

Firm Brochure

(Part 2A of Form ADV)



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This brochure provides information about the qualifications and business practices of Keystone Wealth Advisors, Inc. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at: 612-465-8118, or by email at: scarlson@keystonewa.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.

Additional information about Keystone Wealth Advisors, Inc. (IARD#153418) is available on the SEC's website at www.adviserinfo.sec.gov.

May 28, 2020

Item 2: 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 the Firm Brochure.

Material Changes since the Last Update

This update is in accordance with the annual requirements for registered investment advisor representatives. Since the last filing on July 8, 2019, the following has been amended:

- Item 4 – client assets under management.
-

Full Brochure Available

This Firm Brochure being delivered is the complete brochure for the Firm.

Item 3: Table of Contents

Form ADV – Part 2A – Firm Brochure

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Item 4: Advisory Business

Firm Description

Keystone Wealth Advisors, Inc. ("KWA") was founded in 2010. The owners of KWA are Steven Douglas Carlson and Berthel Andrew Olsen, III.

KWA provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

KWA is a fee based financial planning and investment management firm. KWA does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other products for commissions.

KWA does not act as a custodian of client assets. The client always maintains asset control.

An evaluation of each client's initial situation is provided to the client, often in the form of an Investment Policy Statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the event they should occur.

Types of Advisory Services

KWA provides investment supervisory services, also known as asset management services and furnishes investment advice through consultations.

ASSET MANAGEMENT

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

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

KWA evaluates the current investment of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

ERISA PLAN SERVICES

KWA provides service to qualified and non-qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit sharing plans, cash balance plans, and deferred compensation plans. KWA may act as a 3(21):

Limited Scope ERISA 3(21) Fiduciary. KWA typically acts as a limited scope ERISA 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions on a non-discretionary basis. As an investment advisor KWA has a fiduciary duty to act in the best interest of the client. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using KWA can help the plan sponsor delegate liability by following a diligent process.

1. Fiduciary Services are:

- Provide non-discretionary investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan's investment policies and objectives. Client will make the final decision regarding the initial selection, retention, removal and addition of investment options.
- Assist the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- Provide non-discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5) and 404(a)-5.
 - Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
 - Meet with Client on a periodic basis to discuss the reports and the investment recommendations.

2. Non-fiduciary Services are:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands the Advisor's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, the Advisor is not providing fiduciary advice as defined by ERISA 3(21)(A)(ii) to the Plan participants. Advisor will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.

- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

Advisor may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between Advisor and Client.

3. The Advisor has no responsibility to provide services related to the following types of assets ("Excluded Assets"):
 - a. Employer securities;
 - b. Real estate (except for real estate funds or publicly traded REITs);
 - c. Stock brokerage accounts or mutual fund windows;
 - d. Participant loans;
 - e. Non-publicly traded partnership interests;
 - f. Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
 - g. Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to the Advisor under this Agreement.

Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

KWA will not have discretion or custody at any time of client funds and/or securities.

FINANCIAL PLANNING AND CONSULTING

If financial planning services are applicable, the client may compensate KWA on a negotiable hourly fee basis described in detail under "Fees and Compensation" section of this brochure. Financial plans and financial planning may include, but are not limited to investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services will be based on hourly fees and the final fee structure will be documented in Exhibit II of the Financial Planning Agreement. If a conflict of interest exists between the interests of the investment advisor and the interests of the client, the client is under no obligation to act upon the investment advisor's recommendation. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through KWA. Financial plans will be completed and delivered inside of 6 months. Clients may terminate advisory services with 30 days written notice.

Client Tailored Services and Client Imposed Restrictions

The goals and objectives for each client are documented in our client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without written client consent.

Wrap Fee Programs

KWA does not participate in wrap fee programs.

Client Assets under Management

As of April 30, 2020, KWA manages approximately \$93,368,505 in assets under management on a non-discretionary basis.

Item 5: Fees and Compensation

Method of Compensation and Fee Schedule

KWA bases its fees on a percentage of assets under management for asset management and hourly rates for financial planning and consulting.

ASSET MANAGEMENT

KWA offers non-discretionary direct asset management services to advisory clients. KWA will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, assets allocation, portfolio monitoring and the overall investment program will be based on the above factors.

Fees for these services will be based on a percentage of Assets Under Management as follows:

| Total Assets Under Management | Annual Fee | Quarterly Fee |
|--------------------------------------|-------------------|----------------------|
| Under \$750,000 | 1.25% | .3125% |
| \$750,001 - \$3,000,000 | 1.00% | .25% |
| \$3,000,001 - \$6,000,000 | .75% | .1875% |
| Over \$6,000,000 | .50% | .125% |

These fees are negotiable, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in advance, and clients may terminate their contracts with thirty days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with written authorization.

ERISA PLAN SERVICES

The annual fees are based on the market value of the Included Assets and will range from .15% to 1.00% of the plan assets. The initial fee will be based on the market value of the Plan assets as calculated by the custodian or record keeper of the Included Assets on the first business day of the initial fee period and will be due on the first business day of the fee period. If the services to be provided start any time other than the first day of a month; the fee will be prorated based on the number of days remaining in the initial fee period. Thereafter, the fee will be based on the market value of the Plan assets on the last business day of the previous fee period (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets) and will be due the following business day. If this Agreement is terminated prior to the end of the fee period, KWA shall be entitled to a prorated fee.

based on the number of days during the fee period services were provided. Any unearned fees shall be refunded to the Plan or Plan Sponsor.

The compensation of KWA for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees. KWA does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, KWA will disclose this compensation, the services rendered, and the payer of compensation. KWA will offset the compensation against the fees agreed upon under this Agreement.

FINANCIAL PLANNING and CONSULTING

HOURLY FEES

Depending upon the complexity of the situation and the needs of the client, the hourly fee for these services is between \$150 and \$300. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Fees are paid in arrears upon completion. Clients may terminate their contracts without penalty within five business days of signing the advisory contract. KWA reserves the right at its full discretion to waive any or all of financial planning fees.

Client Payment of Fees

Investment management fees are billed quarterly, in advance, meaning that you are charged before the three-month billing period has ended. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for ERISA Plan Services will be billed according to the third party administrator utilized for the plan and disclosed on the ERISA agreement.

Fees for financial plans are due upon delivery of the financial plan.

Additional Client Fees Charged

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities and exchange-traded funds. These charges may include mutual fund transactions fees, postage and handling and miscellaneous fees (fee levied to recover costs associated with fees assessed by self-regulatory organizations). These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

KWA, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

For more details on the brokerage practices, see Item 12 of this brochure.

Prepayment of Client Fees

Investment management fees are billed in advance.

External Compensation for the Sale of Securities to Clients

KWA does not receive any external compensation for the sale of securities to clients, nor do any of the investment advisor representatives of KWA.

Item 6: Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

KWA does not use a performance-based fee structure because of the conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Item 7: Types of Clients

Description

KWA generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Client relationships vary in scope and length of service.

Account Minimums

There is an account minimum, \$1,000,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

Methods of Analysis and Investment Strategies

Nearly all clients' investments will be in "Mutual Funds" or "Separately Managed Accounts" (SMA's). Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns.

The methods used to analyze mutual funds or SMAs will typically be qualitative or quantitative analysis. Qualitative analysis may involve using subjective judgment based on unquantifiable information, such as management expertise, industry cycles, strength of research and development, and labor relations. Quantitative analysis refers to economic, business or financial analysis that aims to understand or predict behavior or events through the use of mathematical measurements and calculations, statistical modeling and research. Quantitative analysis aims to represent a given reality in terms of a numerical value. Quantitative analysis is employed for a number of reasons, including measurement, performance evaluation or valuation of a financial instrument, and predicting real world events such as changes in a country's gross domestic product (GDP) growth rate.

In developing a financial plan for a client, KWA's analysis may include cash flow analysis, investment planning, risk management, tax planning and estate planning. Based on the information gathered, a detailed strategy is tailored to the client's specific situation.

The main sources of information include research materials prepared by others and filings with the Securities and Exchange Commission.

Investment Strategy and Method of Analysis Material Risks

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement or Risk Tolerance that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

Security Specific Material Risks

All investment programs have certain risks that are borne by the investor. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. Risks involved in technical analysis are inflation risk, reinvestment risk, and market risk. Cyclical analysis involves inflation risk, market risk, and currency risk.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with KWA:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized

product. For example, Treasury Bills are highly liquid, while real estate properties are not.

- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9: Disciplinary Information

Criminal or Civil Actions

The firm and its management have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

The firm and its management have not been involved in administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

The firm and its management have not been involved in legal or disciplinary events related to past or present investment clients.

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer or Representative Registration

Neither KWA nor any of its employees are registered representatives of a broker-dealer.

Futures or Commodity Registration

Neither KWA nor its employees are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Steven D. Carlson is a licensed CPA in the state of Minnesota. This is not a conflict of interest as Mr. Carlson holds his CPA license; however he does not offer his services to the public. KWA and all associated persons will always act in the best interest of the client; including the sale of commissionable products to advisory clients.

Recommendations or Selections of Other Investment Advisors and Conflicts of Interest

KWA may at times use the services of outside specialty asset managers called SMA (Separate Managed Accounts). These are often institutional asset managers, who specialize in particular investment strategies. SMA's may be hired on a single or dual contract basis. Single contract SMAs are available directly through the our qualified custodian relationship.

In other instances, our client can gain access to the services with the outside money manager directly through the SMA. Via an accommodation of our client's qualified custodian, the outside money manager can maintain their own qualified custodian relationship of their choice and our client's custodian can settle trades on a DVP basis

with our clients custodial account. At other times the SMA may choose to establish a new custody arrangement with our client's custodian.

When we use SMAs to enhance our clients' portfolios, KWA advisory fees are exclusive of and in addition to any SMA investment management fees, custody or other fees that arise as the result of employing the services of the outside investment advisor. There is no financial incentive for KWA to direct business to these SMA (specialty outside money managers) other than to enhance potentially the performance of our client's portfolio. Our referral of our client is strictly as a fiduciary with the belief that the services of these specialty managers would be in the best interest of our client.

This situation does not create a conflict of interest because KWA charges the same fees for clients utilizing the SMA program and those who do not. KWA receives no compensation from the SMA. SMA fees for their portfolio management services will be based on a percentage of assets under management, not to exceed any limit imposed by any regulatory agency. The SMA's fee schedule will be attached to the SMA Agreement.

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

Code of Ethics Description

The employees of KWA have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of KWA employees and addressed conflicts that may arise. The Code defines acceptable behavior for employees of KWA. The Code reflects KWA and its supervised persons' responsibility to act in the best interest of their client.

One area which the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

KWA's Code prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of KWA may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

KWA's Code is based on the guiding principle that the interests of the client are our top priority. KWA's officers, directors, advisors, and other employees have a fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and confidence of our clients. When the potential for conflict arises, it is our obligation to put the client's interests over the interests of either employees or the company.

The Code applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are

involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflict of Interest

KWA and its employees do not recommend to clients securities in which we have a material financial interest.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

KWA and its employees may buy or sell securities that are also held by clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide KWA with copies of their brokerage statements.

The Chief Compliance Officer of KWA is Steve Carlson. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment. Since most employee trades are in products such as mutual funds, government securities, bonds or are small in size, they do not impact the securities markets.

Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

KWA does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist.

Item 12: Brokerage Practices

Factors Used to Select Broker-Dealers for Client Transactions

KWA may recommend the use of a particular broker-dealer or may utilize a broker-dealer of the client's choosing. KWA will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. KWA relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by KWA.

- *Directed Brokerage*

In circumstances where a client directs KWA to use a certain broker-dealer, KWA still has a fiduciary duty to its clients. The following may apply with Directed Brokerage: KWA's inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among clients, and conflicts of interests arising from brokerage firm referrals.

- *Best Execution*

Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.

- *Soft Dollar Arrangements*

The Securities and Exchange Commission defines soft dollar practices as arrangements under which products or services other than execution services are obtained by KWA from or through a broker-dealer in exchange for directing client transactions to the broker-dealer. As permitted by Section 28(e) of the Securities Exchange Act of 1934, KWA receives economic benefits as a result of commissions generated from securities transactions by the broker-dealer from the accounts of KWA. These benefits include both proprietary research from the broker and other research written by third parties.

A conflict of interest exists when KWA receives soft dollars. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to act in the best interest of its clients and the services received are beneficial to all clients.

Aggregating Securities Transactions for Client Accounts

KWA is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of KWA. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

Item 13: Review of Accounts

Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Account reviews are performed quarterly by IAR's of KWA. Account reviews are performed more frequently when market conditions dictate. Financial Plans are considered complete when recommendations are delivered to the client. A review is done only upon request of client.

Review of Client Accounts on Non-Periodic Basis

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information, and changes in a client's own situation.

Content of Client Provided Reports and Frequency

Clients receive account statements no less than quarterly for managed accounts. Account statements are issued by the Advisor's custodian. Client receives confirmations

of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs.

Item 14: Client Referrals and Other Compensation

Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

KWA does not receive any economic benefits from external sources.

Advisory Firm Payments for Client Referrals

KWA may enter into solicitor relationships with individuals ("Solicitors") who in turn offer our services to members of the public. Through these arrangements, we pay a cash referral fee to the Solicitor. The referral fee is paid pursuant to a written agreement and this information is disclosed to Clients prior to or at the time of entering into an investment advisory agreement.

Item 15: Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodians to the performance report statements prepared by KWA.

KWA is deemed to have constructive custody solely because advisory fees are directly deducted from clients' accounts by the custodian on behalf of KWA.

Item 16: Investment Discretion

Discretionary Authority for Trading

KWA accepts non-discretionary authority to manage securities accounts on behalf of clients. For non-discretionary accounts KWA consults with the client prior to each trade.

The client approves the custodian to be used and the commission rates paid to the custodian. KWA does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Item 17: Voting Client Securities

Proxy Votes

KWA does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, KWA will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

Item 18: Financial Information

Balance Sheet

A balance sheet is not required to be provided because KWA does not serve as a custodian for client funds or securities and KWA does not require prepayment of fees of more than \$1200 per client and six months or more in advance.

Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

KWA has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

Bankruptcy Petitions during the Past Ten Years

Neither KWA nor its management has had any bankruptcy petitions in the last ten years.

Supervised Person Brochure

Part 2B of Form ADV

Steven D. Carlson



KEYSTONE
WEALTH ADVISORS, INC.

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This brochure supplement provides information about Steven D. Carlson and supplements Keystone Wealth Advisors, Inc.'s brochure. You should have received a copy of that brochure. Please contact Steven D. Carlson if you did not receive Keystone Wealth Advisors, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Steven D. Carlson (CRD#2816493) is available on the SEC's website at www.adviserinfo.sec.gov.

May 28, 2020

Brochure Supplement (Part 2B of Form ADV)

Supervised Person Brochure

Principal Executive Officers and Management Persons - Steven D. Carlson

- Year of birth: 1950

Educational Background and Business Experience

Educational Background:

- University of Minnesota; BS, Accounting; 1972
- University of Minnesota; Masters of Business, Taxation; 1985

Business Experience:

- Keystone Wealth Advisors, Inc; CEO/Investment Advisor Representative; 2010-Present
- Capital Management Associates; Registered Representative/Investment Advisor Representative; 2004-2010

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Public Accountant (CPA): A Certified Public Accountant is licensed by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include:

- Bachelor's degree from an accredited college or university with a concentration in accounting.
- Minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA.
- Successful completion of the CPA Certification Exam.
- Follow a rigorous Code of Professional Conduct which requires they act with integrity, objectivity, due care, competence, and fully disclose conflicts of interest.
- In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period, or 120 hours over a three year period).

Disciplinary Information

None to report

Other Business Activities

None to report.

Performance Based Fee Description

None to report.

Supervision

Steven D. Carlson, Owner and Chief Compliance Officer, and Berthel A. Olsen, III, Part Owner of Keystone Wealth Advisors, Inc., are responsible for the supervision, formulation and monitoring of investment advice offered to the firm's clients. Steven D. Carlson and Berthel A. Olsen, III review and oversee all material investment policy changes and conduct periodic testing to ensure that client objectives and mandates are being met. They can be contacted at (612) 465-8118.

Requirements for State-Registered Advisors

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Supervised Person Brochure

Part 2B of Form ADV

Berthel Andrew Olsen III



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This brochure supplement provides information about Berthel Andrew Olsen III and supplements Keystone Wealth Advisors, Inc.'s brochure. You should have received a copy of that brochure. Please contact Berthel Andrew Olsen III if you did not receive Keystone Wealth Advisors, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Berthel Andrew Olsen III (CRD#2954239) is available on the SEC's website at www.adviserinfo.sec.gov.

May 28, 2020

Brochure Supplement (Part 2B of Form ADV)

Supervised Person Brochure

Principal Executive Officers and Management Persons - Berthel Andrew Olsen III

- Year of birth: 1956

Educational Background and Business Experience

Educational Background:

- Middle Tennessee State University; BBA, Accounting; 1978

Business Experience:

- Keystone Wealth Advisors, Inc; President/Investment Advisor Representative; 2010-Present
- Capital Management Associates; Registered Representative/Investment Advisor Representative; 2004-2010

Disciplinary Information

None to report

Other Business Activities

Berthel Andrew Olsen III has no outside business to disclose.

Performance Based Fee Description

Mr. Olsen does not receive any performance based fees.

Supervision

Steven D. Carlson, Owner and Chief Compliance Officer, and Berthel A. Olsen, III, Part Owner of Keystone Wealth Advisors, Inc., are responsible for the supervision, formulation and monitoring of investment advice offered to the firm's clients. Steven D. Carlson and Berthel A. Olsen, III review and oversee all material investment policy changes and conduct periodic testing to ensure that client objectives and mandates are being met. They can be contacted at (612) 465-8118.

Requirements for State-Registered Advisors

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None