

**Integrated Wealth Advisors, LLC**

**Form ADV Part 2A - Brochure**

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This brochure provides information about the qualifications and business practices of Integrated Wealth Advisors, LLC. If you have any additional questions about the contents of this Brochure, please contact the firm at (302) 442-4233. 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.

Integrated Wealth Advisors, LLC is a state registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about Integrated Wealth Advisors, LLC is available on the SEC's website at <http://www.adviserinfo.sec.gov>.

## **Item 2. Material Changes**

The material changes in this brochure from the last annual updating amendment of Integrated Wealth Advisors, LLC on March 18, 2020 are described below. Material changes relate to Integrated Wealth Advisors, LLC's policies, practices or conflicts of interests.

Integrated Wealth Advisors, LLC has updated their fee schedule. (Item 5)

Integrated Wealth Advisors, LLC has updated their account minimum. (Item 7)

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## INTEGRATED WEALTH ADVISORS, LLC DISCLOSURE BROCHURE

### Item 4. Advisory Business

Because there are so many varied components to your financial life, Integrated Wealth designed its philosophy around the notion that successful wealth management requires a multifaceted and versatile approach. As such, Integrated Wealth offers a variety of advisory services, which include financial planning, consulting and pension consulting though the Firm primarily specializes in investment and wealth management services. The Firm's core business objective is to learn and understand clients' investment objectives, concerns and risk tolerances, and to then propose and implement a mutually agreed upon, customized investment and wealth management strategy to address them. After a strategy has been implemented, it is the Firm's responsibility to then closely monitor its progress and report back regularly to the client. Prior to the rendering of any of the foregoing advisory services, clients are required to enter into one or more written agreements with Integrated Wealth setting forth the relevant terms and conditions of the advisory relationship (the "Agreement").

Integrated Wealth has been an independent registered investment adviser since November 2007 and is wholly owned by Integrated Wealth Management, LLC, which in turn is wholly owned by Burwell L. Hutchinson III, the Firm's Managing Member. As of December 2019, Integrated Wealth has \$112,524,999.00 in assets under management, \$111,519,376.00 of which was managed on a discretionary basis and \$1,005,623.00 was managed on a non-discretionary basis.

While this brochure generally describes the business of Integrated Wealth, certain sections also discuss the activities of its *Supervised Persons*, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Integrated Wealth's behalf and is subject to the Firm's supervision or control.

#### ***Financial Planning and Consulting Services***

Integrated Wealth offers clients a range of financial planning and consulting services, which may include any or all of the following functions:

- Cash Flow Forecasting and Management
- Asset Allocation
- Retirement Planning
- Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Needs Analysis
- Risk Management
- Education Planning
- Entity Selection
- Succession Planning
- Bookkeeping and Payroll

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While each of these services is available on a stand-alone basis, certain of them may also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described below). In performing these services, Integrated Wealth is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information.

Integrated Wealth may recommend the services of itself, its *Supervised Persons* in their individual capacities as certified public accountants and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage Integrated Wealth to provide additional fee-based services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Integrated Wealth under a financial planning or consulting engagement or to engage the services of any such recommended professionals, including Integrated Wealth itself. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Integrated Wealth's previous recommendations and/or services.

### ***Retirement Plan Consulting Services***

Integrated Wealth provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing and optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, and may include any or all of the following services:

- Plan Design and Strategy
- Plan Review and Evaluation
- Executive Planning and Benefits
- Investment Management and Review
- Plan Fee and Cost Analysis
- Retirement Plan Committee Consultant
- Fiduciary and Compliance
- Legacy Plan Services

As disclosed in the *Agreement*, certain of the foregoing services are provided by Integrated Wealth as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of Integrated Wealth's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

### ***Investment Management and Wealth Management Services***

Integrated Wealth manages client investment portfolios on a discretionary basis. In addition, Integrated Wealth may provide clients with wealth management services which may include a broad range of comprehensive financial planning and consulting services.

Integrated Wealth primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), Real Estate Investment Trusts ("REITs"), individual debt and equity securities and options, as well as the securities components of variable annuities and variable life insurance contracts, in accordance with the investment objectives of its individual clients. Where appropriate,

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the Firm may also provide advice about any type of legacy position or other investment held in client portfolios.

Clients may also engage Integrated Wealth to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Integrated Wealth directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Integrated Wealth tailors its advisory services to meet the needs of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment profiles. Integrated Wealth consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other qualitative factors relevant to the management of their portfolios. Clients are advised to promptly notify Integrated Wealth if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Integrated Wealth determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

The client may direct Integrated Wealth in writing to use a particular *Financial Institution* to execute some or all transactions for the client (described in more detail in Item 12). The client will maintain the responsibility to negotiate with the *Financial Institution* and Firm will not be responsible for seeking best execution.

### ***Wrap Program***

Investment advisory services do not include securities brokerage services as the Firm does not serve as the sponsor or manager to a wrap fee program (i.e., an arrangement where brokerage commissions and transaction costs are absorbed by the firm).

## **Item 5. Fees and Compensation**

Integrated Wealth offers its services on a fee basis, which may include fixed fees as well as fees based upon assets under management or advisement. Additionally, certain of Integrated Wealth's *Supervised Persons*, in their individual capacities, may offer accounting and tax preparation services under a separate arrangement.

### ***Financial Planning and Consulting Fees***

Integrated Wealth generally charges a negotiable fixed fee to provide clients with standalone financial planning or consulting services. These fees are largely determined by the scope and complexity of the agreed upon services and range from \$3,000 to \$35,000 on a fixed fee basis. In the event the *Agreement* is terminated, the Firm will promptly repay any unearned portion of the fees and the client will promptly pay any unpaid but earned fees, as appropriate.

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The specific terms and fee structure are negotiated in advance and set forth in the *Agreement* with Integrated Wealth. Generally, the fee is prorated and charged quarterly in advance, upon execution of the *Agreement*.

### *Investment Management and Wealth Management Fees*

We charge fees using a blended rate. This means that we may apply multiple rates to determine your fee depending on the amount of assets in your account. For example, if you have an account with \$750,000, your annual fee would be calculated by charging the first \$500,000 at 1.5% and the next \$250,000 at 1.25%.

Portfolio Value	Annual Fee
Up to \$500,000	1.5% annually
\$500,000.01 to \$1,000,000	1.25% annually; plus, fees of the first pricing level
1,000,000.01 to \$5,000,000	1% annually; plus, fees of the first two pricing levels
5,000,000.01 to \$10,000,000	.75% annually; plus, fees of the first three pricing levels
\$10,000,000.01 to \$15,000,000	.50% annually; plus, fees of the first four pricing levels
Over \$15,000,000.01	.25% annually; plus, fees of the first five pricing levels

### *Retirement Plan Consulting Fees*

Integrated Wealth generally charges an annual asset-based fee. Each engagement is individually negotiated and tailored to accommodate the needs of the specific plan sponsor, as memorialized in the *Agreement*. These fees vary, based on the scope of the services to be rendered, and may range from 40 to 100 basis points (0.40% – 1.00%). The Fees are generally based on the following fee schedule, but may vary based on the amount of assets to be managed as well the level of complexity involved:

Portfolio Value	Annual Fee
First \$1,000,000	1.00%
Next \$2,000,000	0.75%
Next \$2,000,000	0.50%
Next \$5,000,000	0.40%

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### *Fee Discretion*

Integrated Wealth, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

### *Additional Fees and Expenses*

In addition to the advisory fees paid to Integrated Wealth, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "*Financial Institutions*"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.



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### ***Fee Debit***

Clients generally provide Integrated Wealth with the authority to directly debit their accounts for payment of the Firm's investment advisory fees. The *Financial Institutions* that act as qualified custodian for client accounts have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Integrated Wealth. As required by applicable state securities laws, Integrated Wealth also sends clients an itemized summary detailing the advisory fees deducted from their accounts. Alternatively, clients may elect to have Integrated Wealth send them an invoice for direct payment.

### ***Account Additions and Withdrawals***

Clients may make additions to and withdrawals from their account at any time. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Integrated Wealth, subject to the usual and customary securities settlement procedures. However, Integrated Wealth designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Integrated Wealth may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications.

### **Item 6. Performance-Based Fees and Side-by-Side Management**

Integrated Wealth does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

### **Item 7. Types of Clients**

Integrated Wealth provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

### ***Minimum Annual Fee***

As a condition for starting and maintaining an investment management relationship, Integrated Wealth generally imposes a minimum account balance of \$ \$750,000.

Integrated Wealth, in its sole discretion, may waive its minimum account balance based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationships, account retention and *pro bono* activities.

### **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

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

Integrated Wealth generally utilizes a fundamental method of analysis.

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Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For Integrated Wealth, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

### ***Investment Strategies***

Typically, Integrated Wealth allocates client investment assets among various no-load mutual funds, ETFs and fixed income securities, on a discretionary basis in accordance with the client's designated investment objective(s).

Integrated Wealth's investment approach is firmly rooted in the belief that markets are efficient and that investor returns are determined principally by asset allocation decisions, not by market timing or stock picking. Integrated Wealth focuses on developing diversified portfolios, principally through the use of passively managed, asset class mutual funds and ETFs (e.g., iShares, index funds, commodities, bonds, and domestic and international equity).

Integrated Wealth may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year);
- Short Term Purchases (securities sold within a year); and
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time).

### ***Risks of Loss***

#### ***General Risk of Loss***

Investing in securities always involves risk of loss that the client should be prepared to accept. Integrated Wealth does not represent or guarantee that the investment management services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Integrated Wealth cannot offer any guarantees or promises that a client's financial goals and objectives can or will be satisfied. Past performance is in no way an indication of future performance. Integrated Wealth also cannot assure that third-parties will satisfy their obligations in a timely manner or perform as expected or marketed.

#### ***Common Stock/Equity Securities***

The portfolios and strategies offered by Integrated Wealth include investments in common stocks, directly and indirectly through investment in shares of mutual funds and ETFs, which may fluctuate in value in response to many factors, including, but not limited to, the activities of the individual

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companies, general market and economic conditions, interest rates, and specific industry changes. Such price fluctuations subject certain portfolios and strategies to potential losses. During temporary or extended bear markets, the value of common stocks will decline, which could also result in losses for any strategy investing in such securities.

### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Inflation, Currency and Interest Rates*

Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by Integrated Wealth may be affected by the risk that currency devaluations affect client purchasing power.

### *Liquidity*

Liquidity is the ability to readily convert an investment into cash to prevent a loss, realize an anticipated profit, or otherwise transfer funds out of the particular investment. Generally, investments are more liquid if the investment has an established market of purchasers and sellers, such as a stock or bond listed on a national securities exchange. Conversely, investments that do not

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have an established market of purchasers and sellers may be considered illiquid. A client's investment in illiquid securities may be for an indefinite time, because of the lack of purchasers willing to convert the client's investment to cash or other assets.

### *Options*

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on the performance of the underlying securities. Option transactions involve inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of option contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

### *Real Estate Investment Trusts*

Integrated Wealth may recommend an investment in, or allocate assets among, various REITs, the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

### *Legislative Changes*

Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations, particularly for Mutual Funds, Real Estate Investment Trust and Exchange Traded Products/Funds/Securities. Integrated Wealth does not engage in tax planning, and in certain circumstances a client may incur taxable income on their investments without a cash distribution to pay the tax due. Clients and their personal tax advisors are responsible for how the transactions in their account are reported to the Internal Revenue Service or any other taxing authority.

### *Management Through Similarly Managed "Model" Accounts*

Integrated Wealth manages certain accounts through the use of similarly managed "model" portfolios, whereby the Firm allocates all or a portion of its clients' assets among various mutual funds and/or securities on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through the use of models, the Firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

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The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients' net after tax gains. While the Firm seeks to ensure that clients' assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client's individual tax ramifications. Clients should contact Integrated Wealth if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

### **Item 9. Disciplinary Information**

Integrated Wealth has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

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

#### ***Referrals to Related Certified Public Accountants***

Integrated Wealth does not render accounting advice or tax preparation services to its clients. Rather, to the extent that a client requires accounting advice and/or tax preparation services, Integrated Wealth, if requested, will recommend the services of a Certified Public Accountant, all of which will be rendered independent of Integrated Wealth pursuant to a separate agreement between the client and the Certified Public Accountant. Integrated Wealth will not receive any of the fees charged by any recommended Certified Public Accountant, referral or otherwise. Mr. Burwell L. Hutchinson, the Firm's Managing Member is also a Certified Public Accountant and owner of Integrated Tax and Business Services, LLC ("*ITBS*"), a Certified Public Accounting firm. As discussed above, to the extent that *ITBS* provides accounting and/or tax preparation services to any of Integrated Wealth's clients, all such services will be performed by *ITBS*, in its separate capacity, independent of Integrated Wealth, for which services Integrated Wealth will not receive any portion of the fees charged by *ITBS*, referral or otherwise. Although Integrated Wealth will not receive referral fees from *ITBS*, Mr. Hutchinson will be entitled to receive distributions relative to their respective ownership interests in *ITBS*.

Neither *ITBS*, nor any of its members, are currently involved in rendering investment advice on behalf of Integrated Wealth.

### **Item 11. Code of Ethics**

Integrated Wealth has adopted a code of ethics in compliance with applicable securities laws ("*Code of Ethics*") that sets forth the standards of conduct expected of its *Supervised Persons*. Integrated Wealth's *Code of Ethics* contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its *Supervised Persons* and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The *Code of Ethics* also requires certain of Integrated Wealth's personnel (called "*Access Persons*") to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, Integrated Wealth *Supervised Persons* are permitted to buy or sell securities that it also recommends to clients if done

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in a manner consistent with the Firm's policies and procedures. This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Integrated Wealth to request a copy of its *Code of Ethics*.

### Item 12. Brokerage Practices

Integrated Wealth generally recommends that clients utilize the brokerage and clearing services of Schwab Advisor Services<sup>TM</sup> ("*Schwab*") for investment management accounts.

Factors which Integrated Wealth considers in recommending *Schwab* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Schwab* may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Schwab* may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Integrated Wealth's clients to *Schwab* comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Integrated Wealth determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Integrated Wealth seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

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Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist Integrated Wealth in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Integrated Wealth does not have to produce or pay for the products or services.

Integrated Wealth periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

### **Software and Support Provided by Financial Institutions**

Integrated Wealth may receive without cost from *Schwab* computer software and related systems support, which allow Integrated Wealth to better monitor client accounts maintained at *Schwab*. Integrated Wealth may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at *Schwab*. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit Integrated Wealth, but not its clients directly. In fulfilling its duties to its clients, Integrated Wealth endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Integrated Wealth's receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, Integrated Wealth may receive the following benefits from *Schwab*:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

### **Brokerage for Client Referrals**

Integrated Wealth does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

### **Directed Brokerage**

The client may direct Integrated Wealth in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client

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transactions for execution through other Financial Institutions with orders for other accounts managed by Integrated Wealth (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Integrated Wealth may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **Trade Aggregation**

Transactions for each client generally will be effected independently, unless Integrated Wealth decides to purchase or sell the same securities for several clients at approximately the same time. Integrated Wealth may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Integrated Wealth's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Integrated Wealth's Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Integrated Wealth does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

### **Item 13. Review of Accounts**

#### ***Account Reviews***

For those clients to whom Integrated Wealth provides investment management services, Integrated Wealth monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least an annual basis or upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.



## **INTEGRATED WEALTH ADVISORS, LLC DISCLOSURE BROCHURE**

For those clients to whom Integrated Wealth provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of Integrated Wealth’s investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Integrated Wealth and to keep Integrated Wealth informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

### ***Account Statements and Reports***

Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Integrated Wealth and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with those they receive from Integrated Wealth or an outside service provider.

Those clients to whom Integrated Wealth provides financial planning and/or consulting services will receive reports from Integrated Wealth summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by Integrated Wealth.

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

### ***Client Referrals***

Integrated Wealth is required to disclose any direct or indirect compensation that it provides for client referrals. Integrated Wealth does not have any required disclosures to this Item.

### ***Other Economic Benefits***

In addition, Integrated Wealth is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

## **Item 15. Custody**

Integrated Wealth’s *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Integrated Wealth through such *Financial Institution* to debit the client’s account for the amount of Integrated Wealth’s fee and to directly remit that management fee to Integrated Wealth in accordance with applicable custody rules.

The *Financial Institutions* recommended by Integrated Wealth have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Integrated Wealth. In addition, as discussed in Item 13, Integrated Wealth also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those

**Item 16. Investment Discretion**

Integrated Wealth may be given the authority to exercise discretion on behalf of clients. Integrated Wealth is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Integrated Wealth is given this authority through a power-of-attorney included in the agreement between Integrated Wealth and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Integrated Wealth takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

**Item 17. Voting Client Securities**

Integrated Wealth is required to disclose if it accepts authority to vote client securities. Integrated Wealth does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*. Clients may contact Integrated Wealth to discuss any questions they may have with regards to a particular solicitation.

**Item 18. Financial Information**

Integrated Wealth is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.