliance on a single indicator, system or method. Q3 Advisors' investment information may come from one or more providers or market signal services.

Q3 Advisors core, flagship algorithms are designed, managed and overseen by a third-party vendor to assist in managing the Active 401k platform. The third-party vendor maintains control over the development and management of the algorithms. The algorithms are comprised of two elements: trend detection to determine market exposure, and momentum/relative strength to determine portfolio elements. Both elements are continuously monitored by the third-party vendor. Changes to the algorithms are only contemplated when results exceed ranges of probability. Changes are rare as the algorithms are continuously guarded against over-interpretation of short-term results that are almost always within the variability of returns that are statistically probable. However, the third-party vendor closely scrutinizes all academic publications on long-term viability of trend and momentum "factors" as it relates to investments. Q3 Advisors conducts monthly testing of its software and due diligence of the third-party vendor.

The algorithms are based on the investment factor called "momentum" which has been studied and validated by academics for over twenty-five years. Momentum has been found to exist in almost all asset classes. Specific portfolio selections are made by the application of absolute Momentum, and the determination of trend is made by the application of relative Momentum (frequently called "relative strength").

When combined with the client inputs via the client survey, and the assumptions built into the algorithms, the Firm's software generates recommendations. The algorithms are the sole basis for the advice provided in the Active 401k recommendations provided to clients. Therefore, clients should frequently review their account and maintain current information. Clients are advised and agree to log into their Q3 Advisors account and update their client profile information whenever there is a change to their financial circumstances or investment goals to obtain an updated allocation recommendation based on new information.

Clients should be aware that investing in securities involves risk of loss that they should be prepared to bear. Q3 Advisors does not promise or guarantee profits. Q3 Advisors' analytic programs may call for frequent allocations which may increase a client's transaction or other fees at the sponsor level. While Q3 Advisors' models are believed to be accurate and effective, they cannot accurately predict all market moves and thus may lead or lag movements in the markets resulting in underperformance versus an unmanaged index or other market benchmark.

Q3 Advisors relies on available information and/or information provided by the client in connection with investment products in client accounts. Q3 Advisors may not be able to source each investment product available to the client. Recommendations will be based on a reasonable

proxy when Q3 Advisors is unable to source a specific investment product. Proxy investments will be evaluated and chosen within the same asset class and sector but may not maintain the same portfolio holdings or performance as actual investment products available to the client. Proxy investments may outperform or underperform actual investment products and may impact recommendations made by Q3 Advisors. Further, Q3 Advisors may only select one investment product per asset class, which selection may be based on sourcing availability or performance. The selected investment products may outperform or underperform those investment products not chosen by Q3 Advisors. This may also impact the accuracy of recommendations made by Q3 Advisors.

Algorithms may not perform as intended for a variety of reasons, including but not limited to incorrect assumptions, changes in the market, and/or changes to data inputs. A third party may modify periodically the algorithm, or a computer system's code or underlying assumptions, and these changes may have unintended consequences. Clients should be aware that Q3 Advisors relies on a third party's technology interface to implement Active 401k and Q3 Advisors' clients are subject to the features and limitations of their technology interface. There are also risks inherent in this methodology that momentum does underperform for periods of time relative to other methods, and that momentum could stop working altogether. For example, risks common to "tactical allocation" strategies exist in the potential for whipsaws and to be underinvested during swift market recoveries. The strategy adjusts its market exposure according to trend analysis and portfolio selections on the basis of candidate momentum.

All investments carry some amount of risk. Q3 Advisors only advises on the investments offered by the plan sponsors or available account parameters. The investments offered by these plans or accounts may be subject to the following principal investment risks:

Currency Risks – The risk that foreign currencies will decline in value relative to the US dollar and affect a portfolio's investments in foreign (non-US) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-US) currencies.

Debt Securities Risks – The issuer of a debt security may fail to pay interest or principal when due, and changes in market interest rates may reduce the value of debt securities or reduce the portfolio's returns.

Emerging-Markets Risk – Foreign investment risks are typically greater for securities in emerging markets, which can be more vulnerable to recessions, currency volatility, inflation and market failure.

Equity Risks – The risk that the value of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.

ETF Risks – A portfolio will be exposed indirectly to all the risks of securities held by an ETF.

Foreign Investment Risk – Foreign investments face the potential of heightened illiquidity, greater price volatility and adverse effects of political, regulatory, tax, currency, economic or other macroeconomic developments.

High-Yield Securities Risk – High-yield securities have a much greater risk of default or of not returning principal and tend to be more volatile than higher-rated securities of similar maturity.

Interest-Rate Risk – The risk that fixed income securities will decline in value because of an increase in interest rates.

Issuer Risk – The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.

Leverage Risk – The risk that certain investments may utilize leverage, causing the investment to be more volatile than if it had not been leveraged.

Leveraged/Inverse ETF Risk- Leveraged ETFs seek to deliver multiples of the performance of the index or benchmark they track. Inverse ETFs (also called “short” funds) seek to deliver the opposite of the performance of the index or benchmark they track. Like traditional ETFs, some leveraged and inverse ETFs track broad indices, some are sector-specific, and others are linked to commodities, currencies, or some other benchmark. Inverse ETFs often are marketed as a way for investors to profit from, or at least hedge their exposure to, downward moving markets. Leveraged inverse ETFs (also known as “ultra-short” funds) seek to achieve a return that is a multiple of the inverse performance of the underlying index. An inverse ETF that tracks an index, for example, seeks to deliver the inverse of the performance of that index, while a 2x (two times) leveraged inverse ETF seeks to deliver double the opposite of that index’s performance. To accomplish their objectives, leveraged and inverse ETFs pursue a range of investment strategies using swaps, futures contracts, and other derivative instruments. Most leveraged and inverse ETFs “reset” daily, meaning that they are designed to achieve their stated objectives daily. Their performance over longer periods of time — over weeks or months or years — can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period. This effect can be magnified in volatile markets.

Market Risk – The market price of securities held by a portfolio may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

Mortgage- and Asset-Backed Securities Risk – These securities may decline in value when defaults on the underlying mortgage or assets occur and may exhibit additional volatility in periods of changing interest rates. When interest rates decline, the prepayment of mortgages or assets underlying such securities may require the reinvestment of money at lower prevailing interest rates, resulting in reduced returns.

Regulatory Risk – The risk that changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

Real Estate Risk – The real estate market has experienced some large swings recently. Due to changes in interest rates, the lending market, economic policy, and supply and demand, in addition to illiquidity, real estate investments can carry a great deal of risk.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Q3 Advisors or the integrity of Q3 Advisors' management.

Neither Q3 Advisors nor any of its covered persons has been the subject of any criminal or civil action that would be material to the evaluation of Q3 Advisors or the integrity of its management.

Neither Q3 Advisors, nor any of its employees, has had any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

Neither Q3 Advisors, nor any of our employees, has had any proceedings before any self-regulatory organizations.

Item 10 - Other Financial Industry Activities or Affiliations

Q3 Advisors is not registered as a broker/dealer, and none of its Advisory Representatives are registered representatives of a broker/dealer.

Neither Q3 Advisors nor its representatives are registered as a Futures Commission Merchant, Commodity Pool Operator or a Commodity Trading Adviser.

Q3 Advisors may refer clients or prospective clients to Other Advisers from its adviser network.

Q3 Advisors may receive compensation for such referrals based upon assets under management as part of a solicitation agreement. Q3 Advisors currently has no arrangements with unaffiliated third parties to receive referral fees. A client or prospective client will be advised of any such arrangement, including receipt of fees.

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

Q3 Advisors has adopted a Code of Ethics to ensure that securities transactions by Q3 Advisors' employees are consistent with Q3 Advisors' fiduciary duty to its clients, and to ensure compliance with legal requirements and Q3 Advisors' standards of business conduct. Q3 Advisors requires transaction confirmation and quarterly reporting. A written copy of Q3 Advisors' Code of Ethics is available upon request.

Q3 Advisors will maintain a record of required personal securities transactions. All applicable rules and regulations will be strictly enforced. Q3 Advisors will not permit insider trading.

To prevent conflicts of interest, all employees of Q3 Advisors must comply with Q3 Advisors' Written Supervisory Procedures and Code of Ethics, which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.

Due to the nature of our advisory services, the Firm is unable to ensure its employees will never trade ahead of any clients' recommendations from Q3 Advisors because it is unable to predict if and when the clients may trade. Further, the Firm is unable to track all possible investments that are offered in the myriad of accounts and retirement plans of its clients.

Q3 Advisors, and/or their officers, directors or employees may inadvertently purchase for themselves similar or different securities as are purchased or recommended for investment advisory clients of Q3 Advisors and that different security transactions may be effected or recommended for different investment advisory clients of Q3 Advisors.

Item 12 - Brokerage Practices

Q3 Advisors will not maintain discretion over Investment Management accounts and will not have discretionary authority to withdraw funds or take custody of clients' funds or securities. Q3 Advisors will never recommend or select broker/dealers or custodians for its clients. All clients will have existing relationships as an account holder or through their qualified plans and Q3 Advisors will simply work with the existing entities in place.

Q3 Advisors does not direct brokerage as its clients already have existing relationships for their accounts or qualified plan assets, nor do we participate in any soft-dollar arrangements.

Due to the individualized nature of its relationship with clients, Q3 Advisors is unable to aggregate trades for its clients.

Item 13 - Review of Accounts

Due to the nature of the service, Q3 Advisors does not manually review client accounts as it normally will not have access to such accounts. The monthly review is electronic and Q3 Advisors will conduct testing of the software and recommendations to the clients.

Reviews may occur if market conditions change and Q3 Advisors feels it needs to review accounts.

Clients receive standard account statements from their brokerage firms or plan sponsors. Q3 Advisors does not send reports.

Item 14 - Client Referrals and Other Compensation

Q3 Advisors does not provide compensation either directly or indirectly to any non-supervised person for referrals of clients. Additionally, the Firm does not receive any economic benefits from any non-clients for providing investment advice to Q3 Advisors' clients.

Other than the services noted above, Q3 Advisors may provide referrals to Other Advisers and may receive compensation from the Other Advisers in accordance with Rule 206(4)-3. Q3 Advisors maintain referral arrangements with unaffiliated platform providers who introduce Other Advisers to Q3 Advisors. Platform partners do not refer clients to Q3 Advisors and do not have any authority to accept any Other Advisers or clients on behalf of Q3 Advisors. Q3 Advisors does not have any responsibility to accept a prospective or referred Other Adviser to the Platform.

Q3 Advisors will pay a referral fee to a platform provider, subject to the terms of the platform provider agreement, comprised of the gross revenue of monthly or annual subscription fee and monthly participant fees paid by the referred Other Adviser. The Other Adviser may pay less to obtain Q3 Advisors services than other advisers not referred by a Platform Partner. Advisor will not pay higher fees or additional compensation than those of the Other Adviser not referred by a Platform Partner. The referral fee structure for a platform partner is based on the number of referred Other Advisers and participants. Referral fees range from 10%-20% of Subscription Fees and Participant Fees, respectively. Platform partners may elect to waive referral fees for a referred Other Adviser in accordance with the platform provider agreement.

Item 15 - Custody

Q3 Advisors does not maintain customer funds or securities. Clients will receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains clients' investment assets. Q3 Advisors urges its clients to carefully review such statements and compare such official custodial records to reports that it may provide.

Item 16 - Investment Discretion

Q3 Advisors never receives discretionary authority from the clients. All accounts are non-discretionary in nature.

Item 17 - Voting Client Securities

Q3 Advisors shall not take any action or render any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in the Accounts.

Item 18 - Financial Information

Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about their financial condition. Q3 Advisors is well capitalized, has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

Q3 Advisors does not require nor solicit prepayment of investment advisory fees which would result in custody issues. Therefore, Q3 Advisors is not required to include a balance sheet with this brochure.

Neither Q3 Advisors nor its management have any financial conditions that are likely to reasonably impair the Adviser's ability to meet contractual commitments to clients. Q3 Advisors has not been the subject of a bankruptcy petition in the last ten years.