

Registered As: WCG Wealth Advisors, LLC  
Doing Business As: The Wealth Consulting Group

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**March 20, 2020**

**FORM ADV PART 2A BROCHURE**

**NOTICE TO PROSPECTIVE CLIENTS: READ THIS DISCLOSURE BROCHURE IN ITS ENTIRETY**

All the material within this Brochure must be reviewed by those who are considering becoming a client of our firm. This Brochure provides information about the qualifications and business practices of WCG Wealth Advisors, LLC doing business as The Wealth Consulting Group. If you have any questions about the contents of this Brochure, please contact us at (602) 466-7353.

In accordance with federal and state regulations, this Brochure is on file with the appropriate securities regulatory authorities as required. The information provided within this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States, or by the United States Securities and Exchange Commission. 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. WCG Wealth Advisors, LLC is an SEC registered investment adviser. Registration of a registered investment adviser does not imply any level of skill or training. Additional information about WCG Wealth Advisors, LLC also is available on the SEC's Web Site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Many of the financial advisors of WCG Wealth Advisors, LLC are registered representatives with securities offered through LPL Financial, member FINRA/SIPC.

## **Item 2 Summary of Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

We have had no material changes since the filing of our last annual updating amendment, dated March 30, 2019.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Disclosure Brochure may be requested by contacting us at (602) 466-7353 or at [shelley@WealthCG.com](mailto:shelley@WealthCG.com).

Additional information about WCG Wealth Advisors, LLC is also available via the SEC's Web Site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's Web Site also provides information about any persons affiliated with WCG Wealth Advisors, LLC who are registered, or are required to be registered, as investment advisor representatives of WCG Wealth Advisors, LLC.

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## **Item 4 Advisory Business**

### **Description of Firm**

WCG Wealth Advisors, LLC, an SEC-registered investment advisor based in Las Vegas, Nevada, was formed in October 2014. WCG Wealth Advisors, LLC has established a network of partner offices that provide advisory services under “doing business as” names in several states throughout the country. A complete list of approved “doing business as” names can be found by searching for WCG Wealth Advisors, LLC (CRD #173194) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

WCG Wealth Advisors, LLC (WCG) is an independently owned and operated wealth management company. The Firm is owned by The 1970 Lee Trust. Jimmy Lee is the Registrant’s Managing Member.

WCG Wealth Advisors, LLC provides fee-based investment advisory services for compensation primarily to individual clients, high-net worth individuals and corporate clients based on the individual goals, objectives, time horizon, and risk tolerance of each client. Portfolio management services include, but are not limited to, the following:

- Investment Strategy
- Asset Allocation
- Risk Tolerance
- Personal Investment Policy
- Asset Selection
- Regular Portfolio Monitoring

At WCG, we have created a specialized service for physicians to improve and properly structure their financial health. Our Physician's Division provides a comprehensive approach to managing your financial life with services targeted around a high demand career as a physician. Our process can allow you to have security in knowing that your WCG advisor can be your advocate in helping to make sure that all the holes are filled within your financial life.

Investment advisor representatives are restricted to providing services and charging fees based in accordance with the descriptions detailed in this document and the account agreement. However, the exact service and fees charged to a client are dependent upon the representative that is working with the client. Advisors are diligent in evaluating the individual needs of each client when recommending an advisory platform. Investment strategies and recommendations are tailored to the individual needs of each client.

The individuals associated with WCG Wealth Advisors, LLC are appropriately licensed, and authorized to provide advisory services on behalf of WCG Wealth Advisors, LLC. Individuals associated with WCG Wealth Advisors, LLC are also registered representatives of LPL Financial, an SEC registered broker/dealer, a member of the Financial Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). WCG Wealth Advisors, LLC and LPL Financial are not affiliated legal entities. All material conflicts of interest are disclosed herein.

### **Wealth Management**

WCG Wealth Advisors, LLC through its investment advisor representatives (“IARs”) provides ongoing investment advice and management on assets in the client’s custodial Strategic Wealth Management (SWM) account held at LPL Financial. Strategic Wealth Management is the name of the custodial

account offered through LPL to support investment advisory services provided by WCG Wealth Advisors, LLC to our clients. More specific account information and acknowledgements are further detailed on the account application.

Wealth management encompasses a comprehensive process of managing wealth from all aspects of planning such as tax, legal, risk management, asset management, estate analysis and philanthropic planning. This also includes analyzing the ownership of any businesses and the effect it can have on the entrepreneur's personal assets. Investment advisor representatives provide advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds ("ETFs"), variable annuity subaccounts, real estate investment trusts ("REITs"), equities, and fixed income securities. Our advice is strategically tailored to guide each individual client toward attaining their personal financial goals and protecting their acquired wealth. Accounts are reviewed on a regular basis and rebalanced as necessary according to each client's investment strategy.

A minimum account value of \$25,000 is generally required for the program. In certain instances, WCG Wealth Advisors, LLC will permit a lower minimum account size.

WCG Wealth Advisors, LLC offers asset management on a discretionary and non-discretionary basis. As of December 31, 2019, the firm had \$1,664,008,800 in discretionary assets under management and \$297,199,202 in non-discretionary assets under management for a total of \$1,961,208,002 in assets under management.

### **Third Party Advisory Services**

The Advisor has entered into agreements with various third-party advisors. Under these agreements, the Advisor can offer clients various types of programs sponsored by these advisors. All third-party investment advisors to whom the Advisor will refer clients will be licensed as investment advisors by their resident state and any applicable jurisdictions or registered investment advisors with the Securities and Exchange Commission.

After analyzing a client's financial situation and investment objectives, the Advisor will assist the client in selecting a third-party program. The Advisor receives compensation pursuant to its agreements with these third-party advisors for introducing clients to these third-party advisors and for certain ongoing services provided to clients.

This compensation is disclosed to the client in a separate disclosure document and is typically equal to a percentage of the investment advisory fee charged by that third-party advisor or a fixed fee. The disclosure document provided by the Advisor will clearly state the fees payable to the Advisor and the impact to the overall fees due to these payments.

Since compensation the Advisor receives may differ depending on the agreement with each third-party advisor, the Advisor may have an incentive to recommend one third-party advisors over another, if the compensation arrangements are more favorable. Since the independent third-party advisor may pay the fee for the investment advisory services of the Advisor, the fee paid to the Advisor is not negotiable, under most circumstances.

Fees paid by clients to independent third-parties are established and payable in accordance with the Form ADV 2A or other equivalent disclosure document of each independent third-party advisor to whom the Advisor refers its clients, and may or may not be negotiable, as disclosed in the disclosure documents of the third-party advisor.

Clients who are referred to third-party investment advisors will receive full disclosure, including

services rendered and fee schedules, at the time of the referral, by delivery of a copy of the relevant third-party advisor's Form ADV 2A or equivalent disclosure document at the same time as the Form ADV 2A or equivalent disclosure document of the Advisor.

In addition, if the investment program recommended to a client is a wrap fee program the client will also receive the wrap fee brochure provided by the sponsor of the program. The Advisor will provide to each client all appropriate disclosure statements, including disclosure of solicitation fees to the Advisor and its advisory associates.

### **Optimum Market Portfolios Program (OMP)**

OMP offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds Class I shares. Under OMP, client will authorize LPL on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. Advisor will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective. Advisor will have discretion to select a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment objective. LPL will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL will also have authority to rebalance the account.

A minimum account value of \$15,000 is required for OMP.

### **Personal Wealth Portfolios Program (PWP)**

PWP offers clients an asset management account using asset allocation model portfolios designed by LPL. Advisor will have discretion for selecting the asset allocation model portfolio based on client's investment objective. Advisor will also have discretion for selecting third party money managers (PWP Advisors) or mutual funds within each asset class of the model portfolio. LPL will act as the overlay portfolio manager on all PWP accounts and will be authorized to purchase and sell on a discretionary basis mutual funds and equity and fixed income securities.

A minimum account value of \$250,000 is required for PWP.

### **Model Wealth Portfolios Program (MWP)**

MWP offers clients a professionally managed mutual fund asset allocation program. WCG Wealth Advisors, LLC investment advisor representatives will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. The Advisor will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL's Research Department consistent with the client's stated investment objective. LPL's Research Department is responsible for selecting the mutual funds within a model portfolio and for making changes to the mutual funds selected.

The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds (including in certain circumstances exchange traded funds) and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for MWP accounts.

The MWP program also offers diverse model portfolios designed by outside strategists, other than LPL's Research Department. Our clients, with the guidance of their Advisor, can choose from strategists such as BlackRock, J.P. Morgan Asset Management, Quantitative Advantage, Cougar Global Investments, AlphaSimplex Group, and others under this platform.

A minimum account value of \$25,000 is required for MWP.

### **Guided Wealth Portfolios (GWP)**

GWP offers clients the ability to participate in a centrally managed, algorithm-based investment program, which is made available to users and clients through a web-based, interactive account management portal ("Investor Portal"). Investment recommendations to buy and sell open-end mutual funds and exchange-traded funds are generated through proprietary, automated, computer algorithms (collectively, the "Algorithm") of Xulu, Inc., doing business as FutureAdvisor ("FutureAdvisor"), based upon model portfolios constructed by LPL and selected for the account as described below (such model portfolio selected for the account, the "Model Portfolio"). Communications concerning GWP are intended to occur primarily through electronic means (including but not limited to, through email communications or through the Investor Portal), although [Advisor] will be available to discuss investment strategies, objectives or the account in general in person or via telephone.

A preview of the Program (the "Educational Tool") is provided for a period of up to forty-five (45) days to help users determine whether they would like to become advisory clients and receive ongoing financial advice from LPL, FutureAdvisor and Wealth Consulting Group by enrolling in the advisory service (the "Managed Service"). The Educational Tool and Managed Service are described in more detail in the GWP Program Brochure. Users of the Educational Tool are not considered to be advisory clients of LPL, FutureAdvisor or Wealth Consulting Group, do not enter into an advisory agreement with LPL, FutureAdvisor or Wealth Consulting Group, do not receive ongoing investment advice or supervisions of their assets, and do not receive any trading services.

A minimum account value of \$5,000 is required to enroll in the Managed Service.

### **Retirement Plan Services**

WCG Wealth Advisors, LLC is focused on providing advisory services to retirement plan sponsors and to individual participants holding assets in retirement plans. Services provided to retirement plans covered by ERISA will be identified as WCG Fiduciary Management Services, WCG Fiduciary Consulting Services or WCG Non-Fiduciary Services in the Advisory Agreement. Clients are required to execute an Investment Advisory Agreement which will disclose the details and provisions of the selected retirement plan services.

For services categorized as WCG Fiduciary Management Services, WCG Wealth Advisors, LLC will act as the Investment Manager as defined by Section 3(38) of ERISA. When providing WCG Fiduciary Management Services, WCG Wealth Advisors, LLC's services include discretionary authority to make investment decisions over assets of a retirement plan. WCG Wealth Advisors, LLC acknowledges that it is a fiduciary with respect to its exercise of investment decisions over these assets of a retirement plan. WCG Wealth Advisors, LLC acknowledges that in performing Fiduciary Management, WCG Wealth Advisors, LLC is acting as a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of Employee Retirement Income Security Act of 1974 ("ERISA"). WCG Wealth Advisors, LLC will act in a manner consistent with the requirements of a fiduciary under ERISA for all services for which WCG Wealth Advisors, LLC is considered a fiduciary under ERISA.

For services categorized as WCG Fiduciary Consulting Services as defined by Section 3(21) of ERISA, all recommendations of investment options and portfolios will be submitted to the client for the client's ultimate approval or rejection. For WCG Fiduciary Consulting Services, the retirement plan sponsor client who elects to implement any recommendations made by WCG Wealth Advisors, LLC is solely responsible for implementing all transactions.

WCG Fiduciary Consulting Services are not management services, and WCG Wealth Advisors, LLC does not serve as administrator or trustee of the retirement plan. WCG Wealth Advisors, LLC does not act as custodian for any client account or have authority to initiate third-party disbursements of client funds or securities with the exception of, for some accounts, having written authorization from the client to deduct our fees.

WCG Wealth Advisors, LLC will act in a manner consistent with the requirements of a fiduciary under ERISA for all services for which WCG Wealth Advisors, LLC is considered a fiduciary under ERISA. If a retirement plan has elected to receive WCG Fiduciary Consulting Services and not WCG Fiduciary Management Services, WCG Wealth Advisors, LLC (a) has no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of Client's retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of Client's retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of Client's retirement plan or the interpretation of Client's retirement plan documents, (b) is not an "investment manager" as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the "Administrator" of Client's retirement plan as defined in ERISA.

Although an investment advisor is considered a fiduciary under the Investment Advisors Act of 1940 and required to meet the fiduciary duties as defined by the Advisors Act, the retirement plan services that are identified as Non-Fiduciary should not be considered fiduciary services for the purposes of ERISA since WCG Wealth Advisors, LLC is not acting as a fiduciary to the Plan as the term "fiduciary" is defined in Section 3(21)(A)(ii) of ERISA. The exact suite of services provided to a client will be listed and detailed in the Investment Advisory Agreement.

To the extent required by ERISA Regulation Section 2550.408b-2(c), WCG Wealth Advisors, LLC will disclose any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), WCG Wealth Advisors, LLC will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Retirement Plan Services Agreement and any compensation or fees received in connection with that Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

### **Wrap Fee Program(s)**

We are a portfolio manager to a wrap fee program, which is a type of investment program that provides clients with access to several money managers or mutual fund asset allocation models for a single fee that includes administrative fees, management fees, and commissions. If you participate in our wrap fee program, you will pay our firm a single fee, which includes our money management fees, certain transaction costs, and custodial and administrative costs. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the program.

In general, we manage wrap fee accounts on a discretionary basis. Wrap fee accounts are typically more appropriate for active accounts and are managed accordingly. We also manage non-wrap fee



accounts on either a discretionary or a non-discretionary basis and may include a different investment strategy in managing non-wrap accounts.

If you participate in a wrap fee program, we will provide you with a separate Wrap Fee Program Brochure explaining the program and costs associated with the program. You should also review this Part 2A thoroughly to evaluate any differences between the services we offer as wrap versus non-wrap.

## **Item 5 Fees and Compensation**

### **Fees for Third Party Advisory Services**

#### **Manager Access Select Program**

Manager Access Select provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. The client's Advisor will assist them in identifying a third-party portfolio manager (Portfolio Manager) from a list of Portfolio Managers made available through LPL. The Portfolio Manager has discretion to invest prudently according to our client's customized objective.

A minimum account value of \$100,000 is required for Manager Access Select, however, in certain instances, the minimum account size may be lower or higher.

The account fee charged to the client for each advisory program is negotiable, subject to the following maximum account fees:

<b><u>Advisory Program</u></b>	<b><u>Annual Percentage of Assets Change</u></b>
Asset Management	2.5%
OMP	2.5%
PWP	2.5%
MWP	2.5%
Manager Access Select	2.5%

Account fees are payable quarterly in advance based on the first day of the quarter. Clients may terminate the agreement without penalty for a full refund of WCG Wealth Advisors, LLC's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. We will send you an invoice showing the amount of the fee. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

## **Financial Planning Services**

As part of our financial planning services, WCG Wealth Advisors, LLC, through its investment advisor representatives, may provide personal financial planning tailored to the individual needs of the client. These services may include, as selected by the client on the financial planning agreement, information and recommendations regarding tax planning, investment planning, retirement planning, estate needs, business needs, education planning, life and disability insurance needs, long-term care needs and cash flow/budget planning. The services consider information collected from the client such as financial status, investment objectives and tax status, among other data. Fees for such services are negotiable and detailed in the client agreement.

### **Explanation of Financial Planning Services Provided**

WCG Wealth Advisors, LLC is configured to charge a fee for financial planning advice through the following three services:

#### **One-Time Fixed Engagement**

Development and delivery of customized financial advice tailored to the client's unique financial situation. The financial advice will address the client's current financial objectives and concerns. Areas of analysis may include retirement, cash flow, insurance needs, major purchase, education, investments, estate planning, and business planning.

The client relationship in this engagement terminates once the recommendations addressing all the client's specific financial objectives have been delivered to the client and all questions and concerns regarding those recommendations have been addressed. The total timeframe for a fixed engagement shall not exceed 12 months. A personal financial management website provided through a third party may or may not be included and shared with the client during the scope of this engagement. This provides the client with secure access to an online website in which they'll have the ability to aggregate all of their financial accounts into one place, a vault to upload personal documentation into, and the ability to view on demand financial reports that may include but are not limited to; cash flow, balance sheet, and income/expense projections.

#### **Ongoing Financial Advice**

Fees for ongoing financial advice are charged at a non-negotiable monthly rate. Fees will be billed directly to the client each month and are due upon receipt of the billing statement.

For new financial planning clients, the first 12 months of ongoing financial advice will include all the services listed in the one-time fixed engagement model. In addition, the client will have access to a secure personal financial management website provided by a third-party. Access to the personal online website will enable the client to aggregate all of their eligible financial accounts into one central place, upload personal documentation, and view on demand financial reports. The financial reports may include, but are not limited to, cash flow, balance sheet, and income/expense projections. Beyond the first 12 months, clients receiving ongoing financial advice will be provided an annual progress report which will include, at a minimum, the client's updated net worth statement and a comparison of their financials from previous years. Other areas of analysis may also be included, as agreed upon by the financial advisor and the client. Clients will also receive continued access to their personal financial management website and unlimited access to their financial advisors who are available to answer questions.

Existing financial planning clients who have previously received a comprehensive financial plan and wish to engage in ongoing financial advice will immediately begin to receive an annual progress report which will include, at a minimum, the client's updated net worth statement, as well as a comparison of their financials from previous years. Other areas of analysis may also be included, as agreed upon by the financial advisor and the client. In addition, clients will receive continued access to their personal financial management website, as well as unlimited access to their financial advisors who are available to answer questions.

### **Hourly Consulting**

The hourly fees for these services is between \$100 and \$400. The fee is based on complexity and the Investment Advisor(s) time for participating. The focus of hourly consulting is generally on a specific area of financial concern.

### **Termination of Services**

This agreement may be terminated by either involved party. For one-time fixed engagements, the first 12 months of ongoing financial advice, and hourly consulting, no refunds will be made after signed delivery acknowledgement of financial plan is received. Prior to plan receipt of signed delivery acknowledgement, a client may receive a full refund at any time once a receipt of written notice to terminate is received by either party. Monthly ongoing financial advice can be terminated any time upon receipt of a 30-day written notice by either party. There will be no partial month refunds.

Clients will still have full service for the month a 30-day written notice is received/and or given and monthly payments will terminate upon completion of that month. Termination of the agreement will not affect the liabilities or obligations of the parties for activity initiated prior to termination.

### **Payment of Fees**

WCG Wealth Advisors, LLC collects its one-time fixed engagement and hourly consulting fees, either 100% in advance, 50% in advance and 50% upon delivery. The monthly fee for ongoing financial advice is charged in advance on the 1st of each month. If execution of fee agreement for ongoing financial advice is signed mid-month, the first payment will be billed on the first of the month following the date of the signed agreement. WCG offers clients the ability to pay by check, credit card, or via ACH debit for planning services.

The financial plan may include generic recommendations as to general types of investment products or specific securities which may be appropriate for the client to purchase given his/her financial situation and objectives.

The client is under no obligation to act upon the investment advisor's recommendation or purchase such securities through WCG Wealth Advisors, LLC and the IAR. However, if the client desires to purchase securities or advisory services to implement his/her financial plan, WCG Wealth Advisors, LLC may make a variety of products and services available through its IARs. This may result in the payment of normal and customary commissions, advisory fees or other types of compensation to WCG Wealth Advisors, LLC and the IAR.

A conflict exists between the interests of the investment advisor and the interests of the client. Depending on the type of account that could be used to implement a financial plan, such compensation may include (but is not limited to) advisory fees, commissions; mark-ups and mark-downs; transaction charges; confirmation charges; small account fees; mutual fund 12b-1 fees; mutual fund sub-transfer agency fees; hedge fund, managed futures, and variable annuity investor servicing fees; retirement

plan fees; fees in connection with an insured deposit account program; marketing support payments from mutual fund, annuity and insurance sponsors; administrative servicing fees for trust accounts; referral fees; compensation for directing order flow; and bonuses, awards or other things of value offered by WCG Wealth Advisors, LLC to the IAR. To the extent that IAR recommends that Client invest in products and services that will result in compensation being paid to WCG Wealth Advisors, LLC and the IAR, this presents a conflict of interest. This compensation to IAR and WCG Wealth Advisors, LLC may be more or less depending on the product or service that IAR recommends. Therefore, the IAR may have a financial incentive to recommend that a financial plan be implemented using a certain product or service over another product or service.

The IAR may receive additional cash or non-cash compensation from advisory product sponsors. Such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives.

### **Hourly Consulting Services**

WCG Wealth Advisors, LLC, through its investment advisor representatives, may provide consulting services on an hourly basis. These services may include, as selected by the client in the consulting agreement, advice regarding tax planning, investment planning, retirement planning, estate planning, cash flow/budget planning, business planning, education planning, and personal financial planning. The services consider information collected from the client such as financial status, investment objectives and tax status, among other data. The investment advisor representatives may or may not deliver to the client a written analysis or report as part of the services. The investment advisor representatives tailor the hourly consulting services to the individual needs of the client based on the investment objective chosen by the client. The engagement terminates upon final consultation with the client. The negotiated hourly fee for these services is \$400. Fees are charged 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

Transactions in LPL Financial advisory program accounts are generally affected through LPL Financial as the executing broker/dealer.

Neither the firm nor any investment advisor representative are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

The specific manner in which fees are charged by the firm is established in a client's written agreement between the client and WCG Wealth Advisors, LLC – up to 2.5% of assets under management. Clients can determine to engage the services of WCG Wealth Advisors, LLC on a discretionary or non-discretionary basis. The firm's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under the firm's management to be charged quarterly in advance based on the balance on the first day of the billing quarter, and WCG Wealth Advisors, LLC's representatives may at their discretion negotiate a fee in accordance with the above fee schedule.

### **Fees for Retirement Plan Services**

For the Retirement Plan Services provided by WCG Wealth Advisors, LLC, clients will be charged a fee as described in the Advisory Agreement. Fees are charged on a quarterly basis in either advance or arrears. In the event the fees are charged in advance, the fee will be based on the first day of the billing period. In the event fees are charged in arrears, the fee will be based on the balance on the last day of the quarter. Payments for services are due within thirty (30) days after the quarter end.

WCG Wealth Advisors, LLC will not be compensated based on capital gains or capital appreciation of the funds held by the Plan. WCG Wealth Advisors, LLC will not maintain custody of any Plan assets. Clients will authorize any broker-dealer or mutual fund sponsor that maintains custody of the Plan's assets to automatically deduct all fees owed to WCG Wealth Advisors, LLC from the Plan's assets and to pay such fees directly to WCG Wealth Advisors, LLC when they are due.

Fees are prorated (based on the number of days' services will be provided) for partial billing periods. If services begin other than on the first day of the quarter, the prorated fee for the initial partial quarter will be calculated on the total plan(s) value on the last day of that initial calendar quarter, billed in arrears, and prorated from the effective date of the Agreement.

The initial pro-rated fee for the initial partial quarter's services will be billed at the same time as the first full quarter's fees are billed in advance.

WCG Wealth Advisors, LLC believes that its annual fee is reasonable in relation to the services provided and the fees charged by other retirement plan consultants, including investment advisors, offering similar services/programs. However, WCG Wealth Advisors, LLC's annual fee may be higher or lower than that charged by other consultants offering similar services and programs. In addition to WCG Wealth Advisors, LLC's compensation, clients will incur charges imposed at the investment level (e.g., mutual fund advisory fees and other fund expenses) and charges imposed by the Plan's custodian and Third-Party Administrator (if applicable). A description of mutual fund fees and expenses are available in each mutual fund prospectus.

The Plan's custodian or the Third-Party Administrator to the Plan will send statements to the Plan, at least quarterly, showing all disbursements from the Plan, including, if applicable, the amount of the fee paid to WCG Wealth Advisors, LLC directly from the Plan and when such fee is deducted directly from the Plan. Any discrepancies between fee billing notices received from WCG Wealth Advisors, LLC and the statements received from the Plan custodian or Third-Party Administrator should be immediately reported to WCG Wealth Advisors, LLC and/or to the issuer of the account statements (the Plan custodian or Third-Party Administrator).

Brokerage commissions and/or transaction ticket fees charged by the custodian will be billed directly to the client by the custodian. WCG Wealth Advisors, LLC will not receive any portion of such brokerage commissions or transaction fees from the custodian or the client.

The fees charged by WCG Wealth Advisors, LLC are in addition to other costs charged by third parties for custodial, legal, accounting, or record keeping tasks. In addition, the client may incur certain charges imposed by third parties other than WCG Wealth Advisors, LLC in connection with investments made through the Plan, including but not limited to, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, and qualified retirement plan fees.

WCG Wealth Advisors, LLC does not expect to receive any other compensation, direct or indirect, for its services. If WCG Wealth Advisors, LLC receives any other compensation for such services, we will (i) offset that compensation against its stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to the client.

The Retirement Plan Services may be terminated by either party at any time without penalty upon receipt of thirty (30) days written notice of termination. There is no penalty or "termination fee" for the termination of services. If either party terminates the services during a billing quarter, the client will be charged a pro-rated fee based on the number of days that services were provided and if WCG Wealth Advisors, LLC has received fees in advance, we will promptly issue a pro-rated refund to the client.

The hourly consulting fee will be based on the type of services to be provided, experience and expertise, and the sophistication of the client. The maximum hourly fee to be charged any client will not exceed \$400 without extenuating circumstances and approval by the Chief Compliance Officer.

If a client desires, a client can engage certain representatives of the firm, in their individual capacities as registered representatives of LPL Financial, an SEC registered and FINRA/SIPC member broker-dealer, to implement investment recommendations on a commission basis. In the event a client chooses to purchase investment products through LPL Financial, LPL Financial will charge brokerage commissions to effect securities transactions, a portion of which commissions LPL Financial shall pay to the firm's representatives, as applicable. The brokerage commissions charged by LPL Financial may be higher or lower than those charged by other broker/dealers.

In addition, LPL Financial, as well as the firm's representatives, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.

The recommendation that a client purchase a commission product from LPL Financial presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a client's need. No client is under any obligation to purchase any commission products from LPL Financial. The firm's Chief Compliance Officer, Shelley Echeverria, is available to address any questions that a client or prospective client may have regarding this conflict of interest.

LPL Financial charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). LPL Financial enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. LPL Financial commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by LPL Financial may be higher or lower than those charged by other custodians and broker/dealers. Clients may direct their brokerage transactions at a firm other than LPL Financial. Advisory fees are generally not reduced to offset commissions or mark-ups.

When dealing with investment advisory clients and services, investment advisor representatives have an affirmative duty of care, loyalty, honesty and good faith to act in the best interests of their clients. Investment advisor representatives are required to fully disclose all material facts concerning any conflict that does arise with these clients and should avoid even the appearance of a conflict of interest.

The Firm and IARs must abide by honest and ethical business practices including, but not be limited to:

- Not inducing trading in a client's account that is excessive in size or frequency in view of the financial resources and character of the account;
- Making recommendations with reasonable grounds to believe that they are appropriate based on the information furnished by the client;
- Placing discretionary orders only after obtaining client's written trading authorization contained within the advisory agreement or via separate amendment;
- Not borrowing money or securities from, or lending money or securities to a client;
- Not placing an order for the purchase or sale of a security if the security is not registered, or the security or transaction is not exempt from registration in the specific state;

The Firm and the IAR will:

- Allocate securities in a manner that is fair and equitable to all clients
- Not effect agency-cross transactions for client accounts

All Investment Advisor Representatives of WCG Wealth Advisors, LLC are required to sign an acknowledgment of their understanding and acceptance of these terms.

Clients may purchase investment products recommended by our firm through other, broker dealers or agents.

When the firm's representatives sell an investment product on a commission basis, the firm does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, WCG Wealth Advisors, LLC representatives do not also receive commission compensation for such advisory services (except for any ongoing 12b-1 trailing commission compensation that may be received as previously discussed). However, a client may engage the firm to provide investment management services for an advisory fee and purchase an investment product from the firm's representatives on a separate commission basis.

Fees for customized and participant advisory services are typically based on the value of assets under management and will vary by engagement. The amount of the fee will be set out in the client agreement executed by the client at the time the relationship is established. The advisory fee is negotiable between the investment advisor representative and the client and is payable in advance as described in the client agreement.

The agreement will state how the client can obtain a refund of any pre-paid fee if the agreement is terminated before the end of the billing period.

In most cases, a third-party broker dealer will provide trade execution. In such case, the broker-dealer may charge clients commissions, markups, markdowns and/or transaction charges.

Advisor receives compensation as a result of a client's participation in an LPL Financial program. Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation may be more or less than what the Advisor would receive if the client participated in other programs, whether through LPL Financial or another sponsor, or paid separately for investment advice, brokerage and other services.

LPL Financial serves as program sponsor, investment advisor and broker/dealer for the LPL advisory programs. WCG Wealth Advisors, LLC and LPL Financial may share in the account fee and other fees associated with program accounts. Associated persons of Advisor may also be registered representatives of LPL Financial.

Lower fees for comparable services may be available from other sources.

Investment advisor representatives may also be licensed insurance agents. In the capacity of an insurance agent, they may recommend the purchase of certain insurance-related products on a commission basis.

The purchase a securities and/or insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on

commissions received, rather than on a client's need. No client is under any obligation to purchase any commission products from investment advisor representative of the firm. Clients may purchase investment products recommended by investment advisory representatives through other, non-affiliated broker/dealers or insurance agents. Such conflicts are subject to review by the Chief Compliance Officer for consistency with the firm's Code of Ethics.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

WCG Wealth Advisors, LLC does not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged based on a share of capital gains upon, or capital appreciation of, the funds in your advisory account. WCG Wealth Advisors, LLC does not provide advisory services to such clients as a hedge fund or other pooled investment vehicles.

## **Item 7 Types of Clients**

The advisory services offered by WCG Wealth Advisors, LLC are available for individuals, individual retirement accounts ("IRAs"), banks and thrift institutions, pension and profit sharing plans, including plans subject to Employee Retirement Income Security Act of 1974 ("ERISA"), trusts, estates, charitable organizations, state and municipal government entities, corporations and other business entities.

However, the firm generally provides investment advice to individuals and high net-worth individuals as well as corporate clients. The firm is currently not working with other types of clients or pursuing them as prospects but would not turn away any opportunities that may arise.

For LPL's Financial Sponsored Advisory Programs account minimums are as follows:

- Asset Management: \$25,000
- Optimum Market Portfolios Program (OMP): \$15,000
- Personal Wealth Portfolios Program (PWP): \$250,000
- Model Wealth Portfolios Program (MWP): \$100,000
- Manager Access Select Program (MAS): \$100,000 (in certain instances, the minimum account size may be lower or higher).

For customized advisory services, any required minimum account value will be set out in the client agreement.

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

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments.

The client's individual investment strategy is tailored to their specific needs and may include some or all the previously mentioned securities. Each portfolio will be initially designed to meet an investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if necessary, rebalance the



portfolio based upon the client's individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

The firm uses a combination of fundamental, technical and cyclical analysis to formulate investment advice when managing assets. Depending on the analysis the firm will implement a long or short term trading strategy based on the objectives and risk tolerance of a client.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value.

The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** involves the analysis of past market data; primarily price and volume. Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security. Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

Please note, investing in securities involves risk of loss that clients should be prepared to bear. There are different types of investments that involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal any specific performance level(s). Past performance is not indicative of future results.

The firm's methods of analysis and investment strategies do not represent any significant or unusual risks however all strategies have inherent risks and performance limitations such as:

- **Market Risk** - the risk that the value of securities may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Interest Rate Risk** - the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk** - the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Mutual Funds** - Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned below).
- **Equity** - investment generally refers to buying shares of stocks in return for receiving a future

payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

- **Fixed income** - investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities. Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.
- **Exchange Traded Funds ("ETFs")** - An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.
- **Annuities** - are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.
- **Non-U.S. Securities** - present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

## Item 9 Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of an advisory firm or the integrity of a firm's management.

Any such disciplinary information for the company and the company's investment advisor representatives would be provided herein and publicly accessible by selecting the Investment Advisor Search option at <http://www.adviserinfo.sec.gov>.

There are no legal or disciplinary events to disclose.

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

Investment advisor representatives are also registered representatives of LPL Financial, an unaffiliated SEC registered and FINRA/SIPC member broker/dealer. Clients may choose to engage a registered investment advisor in their capacity as a registered representative of the unaffiliated LPL Financial broker/dealer, to implement investment recommendations on a commission basis.

Representatives of our firm are insurance agents/brokers. They may offer insurance products and receive customary fees as a result of insurance sales. A conflict of interest may arise as these insurance sales may create an incentive to recommend products based on the compensation advisor and/or our supervised persons may earn and may not necessarily be in the best interests of the client. Such potential conflicts of interest are subject to review by the Chief Compliance Officer.

Neither WCG Wealth Advisors, LLC nor any of the management persons are registered or has a registration pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

WCG Wealth Advisors, LLC may recommend and select independent, third-party money managers in addition to the third-party managers offered through LPL Financial to manage all or a portion of a client's account. It should be noted that the total fees incurred by clients when utilizing third-party managers will include both management fees payable to the third-party managers for their services well as the fees payable to WCG Wealth Advisors, LLC for their investment advisory services.

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

WCG Wealth Advisors, LLC maintains a Code of Ethics, which serves to establish a standard of business conduct for all employees that are based upon fundamental principles of openness, integrity, honesty and trust.

The code of ethics includes guidelines regarding personal securities transactions of its employees and investment advisor representatives. The code of ethics permits employees and investment advisor representatives or related persons to invest for their own personal accounts in the same or different securities that an investment advisor representative may purchase for clients in program accounts.

This presents a potential conflict of interest because trading by an employee or investment advisor representatives in a personal securities account in the same or different security on or about the same time as trading by a client could potentially disadvantage the client. WCG Wealth Advisors, LLC addresses this conflict of interest by requiring in its code of ethics that employees and investment advisor representatives report certain personal securities transactions and holdings to the Chief Compliance Officer for review.

An investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients always. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We always require all our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of

Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction being implemented for an advisory account, thereby preventing an employee from benefiting from transactions placed on behalf of advisory accounts.

Neither WCG Wealth Advisors, LLC nor a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest.

## **Item 12 Brokerage Practices**

We recommend the brokerage and custodial services of LPL Financial LLC, Charles Schwab & Co., Inc. and TD Ameritrade (whether one or more "Custodian"). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

### **Research and Other Soft Dollar Benefits**

In selecting or recommending a broker-dealer, we will consider the value of research and additional brokerage products and services a broker-dealer has provided or will provide to our clients and our firm. Receipt of these additional brokerage products and services are considered to have been paid for with "soft dollars." Because such services could be considered to provide a benefit to our firm, we have a conflict of interest in directing your brokerage business. We could receive benefits by selecting a particular broker-dealer to execute your transactions, and the transaction compensation charged by that broker-dealer might not be the lowest compensation we might otherwise be able to negotiate.

Products and services that we may receive from broker-dealers may consist of research data and analyses, financial publications, recommendations, or other information about particular companies and industries (through research reports and otherwise), and other products or services (e.g., software and data bases) that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Consistent with applicable rules, brokerage products and services consist primarily of computer services and software that permit our firm to effect securities transactions and perform functions incidental to transaction execution. We use such products and services in our general investment decision making, not just for those accounts for which commissions may be considered to have been used to pay for the products or services.

The test for determining whether a service, product or benefit obtained from or at the expense of a broker constitutes "research" under this definition is whether the service, product, or benefit assists our firm in investment decision-making for discretionary client accounts. Services, products, or benefits that do not assist in investment decision-making for discretionary client accounts do not qualify as "research." Also, services, products or benefits that are used in part for investment decision-making for discretionary client accounts and in part for other purposes (such as accounting, corporate administration, recordkeeping, performance attribution analysis, client reporting, or investment decision-making for the firm's own investment accounts) constitute "research" only to the extent that they are used in investment decision-making for discretionary client accounts.

Before placing orders with a particular broker-dealer, we determine that the commissions to be paid are reasonable in relation to the value of all the brokerage and research products and services provided by that broker-dealer. In some cases, the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts charged by another broker-dealer that did not provide research services or products.

We do not exclude a broker-dealer from receiving business simply because the broker-dealer does not provide our firm with soft dollar research products and services. However, we may not be willing to pay the same commission to such broker-dealer as we would have paid had the broker-dealer provided such products and services.

The products and services we receive from broker-dealers will generally be used in servicing all of our clients' accounts. Our use of these products and services will not be limited to the accounts that paid commissions to the broker-dealer for such products and services. In addition, we may not allocate soft dollar benefits to your accounts proportionately to the soft dollar credits the accounts generate. As part of our fiduciary duties to you, we always endeavor to put your interests first. You should be aware that the receipt of economic benefits by our firm is considered to create a conflict of interest.

We have instituted certain procedures governing soft dollar relationships including preparation of a brokerage allocation budget, mandated reporting of soft dollar irregularities, annual evaluation of soft dollar relationships, and an annual review of our brochure to ensure adequate disclosures of conflicts of interest regarding our soft dollar relationships.

### **Economic Benefits**

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products are in addition to any benefits or research we pay for with soft dollars, and may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

### **Schwab - Your Custody and Brokerage Costs**

For our clients' accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab's commission rates and/or asset-based fees applicable to our client accounts were negotiated based on our commitment to maintain \$250 million of our

clients' assets statement equity in accounts at Schwab. This commitment benefits you because the overall commission rates and/or asset-based fees you pay are lower than they would be if we had not made the commitment. In addition to commission rates and/or asset-based fees Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

### **Schwab Advisor Services**

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

#### Services that Benefit You

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

#### Services that May Not Directly Benefit You

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

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

#### Services that Generally Benefit Only Us

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

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession;
- access to employee benefits providers, human capital consultants and insurance providers;
- discount of up to \$4,250 on PortfolioCenter® Reporting Software.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or

pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. These services may give us an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors discussed above – see "The Custodian and Broker We Use") and not Schwab's services that benefit only us. We do not believe that maintaining our client's assets at Schwab for services presents a material conflict of interest.

### **TD Ameritrade Institutional**

We participate in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the Program.

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

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

**Block Trades**

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

**Mutual Fund Share Classes**

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration cost, tax implications, and other factors. When the fund is available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges.

**Item 13 Review of Accounts**

For those clients to whom WCG Wealth Advisors, LLC provides investment supervisory services, account reviews are conducted on an ongoing basis by Shelley Echeverria, the Chief Compliance Officer. All investment supervisory clients are advised that it remains their responsibility to advise WCG Wealth Advisors, LLC of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with their investment advisor representative on an annual basis.

Shelley Echeverria, the Chief Compliance Officer, may also conduct account reviews based on the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and by client request.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. WCG Wealth Advisors, LLC may also provide a written periodic report summarizing account activity and performance.

**Item 14 Client Referrals and Other Compensation**

WCG Wealth Advisors, LLC receives an economic benefit from LPL Financial in reimbursement for marketing related expenses. Please see detailed discussion of the categories of marketing related expenses and potential conflicts of interest in Item 12 Brokerage Practices.

WCG Wealth Advisors, LLC and employees may receive additional compensation from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings with investment advisor representative, client workshops or events, marketing events or advertising initiatives, including services for identifying prospective clients. Product sponsors may also pay for, or reimburse WCG Wealth Advisors, LLC for the costs associated with, education or training events that may be attended by WCG Wealth Advisors, LLC employees and investment advisor representatives and for WCG Wealth Advisors, LLC sponsored conferences and events. WCG Wealth Advisors, LLC has



agreements in place to pay solicitors a portion of advisory fees. WCG Wealth Advisors, LLC does not directly or indirectly compensate any person who is not a supervised person for client referrals.

There are no other economic benefits provided by someone who is not a client for providing investment advice.

WCG Wealth Advisors, LLC may receive referral fees from other third-party managers when we refer clients. Thus, we have a conflict of interest in our decision to recommend a third-party manager that pays WCG Wealth Advisors, LLC a referral fee. At all times, WCG Wealth Advisors, LLC will act in the best interest of the client when recommending a third-party manager.

When a client is referred to a third-party manager by us, we will provide the client with a copy of the third-party managers Form ADV Part 2 Disclosure Brochure, if the firm is an unaffiliated registered investment advisor firm, as required by the Investment Advisors Act of 1940.

The referral agreements between WCG Wealth Advisors, LLC and any third-party manager we refer client to will not result in any charges to clients in addition to the normal level of advisory fees charged.

### **TD Ameritrade Institutional Customer Program**

As disclosed above under *Item 12 Brokerage Practices*, we participate in TD Ameritrade's Institutional Customer Program ("Institutional Program") and we may recommend TD Ameritrade to clients for custodial and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our Associated Persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our Firm or our Associated Persons through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we always endeavor to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our Associated Persons in and of themselves creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Advisor also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services include Orion, TD Ameritrade provides the Additional Services to the Firm in its sole discretion and at its own expense, and Advisor does not pay any fees to TD Ameritrade for the Additional Services. The Firm and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

The Firm's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Firm, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Advisor's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Firm, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Advisor may have an incentive to recommend to its Clients that the assets under management by Firm be held in custody with TD Ameritrade and to place transactions for the Client accounts with TD Ameritrade. The Firm's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

### **Charles Schwab & Co., Inc. - Institutional**

In addition, we receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 - Brokerage Practices*). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

## **Item 15 Custody**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. WCG Wealth Advisors, LLC does not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

WCG Wealth Advisors, LLC urges you to carefully review the statements provided by the custodian and compare such official custodial records to the account statements that may be provided by WCG Wealth Advisors, LLC.

## **Item 16 Investment Discretion**

The client can determine to engage WCG Wealth Advisors, LLC to provide investment advisory services on a discretionary basis. Prior to WCG Wealth Advisors, LLC assuming discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, naming WCG Wealth Advisors, LLC as the client's attorney and agent in fact, granting WCG Wealth

Advisors, LLC full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Accounts that utilize third-party money managers may be managed on a discretionary or non-discretionary basis. For non-discretionary accounts, WCG Wealth Advisors, LLC will discuss the investments to be purchased or sold for the client's account(s) and will obtain client approval before any changes are made, while staying within the parameter of the Investment Policy Statement mutually agreed upon by the client and WCG Wealth Advisors, LLC.

## **Item 17 Voting Client Securities**

WCG Wealth Advisors, LLC does not vote client proxies, however, third party money managers selected or recommended by our firm may vote proxies for clients. Clients will otherwise receive their proxies or other solicitations directly from their custodian. Clients may contact WCG Wealth Advisors, LLC at (800) 346-4063 to discuss any questions they may have with a solicitation.

## **Item 18 Financial Information**

WCG Wealth Advisors, LLC does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

There are no financial conditions that are reasonably likely to impair the firm's ability to meet contractual commitments to clients. At no time has WCG Wealth Advisors, LLC been the subject of a bankruptcy petition. Due to the unforeseen circumstances as a result of Covid-19, we have applied for and received a PPP loan in order to ensure our ability to retain our highly skilled employees.

## **Item 19 Additional Information**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.