

# **JD Financial Services Inc. d/b/a Diamond Wealth Advisors**

## **Form ADV Part 2A – Disclosure Brochure**

**Effective: May 21, 2020**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of JD Financial Services Inc. d/b/a Diamond Wealth Advisors (“DWA” or the “Advisor”). If you have any questions about the contents of this Disclosure Brochure, please contact the Advisor at (717) 462-6422.

DWA is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about DWA to assist you in determining whether to retain the Advisor.

Additional information about DWA and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or by CRD# 286163.

**JD Financial Services Inc. d/b/a Diamond Wealth Advisors**  
**396 Alexander Spring Road, Suite #3, Carlisle, PA 17015**  
**Phone: (717) 462-6422**  
[www.diamondwealthadvisors.com](http://www.diamondwealthadvisors.com)

## Item 2 – Material Changes

---

Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about Advisory Persons of DWA. For convenience, the Advisor combined these documents into a single disclosure document.

DWA believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. DWA encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

### Material Changes

The Advisor is registered with the U.S. Securities and Exchange Commission ("SEC").

### Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 286163. You may also request a copy of this Disclosure Brochure at any time by contacting the Advisor at (717) 462-6422.

### Item 3 – Table of Contents

---

<b>Item 1 – Cover Page</b> .....	<b>1</b>
<b>Item 2 – Material Changes</b> .....	<b>2</b>
<b>Item 3 – Table of Contents</b> .....	<b>3</b>
<b>Item 4 – Advisory Services</b> .....	<b>4</b>
A. Firm Information .....	4
B. Advisory Services Offered .....	4
C. Client Account Management .....	6
D. Wrap Fee Programs .....	6
E. Assets Under Management .....	6
<b>Item 5 – Fees and Compensation</b> .....	<b>6</b>
A. Fees for Advisory Services .....	6
B. Fee Billing .....	7
C. Other Fees and Expenses .....	8
D. Advance Payment of Fees and Termination .....	8
E. Compensation for Sales of Securities .....	9
<b>Item 6 – Performance-Based Fees and Side-By-Side Management</b> .....	<b>9</b>
<b>Item 7 – Types of Clients</b> .....	<b>9</b>
<b>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss</b> .....	<b>9</b>
A. Methods of Analysis .....	9
B. Risk of Loss .....	10
<b>Item 9 – Disciplinary Information</b> .....	<b>11</b>
<b>Item 10 – Other Financial Industry Activities and Affiliations</b> .....	<b>11</b>
<b>Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b> .....	<b>12</b>
A. Code of Ethics .....	12
B. Personal Trading with Material Interest .....	12
C. Personal Trading in Same Securities as Clients .....	12
D. Personal Trading at Same Time as Client .....	12
<b>Item 12 – Brokerage Practices</b> .....	<b>12</b>
A. Recommendation of Custodian[s] .....	12
B. Aggregating and Allocating Trades .....	13
<b>Item 13 – Review of Accounts</b> .....	<b>13</b>
A. Frequency of Reviews .....	13
B. Causes for Reviews .....	13
C. Review Reports .....	13
<b>Item 14 – Client Referrals and Other Compensation</b> .....	<b>14</b>
A. Compensation Received by DWA .....	14
B. Client Referrals from Solicitors .....	14
<b>Item 15 – Custody</b> .....	<b>14</b>
<b>Item 16 – Investment Discretion</b> .....	<b>14</b>
<b>Item 17 – Voting Client Securities</b> .....	<b>14</b>
<b>Item 18 – Financial Information</b> .....	<b>15</b>
<b>Form ADV Part 2A Appendix 1 - Wrap Fee Brochure</b> .....	<b>15</b>
<b>Form ADV Part 2B – Brochure Supplement</b> .....	<b>21</b>
<b>Privacy Policy</b> .....	<b>26</b>

## **Item 4 – Advisory Services**

---

### **A. Firm Information**

JD Financial Services Inc. d/b/a Diamond Wealth Advisors (“DWA” or the “Advisor”) is a registered investment advisor located in the Commonwealth of Pennsylvania. The Advisor is organized as a corporation under the laws of Pennsylvania. The corporation was founded in January 2010, and is owned and operated by James A. DeGaetano Jr., CPA, CFP® (President and Chief Compliance Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by DWA.

### **B. Advisory Services Offered**

DWA offers investment advisory services to individuals, high net worth individuals, trusts and estates (each referred to as a “Client”).

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. DWA’s fiduciary commitment is further described in the Advisor’s Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

#### Wealth Management Services

DWA may provide Clients with wealth management services, which generally includes a broad range of comprehensive financial planning and consulting services in connection with discretionary management of investment portfolios. These services are described below.

#### Investment Management Services

DWA provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary and non-discretionary investment management and related advisory services. DWA works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. DWA will then construct a portfolio, consisting of low-cost, diversified mutual funds and/or exchange-traded funds (“ETFs”) to achieve the Client’s investment goals. The Advisor may also utilize individual stocks or bonds to meet the needs of its Clients. The Advisor may retain certain legacy investments based on portfolio fit and/or tax considerations.

DWA’s investment approach is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. DWA will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

DWA evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. DWA may recommend, on occasion, redistributing investment allocations to diversify the portfolio. DWA may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. DWA may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of the Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance. For non-discretionary engagements, the Advisor will receive written or verbal permission from the Client, prior to implementing any transaction or performing any other advisory functions.

At no time will DWA accept or maintain custody of a Client’s funds or securities. All Client assets will be managed within their designated account[s], pursuant to the Client’s investment advisory agreement. Please see Item 12 – Brokerage Practices.

*Use of Sub-Advisors* - The Advisor may recommend that an unaffiliated investment manager manage all or a portion of a Client's investment portfolio (herein the "Sub-Advisor"). Through this arrangement, the Client will agree, through an advisory agreement, to allow the Advisor to place a portion or all Client assets with the Sub Advisor, where the Sub-Advisor will assist and advise the Client in meeting the Client's objectives by identifying appropriate investments and monitoring such investments. The Advisor will assist in the development of the initial policy recommendations and managing the ongoing Client relationship. The Advisor will perform initial and ongoing oversight and due diligence over the selected Sub-Advisor to ensure the Sub-Advisors' strategies and target allocations remain aligned with its Clients' investment objectives and overall best interests.

The Advisor ensures that the Sub-Advisor recommended to Clients are registered or notice filed in the Commonwealth of Pennsylvania and jurisdictions where the Client resides as a firm and in their individual capacity prior to recommending the Sub-Advisor to the Client. The Advisor will provide the Client, prior to or at the time of engagement, the Sub-Advisor's Form ADV 2A (or a brochure that makes the appropriate disclosures).

*Model Wealth Portfolios Program (MWP)* - MWP offers Clients a professionally managed asset allocation program. DWA 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 or third-party portfolio strategists are responsible for selecting the mutual funds or ETFs within a model portfolio and for making changes to the mutual funds or ETFs selected.

The Client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds and ETFs and to liquidate previously purchased securities. The Client will also authorize LPL to effect rebalancing for MWP accounts.

MWP requires a minimum asset value for a program account to be managed. The minimums vary depending on the portfolio(s) selected and the account's allocation amongst portfolios. The lowest minimum for a portfolio is \$25,000. In certain instances, a lower minimum for a portfolio is permitted.

*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, the 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 \$10,000 is required for OMP.

#### Financial Planning Services

DWA provides a variety of financial planning and consulting services to Clients as a part of its wealth management services. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation. Generally, such financial planning services involve preparing a formal financial plan or rendering a specific financial consultation based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including but not limited to, investment planning, retirement planning, personal savings, education savings, insurance needs, tax and estate planning and other areas of a Client's financial situation.

A financial plan developed for or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs.

DWA may also refer Clients to an accountant, attorney or other specialists, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide an analysis of Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning and consulting recommendations pose a conflict between the interests of the Advisor and the interests of the Client. For example, the Advisor has an incentive to recommend that Clients engage the Advisor for investment management services or to increase the level of investment assets with the Advisor, as it would increase the amount of advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

### **C. Client Account Management**

Prior to engaging DWA to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – DWA, in connection with the Client, may develop a strategy that seeks to achieve the Client's investment goals and objectives.
- Asset Allocation – DWA will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – DWA will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – DWA will provide investment management and ongoing oversight of the Client's relationship's investment portfolio.

### **D. Wrap Fee Programs**

For Clients with account sizes over \$10,000, DWA typically include securities transaction fees (herein "Covered Costs"), together with its investment advisory fees into a single, "bundled" fee. Including these fees into a single asset-based fee is considered a "wrap fee program." Depending on the level of transactions required for the Client's account[s] in a particular year, the Client may pay more or less in total fees than if the Client paid its own transaction fees. Please see Appendix 1 – Wrap Fee Program Brochure, which is included as part of this Disclosure Brochure.

### **E. Assets Under Management**

As of December 31, 2019 DWA manages approximately \$101,345,681 in Client assets, \$93,516,513 of which are managed on a discretionary basis and \$7,829,168 on a non-discretionary basis. Clients may request more current information at any time by contacting the Advisor.

## **Item 5 – Fees and Compensation**

---

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into a written agreement with the Advisor.

### **A. Fees for Advisory Services**

#### Wealth Management/Investment Management Services

Advisory fees are paid quarterly, at the end of each calendar quarter, pursuant to the terms of the advisory agreement. Fees are based on the market value of assets under management at the end of each calendar quarter. Investment advisory fees are based on the following schedule:

<b>Assets Under Management (\$)</b>	<b>Annual Rate (%)</b>
Up to \$500,000	1.50%
\$500,001 to \$1,000,000	1.25%
\$1,000,001 to \$2,000,000	1.00%
\$2,000,001 to \$5,000,000	0.75%
Over \$5,000,000	0.60%

For Clients who have less than \$500,000 in assets under management, the Advisor will charge an initial financial planning fee, based on the annual retainer fees disclosed below, but will be charged a reduced investment advisory fee for the first year of service. After the first year of engagement, the annual fee for ongoing financial planning will be reduced to \$500 per year. If Client assets are above \$500,000 in assets under management, the Advisor will waive the financial planning fee. The Advisor reserves the right to waive the financial planning fee at its sole discretion. Certain Clients may be charged a legacy fee schedule that differs from the above.

The advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by DWA will be independently valued by the Custodian. DWA will not have the authority or responsibility to value portfolio securities.

#### Use of Sub-Advisors

For Client account[s] implemented through the Sub-Advisor, the Client's fees (as noted above) will include DWA's investment advisory fee and the Sub-Advisor's fee. At no point will the Client's fee exceed a total of 2.00% in assets under management. The Advisor assumes responsibility for calculating the Client's fees, where the Custodian will deduct all fees from the Client's account[s] and the Advisor will deliver or instruct to deliver the Sub-Advisor's fee accordingly.

#### Model Wealth Portfolio Program and Optimum Market Portfolios Program

For Client account[s] implemented through either MWP or OMP, Clients fees will include the Advisor's fee and fees charged by MWP or OMP. The Advisor does not earn any additional compensation from MWP or OMP. The Advisor will only earn its investment advisory fee as described above. The fees will be calculated by the Custodian, where the Advisor will receive its portion of the advisory fee. The total blended fee, including the Advisor's fee and MWP or OMP's fee, will not exceed 3.00% annually.

#### Financial Planning Services

DWA offers financial planning services either on an hourly basis or an annual retainer fee. Hourly engagements range up to \$400 per hour. An estimate for total hours and total costs will be provided to the Client prior to engaging for these services. Annual retainer fees generally range from \$1,500 to \$15,000 for the year of service. Annual retainer fees after the initial year are negotiable based on the nature and complexity of the services to be provided and the overall relationship with the Advisor.

### **B. Fee Billing**

#### Wealth Management/Investment Management Services

Investment advisory fees are calculated and deducted from the Client's account[s] by the Custodian. The Client shall instruct the Custodian to automatically deduct the investment advisory fee from the Client's account[s] for each billing period and pay the investment advisory fee[s] to the Advisor. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with DWA at the end of each quarter. Clients will be provided with a statement, at least quarterly, from the. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting advisory fees to be deducted by the Custodian directly from their account[s] and paid out to the Advisor as part of the investment advisory agreement and separate account forms provided by the Custodian.



#### Use of Sub-Advisors

For Client accounts implemented through one or more Sub-Advisors, the Client's fee will include DWA's investment advisory fee (as noted above) plus fees charged by the Sub-Advisor[s]. The fees will be calculated and deducted from the Client's account[s] with the Custodian and a portion of the investment advisory fee will be provided to the Sub-Advisor with the remainder being retained by the Advisor.

#### Model Wealth And Optimum Market Portfolio Program

For Client accounts implemented through MWP or OMP, the Client's fee will include DWA's investment advisory fee (as noted above) plus investment management fees and/or platform fees charged by the MWP or OMP. The Client's fee will be calculated and deducted from the Client's account[s] by the Custodian, and a portion of the investment advisory fee will be provided to the respective managers accordingly.

#### Financial Planning Services

Financial planning fees are invoiced by the Advisor and are due upon completion of the agreed upon deliverable[s]. Annual retainer financial planning fees are invoiced by the Advisor in advance of each calendar quarter.

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties in connection with investments made on behalf of the Client's account[s]. DWA may include Covered Costs as part of its overall investment advisory fee through the DWA Wrap Fee Program. Securities transaction fees for Client-directed trades may be charged back to the Client. Please see Item 4.D. above as well as Appendix 1 – Wrap Fee Program Brochure.

In addition, all fees paid to DWA for investment advisory services or part of the DWA Wrap Fee Program are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of DWA, but would not receive the services provided by DWA which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by DWA to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

### **D. Advance Payment of Fees and Termination**

#### Wealth Management/Investment Management Services

DWA is compensated for its services at the end of the quarter after investment advisory services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the investment advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

#### Use of Sub-Advisors

In the event that a Client should wish to terminate their relationship with the Sub-Advisors, the Advisor will assist the Client with the termination and transition of Client account[s], as appropriate.

#### Model Wealth And Optimum Market Portfolio Program

In the event that a Client should wish to terminate their relationship with MWP or OMP, the terms for termination will be set forth in the respective agreements between the Client and MWP or OMP. DWA will assist the Client with the termination and transition of Client account[s], as appropriate.



### Financial Planning Services

For hourly engagements, DWA is compensated for its services upon completion of the engagement deliverable[s]. For annual financial planning services, DWA is compensated at the beginning of each calendar quarter. Either party may terminate the financial planning agreement by providing advance written notice to the other party. In addition, the Client may also terminate the financial planning agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Client shall be billed for actual hours logged on the planning project at the contractual hourly rate or in the case of an annual fee engagement, the percentage of the engagement scope completed by the Advisor. Any unearned prepaid fees will be refunded to the Client. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

### **E. Compensation for Sales of Securities**

Certain Advisory Persons are also registered representatives of LPL Financial LLC ("LPL"), a registered broker-dealer (CRD No. 6413), member FINRA, SIPC. In one's separate capacity as a registered representative of LPL, the Advisory Person will implement securities transactions under LPL and not through DWA. In such instances, the Advisory Person will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by the Advisory Person in one's capacity as a registered representative is separate and in addition to the Advisor's fees. This practice presents a conflict of interest because the Advisory Person who is a registered representative has an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on the Client. Clients are not obligated to implement any recommendation provided by the Advisor nor Advisory Persons. Neither the Advisor nor Advisory Persons will earn ongoing investment advisory fees in connection with any products or services implemented in the Advisory Person's separate capacity as a registered representative. Please see Item 10 – Other Financial Industry Activities and Affiliations.

Advisory Persons are also licensed as independent insurance professionals. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to Clients. Insurance commissions earned by these persons are separate and in addition to advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of the Advisor who are insurance agents have an incentive to recommend insurance products to Clients for the purpose of generating commissions rather than solely based on Client needs. However, Clients are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with the Advisor. Please see Item 10 – Other Financial Industry.

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

---

DWA does not charge performance-based fees for its investment advisory services. The fees charged by DWA are as described in Item 5 above and are not based upon the capital appreciation of the funds or securities held by any Client.

DWA does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

### **Item 7 – Types of Clients**

---

DWA offers investment advisory services to individuals, high net worth individuals, trusts and estates. The amount of each type of Client is available on the Advisor's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor. DWA generally does not impose a minimum size for establishing a relationship. However, Sub-Advisors, MWP and OMP typically impose minimum fee.

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

---

#### **A. Methods of Analysis**

DWA employs both fundamental and technical analysis methods in developing investment strategies for its Clients. Research and analysis from DWA are derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

*Fundamental analysis* utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

*Technical analysis* involves the analysis of past market data rather than specific company data in determining the recommendations made to Clients. Technical analysis may involve the use of charts to identify market patterns and trends, which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that DWA will be able to accurately predict such a reoccurrence.

As noted above, DWA generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. DWA will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, DWA may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. DWA will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. The following are some of the risks associated with certain components of the Advisor's investment approach:

### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

#### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The value of the ETFs will fluctuate with the value of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs has a large bid-ask spread and low volume. Authorized participants in an ETF may change at any time; this may result in change to the liquidity and the ability to redeem the ETF as the authorized participants control the number of shares of the ETF. The value of an ETF fluctuates based upon the market movements and may disassociate from the index being tracked or from the value of the underlying investments. An ETF purchased or sold at one point in the day may have a different value than the same ETF purchased or sold a short time later.

#### Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The value of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The value of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same value as a mutual fund purchased later that same day.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

### **Item 9 – Disciplinary Information**

---

#### **There are no legal, regulatory or disciplinary events involving DWA or any of its Supervised Persons.**

DWA values the trust Clients place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider that the Client engages. The background of the Advisor and its Advisory Persons are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 286163.

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

---

#### Broker-Dealer Affiliation

As noted in Item 5, certain Advisory Persons are also registered representatives of LPL. LPL is a registered broker-dealer, member FINRA, SIPC. In one's separate capacity as a registered representative, the Advisory Person will receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided the Advisory Person. Neither the Advisor nor the Advisory Person will earn ongoing investment advisory fees in connection with any services implemented in the Advisory Person's separate capacity as a registered representative.

#### Insurance Agency Affiliations

As noted in Item 5, certain Advisory Persons are also licensed insurance professionals. Implementations of insurance recommendations are separate and apart from one's role with DWA. As an insurance professional, the Advisory Person will receive customary commissions and other related revenues from the various insurance companies whose products are sold. The Advisory Person is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This practice presents a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by the Advisory Persons or the Advisor.

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

---

### A. Code of Ethics

DWA has implemented a Code of Ethics (the “Code”) that defines the Advisor’s fiduciary commitment to each Client. This Code applies to all persons associated with DWA (“Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor’s duties to the Client. DWA and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of DWA’s Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of the Code, please contact the Advisor at (717) 462-6422 .

### B. Personal Trading with Material Interest

DWA allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. DWA does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. DWA does not have a material interest in any securities traded in Client accounts.

### C. Personal Trading in Same Securities as Clients

DWA allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that are recommended (purchase or sell) to Clients presents a conflict of interest that, as fiduciaries, must be disclosed and mitigated through policies and procedures. As noted above, the Advisor has adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated through review and reporting of personal securities transactions by its Supervised Persons for review by the Chief Compliance Officer (“CCO”). The Advisor has also adopted written policies and procedures to detect the misuse of material, non-public information.

### D. Personal Trading at Same Time as Client

While DWA allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. **At no time will DWA, or any Supervised Person of DWA, transact in any security to the detriment of any Client.**

## Item 12 – Brokerage Practices

---

### A. Recommendation of Custodian[s]

DWA does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the “Custodian”) to safeguard Client assets and authorize DWA to direct trades to the Custodian as agreed upon in the investment advisory agreement. Further, DWA does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis.

As Mr. DeGaetano is also a registered representative of LPL, DWA is limited in the Custodian[s] in which can be recommended to Clients. Typically, DWA will recommend that Clients select LPL as their Custodian, as DWA has access to LPL’s systems, back office support, research and other benefits. While DWA receives these economic benefits from LPL, we believe LPL provides quality execution and related services for our Clients at competitive prices. Price is not the sole factor DWA considers in evaluating best execution and the recommendation of a custodian. DWA also considers the quality of the brokerage services provided by LPL, including the firm’s reputation, execution capabilities, commission rates, and responsiveness to our Clients and our firm. Clients are free to use whatever Custodian they choose to implement financial planning recommendations. For investment advisory services, DWA would be required to obtain permission to use a

Custodian other than LPL due to the oversight role LPL assumes over Mr. DeGaetano. Please see Item 14 below.

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker-dealer/custodian in exchange for research and other services. **DWA does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, DWA does receive economic benefits from LPL. Please see Item 14 below.**

**2. Brokerage Referrals** - DWA does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where DWA will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account[s]) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). DWA will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian. The Advisor may not be able to aggregate orders to reduce transaction costs in a Client directed brokerage account.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of the order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. DWA will execute its transactions through the Custodian as directed by the Client. DWA may aggregate orders in a block trade or trades when securities are purchased or sold through the same Custodian for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Client accounts.

## **Item 13 – Review of Accounts**

---

### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by James A. DeGaetano, Jr., Chief Compliance Officer of DWA. Formal reviews are generally conducted at least annually or more frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify DWA if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.



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

---

### **A. Compensation Received by DWA**

DWA does not receive securities commissions from product sponsors, broker-dealers or any un-related third party. DWA may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, DWA may receive referrals of new Clients from a third-party. However, DWA and certain Supervised Persons do receive compensation and other economic benefits from LPL Financial as detailed below.

#### Institutional Platform

DWA has established an institutional relationship with LPL to assist the Advisor in managing Client account[s]. The Advisor receives access to software and related support as part of its relationship with LPL. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a Custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of the Custodian over one that does not furnish similar software, systems support, or services. Additionally, the Advisor may receive the following benefits from LPL: receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and access to an electronic communication network for Client order entry and account information.

### **B. Client Referrals from Solicitors**

DWA does not engage paid solicitors for Client referrals.

## **Item 15 – Custody**

---

DWA does not accept or maintain custody of any Client accounts. The Custodian has authorization to deduct the Advisor's fees. All Clients must place their assets with a "qualified custodian". Clients are required to engage the Custodian to retain their funds and securities and direct DWA to utilize the Custodian for the Client's security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by DWA to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 – Brokerage Practices.

## **Item 16 – Investment Discretion**

---

DWA generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by DWA. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by DWA will be in accordance with each Client's investment objectives and goals.

Where DWA does not have discretion over the selection and amount of securities to be bought or sold in Client accounts or the selection of unaffiliated managers without obtaining prior approval from the Client. The Advisor will contact the Client and obtain approval prior to executing trades or allocating investment assets.

## **Item 17 – Voting Client Securities**

---

DWA does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

## Item 18 – Financial Information

---

Neither DWA, nor its management, have any adverse financial situations that would reasonably impair the ability of DWA to meet all obligations to its Clients. Neither DWA, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. DWA is not required to deliver a balance sheet along with this Disclosure Brochure, as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.



# **JD Financial Services Inc. d/b/a Diamond Wealth Advisors**

## **Form ADV Part 2A Appendix 1 ("Wrap Fee Brochure")**

**Effective: May 21, 2020**

This Form ADV2A - Appendix 1 ("Wrap Fee Brochure") provides information about the qualifications and business practices for JD Financial Services Inc. d/b/a Diamond Wealth Advisors ("DWA" or the "Advisor") services when offering services pursuant to a wrap program. This Wrap Fee Brochure shall always be accompanied by the DWA Disclosure Brochure, which provides complete details on the business practices of the Advisor. If you did not receive the complete DWA Disclosure Brochure or you have any questions about the contents of this Wrap Fee Brochure or the DWA Disclosure Brochure, please contact the Advisor at (717) 462-6422.

DWA is a registered investment with the U.S. Securities and Exchange Commission ("SEC"). The information in this Wrap Fee Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Wrap Fee Brochure provides information about DWA to assist you in determining whether to retain the Advisor.

Additional information about DWA and its Advisory Persons is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for the Advisor's firm name or CRD# 286163.

## Item 2 – Material Changes

---

Form ADV 2 - Appendix 1 provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. In particular, this Wrap Fee Brochure discusses the wrap fee programs offering by the Advisor.

### Material Changes

There have been no material changes to this Wrap Fee Program Brochure since the last filing and distribution to Clients.

### Future Changes

From time to time, the Advisor may amend this Wrap Fee Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Wrap Fee Brochure (along with the complete DWA Disclosure Brochure) or a Summary of Material Changes shall be provided to you annually and if a material change occurs in the business practices of DWA.

At any time, you may view this Wrap Fee Brochure and the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 286163. You may also request a copy of this Disclosure Brochure at any time by contacting the Advisor at (717) 462-6422.

## Item 3 – Table of Contents

---

Item 1 – Cover Page .....	15
Item 2 – Material Changes .....	17
Item 3 – Table of Contents .....	17
Item 4 – Services Fees and Compensation .....	18
Item 5 – Account Requirements and Types of Clients .....	19
Item 6 – Portfolio Manager Selection and Evaluation.....	19
Item 7 – Client Information Provided to Portfolio Managers.....	18
Item 8 – Client Contact with Portfolio Managers.....	20
Item 9 – Additional Information .....	20

## Item 4 – Services Fees and Compensation

---

### A. Services

DWA provides customized investment advisory services for its Clients. This Wrap Fee Program Brochure is provided as a supplement to the DWA Disclosure Brochure (Form ADV 2A). This Wrap Fee Program Brochure is provided along with the complete Disclosure Brochure to provide full details of the business practices and fees when selecting DWA as your investment advisor.

As part of the investment advisory fees noted in Item 5 – Fees and Compensation of the Disclosure Brochure, DWA includes normal securities transaction fees as part of the overall investment advisory fee. Securities regulations often refer to this combined fee structure as a “Wrap Fee Program”.

Clients may be offered a fee structure that includes, as a single fee, the securities transaction costs for trading in Client accounts along with the investment advisory fees earned by DWA. The securities regulations often refer to such a structure as a “Wrap Fee Program” (“DWA Wrap Fee Program”). While traditional Wrap Fee Programs are often rigid, pre-packaged investment programs, DWA customizes its investment strategies individually for its Clients. The sole purpose of this Wrap Fee Program Brochure is to provide additional disclosure relating the combination of securities transaction fees with investment advisory fees. This Wrap Fee Program Brochure references back to the DWA Disclosure Brochure in which this Wrap Fee Program Brochure serves as an Appendix. **Please see Item 4 – Advisory Services of the Disclosure Brochure for details on DWA’s investment philosophy and related services.**

### B. Program Costs

Advisory services provided by DWA are offered in a wrap fee structure whereby normal securities transaction fees (herein “Covered Costs”) are included in the overall investment advisory fee paid to DWA. As the level of trading in a Client’s account[s] may vary from year to year, the annual cost to the Client may be more or less than engaging for advisory services where the transactions costs are borne separately by the Client. The cost of the Wrap Fee Program varies depending on services to be provided be to each Client, however, the Client is not charged more if there is higher trading activity in the Client’s account[s]. A Wrap Fee structure has a conflict of interest as the Advisor may have an incentive to limit the number of trades placed in the Client’s account[s]. The Advisor reviews Client accounts periodically to evaluate the level of trading and the underlying investments, and to validate that the wrap fee program remains in the Client’s best interest. **Please see Item 5 – Fees and Compensation of the Disclosure Brochure for complete details on fees.**

### C. Fees

Investment advisory fees are paid quarterly in arrears pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the following schedule:

Assets Under Management (\$)	Annual Rate (%)
Up to \$500,000	1.50%
\$500,001 to \$1,000,000	1.25%
\$1,000,001 to \$2,000,000	1.00%
\$2,000,001 to \$5,000,000	0.75%
Over \$5,000,000	0.60%

For Clients who have less than \$500,000 in assets under management, the Advisor will charge an initial financial planning fee, based on the annual retainer fees disclosed in Item 5 – Fees and Compensation in the Disclosure Brochure above, but will be charged a reduced investment advisory fee for the first year of service. After the first year of engagement, the annual fee for ongoing financial planning will be reduced to \$500 per year. If Client assets are above \$500,000 in assets under management, the Advisor will waive the financial planning fee. The Advisor reserves the right to waive the financial planning fee at its sole discretion. Certain Clients may be charged a legacy fee schedule that differs from the above.

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client’s fees will take into

consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by DWA will be independently valued by the designated Custodian. DWA will not have the authority or responsibility to value portfolio securities.

As noted above, the Wrap Fee Program includes normal securities trading costs incurred in connection with the discretionary investment management services provided by DWA. Securities transaction fees for Client-directed trades may be charged back to the Client.

Clients will incur certain fees or charges imposed by third parties in connection with investments made on behalf of the Client's account[s] which are not included as part of the Wrap Fee Program. All fees paid to DWA for investment advisory services or part of the Wrap Fee Program are separate and distinct from the expenses charged by mutual funds and exchange-traded funds ("ETFs") to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. The Client may also incur other costs assessed by the Custodian or other parties for account related activity fees. Clients are encouraged to refer to the account opening paperwork executed with the Custodian for an outline of all third party fees not covered under this Wrap Fee Program.

The Advisor does not control nor share in any of these third party fees. Clients are encouraged to review all fees charged by the fund[s], third parties and DWA to fully understand the total fees to be paid. **Please see Item 5.C. – Other Fees and Expenses of the Disclosure Brochure.**

#### **D. Compensation**

DWA receives investment advisory fees paid by Clients for participating in the Wrap Fee Program and pays the Custodian for the costs associated with the normal trading activity in the Client's account[s]. DWA does not receive any additional compensation for Wrap Fee Program.

### **Item 5 – Account Requirements and Types of Clients**

---

DWA offers investment advisory services to individuals, high net worth individuals, trusts and estates. DWA generally requires a minimum relationship size of \$10,000 for establishing a relationship under a wrap fee program. Please see Item 7 – Types of Clients in the Disclosure Brochure for additional information.

### **Item 6 – Portfolio Manager Selection and Evaluation**

---

#### **Portfolio Manager Selection**

DWA serves as sponsor and as portfolio manager for the services under this Wrap Fee Program. The Advisor also serves as the sponsor in conjunction with Sub-Advisor services, OMP and MWP for the Wrap Fee Program.

The Advisor may recommend that a Client utilize third party manager for all or a portion of a Client's investment portfolio. The Advisor will assist in the development of the initial policy recommendations and managing the ongoing Client relationship. The Advisor will also perform initial and ongoing oversight and due diligence over the selected third party manager strategies and target allocations remain aligned with its Clients' investment objectives and overall best interests.

#### **Related Persons**

DWA's advisory person serves as the portfolio manager for this Wrap Fee Program. DWA does not serve as a portfolio manager for any third-party wrap fee programs.

#### **Performance-Based Fees**

DWA does not charge performance-based fees.

#### **Supervised Persons**

DWA's advisory person serves as the portfolio manager for all accounts, including the services described in this Wrap Fee Brochure. Details of the advisory services provided are included in Item 4.A. of the Disclosure Brochure.

#### **Methods of Analysis**

Please see Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss of the Disclosure Brochure (included with this Wrap Fee Brochure) for details on the research and analysis methods employed by the Advisor.

#### **Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. DWA will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account[s]. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor. Please see "Item 8.B. – Risk of Loss" in the Disclosure Brochure for details on investment risks.**

#### **Proxy Voting**

DWA does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

### **Item 7 – Client Information Provided to Portfolio Managers**

---

Clients participating in the Wrap Fee Program generally grant DWA the authority to discuss certain non-public information third party managers engaged to manage their account[s]. Depending upon the specific arrangement, the Advisor is authorized to disclose various personal information including, without limitation: names, phone numbers, addresses, social security numbers, driver's license, tax identification numbers and account numbers. DWA may also share certain information related to its Clients' financial positions and investment objectives in an effort to ensure that the third party manager's investment decisions remain aligned with its Clients' best interests. This information is communicated on an initial and ongoing basis, or as otherwise necessary to the management of its Clients' portfolios.

### **Item 8 – Client Contact with Portfolio Managers**

---

DWA is a full-service investment management advisory firm. Clients always have direct access to the Portfolio Manager at DWA.

### **Item 9 – Additional Information**

---

#### **A. Disciplinary Information and Other Financial Industry Activities and Affiliations**

DWA values the trust Clients place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider that the Client engages. The backgrounds of the Advisor and its Advisory Persons are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 286163.

#### Other Financial Activities and Affiliations

Please see Item 10 – Other Financial Industry Activities and Affiliation and Item 14 – Client Referrals and Other Compensation” of the Form ADV Part 2A – Disclosure Brochure (included with this Wrap Fee Brochure).

#### **B. Code of Ethics, Review of Accounts, Client Referrals, and Financial Information**

DWA has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons subject to DWA’s compliance program (our “Supervised Persons”). Complete details on the DWA Code of Ethics can be found under Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading in the Disclosure Brochure (included with this Wrap Fee Program Brochure).

#### Review of Accounts

Investments in Client account[s] are monitored on a regular and continuous basis by Mr. DeGaetano, the Chief Compliance Officer (“CCO”) of DWA. Details of the review policies and practices are provided in Item 13 – Review of Accounts of the Form ADV Part 2A – Disclosure Brochure.

#### Other Compensation

##### Participation in Institutional Advisor Platform

DWA has established an institutional relationship with LPL (“Custodian”) to assist the Advisor in managing Client account[s]. Access to the LPL platform is provided at no charge to the Advisor. The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at LPL. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence the Advisor’s recommendation of this Custodian over one that does not furnish similar software, systems support, or services.

Please see Item 14 – Other Compensation in the Form ADV Part 2A – Disclosure Brochure (included with this Wrap Fee Brochure) for details on additional compensation that may be received by DWA or its Advisory Persons. Each Advisory Person’s Brochure Supplement (also included with this Wrap Fee Brochure) provides details on any outside business activities and the associated compensation.

#### Client Referrals from Solicitors

DWA does not engage paid solicitors for Client referrals.

#### Financial Information

Neither DWA, nor its management, has any adverse financial situations that would reasonably impair the ability of DWA to meet all obligations to its Clients. Neither DWA, nor Mr. DeGaetano, have been subject to a bankruptcy or financial compromise. DWA is not required to deliver a balance sheet along with this Disclosure Brochure, as the firm does not collect advance fees of \$1,200 or more for services to be performed six months or more in advance. Please see Item 18 – Financial Information of the Form ADV Part 2A – Disclosure Brochure.

# **Form ADV Part 2B – Brochure Supplement**

**for**

**James A. DeGaetano, CPA, CFP®  
President and Chief Compliance Officer**

**Effective: May 21, 2020**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of James A. DeGaetano, Jr. CPA, CFP® (CRD# 4568113) in addition to the information contained in the JD Financial Services Inc. d/b/a Diamond Wealth Advisors (“DWA” or the “Advisor”, CRD# 286163) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the DWA Disclosure Brochure or this Brochure Supplement, please contact the Advisor at (717) 462-6422.

Additional information about Mr. DeGaetano is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 4568113.



## Item 2 – Educational Background and Business Experience

James A. DeGaetano, Jr., CPA, CFP®, born in 1977, is dedicated to advising Clients of DWA as the President and Chief Compliance Officer. Mr. DeGaetano earned a Masters in Business Administration from Widener University in 2002. Mr. DeGaetano also earned a Bachelor of Science in Accounting from Shippensburg University in 1999. Additional information regarding Mr. DeGaetano's employment history is included below.

### 10-Year Employment History:

President and Chief Compliance Officer, JD Financial Services Inc. d/b/a Diamond Wealth Advisors	03/2017 to Present
Registered Representative, LPL Financial LLC	03/2017 to Present
Financial Advisor, First Command Financial Services, Inc.	03/2007 to 03/2017
Internal Audit Manager, Carlisle Companies	09/2005 to 03/2007

### Certified Public Accountant ("CPA")

CPAs are licensed and regulated 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 minimum college education (typically 150 credit hours with at least a baccalaureate degree and 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), and successful passage of the Uniform CPA Examination. 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). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's Code of Professional Conduct within their state accountancy laws or have created their own.

### About the CFP® Designation

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP® (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP® Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- **Education** – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP® Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP® Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

- *Experience* – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- *Ethics* – Agree to be bound by CFP® Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- *Continuing Education* – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- *Ethics* – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP® Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### Item 3 – Disciplinary Information

---

***There are no legal, civil or disciplinary events to disclose regarding Mr. DeGaetano.*** Mr. DeGaetano has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. DeGaetano.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. DeGaetano.***

The Advisor encourages you to independently view the background of Mr. DeGaetano on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 4568113.

### Item 4 – Other Business Activities

---

#### Broker-Dealer Affiliation

Mr. DeGaetano is also a registered representative of LPL Financial LLC ("LPL"). LPL is a registered broker-dealer (CRD# 6413), member FINRA, SIPC. In Mr. DeGaetano's separate capacity as a registered representative, Mr. DeGaetano will typically receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by Mr. DeGaetano. Neither the Advisor nor Mr. DeGaetano will earn any investment advisory fees in connection with any products or services implemented in Mr. DeGaetano's separate capacity as a registered representative.

#### Insurance Agency Affiliations

Mr. DeGaetano is also a licensed insurance professional. Implementations of insurance recommendations are separate and apart from Mr. DeGaetano's role with DWA. As an insurance professional, Mr. DeGaetano receives customary commissions and other related revenues from the various insurance companies whose products are sold. Mr. DeGaetano is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This causes a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. DeGaetano or the Advisor.

Mr. DeGaetano is also an Advisory Board Member for Shippensburg University College of Business and Arcascien Global Ltd, LLC. The board meets two times a year for a total of three hours.

#### **Item 5 – Additional Compensation**

---

Mr. DeGaetano has additional business activities where compensation is received that are detailed in Item 4 above.

#### **Item 6 – Supervision**

---

Mr. DeGaetano serves as the President and Chief Compliance Officer of DWA. Mr. DeGaetano can be reached at (717) 462-6422.

DWA has implemented a Code of Ethics, an internal compliance document that guide each Supervised Person in meeting their fiduciary obligations to Clients of DWA. Further, DWA is subject to regulatory oversight by various agencies. These agencies require registration by DWA and its Supervised Persons. As a registered entity, DWA is subject to examinations by regulators, which may be announced or unannounced. DWA is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

## **Form ADV Part 2B – Brochure Supplement**

**for**

**Christina A. Ward  
Wealth Advisor**

**Effective: May 21, 2020**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Christina A. Ward (CRD# 4260765) in addition to the information contained in the JD Financial Services Inc. d/b/a Diamond Wealth Advisors (“DWA” or the “Advisor”, CRD# 286163) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the DWA Disclosure Brochure or this Brochure Supplement, please contact the Advisor at (717) 462-6422.

Additional information about Mrs. Ward is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with her full name or her Individual CRD# 4260765.

---

## Item 2 – Educational Background and Business Experience

---

Christina A. Ward, born in 1976, is dedicated to advising Clients of DWA as a Wealth Advisor. Mrs. Ward earned a Bachelor of Arts degree in Business from the University of Pittsburgh in 1999. Additional information regarding Mrs. Ward's employment history is included below.

### Employment History:

Wealth Advisor, JD Financial Services Inc. d/b/a Diamond Wealth Advisors	02/2020 to Present
Registered Representative, LPL Financial LLC	02/2018 to Present
Advisor, Jacqueline L. Powell & Associates Inc.	10/2009 to 01/2020

---

## Item 3 – Disciplinary Information

---

***There are no legal, civil or disciplinary events to disclose regarding Mrs. Ward.*** Mrs. Ward has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mrs. Ward.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mrs. Ward.***

The Advisor encourages you to independently view the background of Mrs. Ward on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with her full name or her Individual CRD# 4260765.

---

## Item 4 – Other Business Activities

---

### Broker-Dealer Affiliation

Mrs. Ward is also a registered representative of LPL Financial LLC ("LPL Financial"). LPL Financial is a registered broker-dealer (CRD# 6413), member FINRA, SIPC. In Mrs. Ward's separate capacity as a registered representative, Mrs. Ward will typically receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by Mrs. Ward. Neither the Advisor nor Mrs. Ward will earn ongoing investment advisory fees in connection with any products or services implemented in Mrs. Ward's separate capacity as a registered representative.

### Insurance Agency Affiliations

Mrs. Ward is also a licensed insurance professional. Implementations of insurance recommendations are separate and apart from Mrs. Ward's role with DWA. As an insurance professional, Mrs. Ward receives customary commissions and other related revenues from the various insurance companies whose products are sold. Mrs. Ward is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This causes a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mrs. Ward or the Advisor.

---

## Item 5 – Additional Compensation

---

Mrs. Ward has additional business activities where compensation is received that are detailed in Item 4 above.

---

## Item 6 – Supervision

---

Mrs. Ward serves as a Wealth Advisor of DWA and is supervised by James DeGaetano, the Chief Compliance Officer. Mr. DeGaetano can be reached at (717) 462-6422.

DWA has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of DWA. Further, DWA is subject to regulatory oversight by various agencies. These agencies require registration by DWA and its Supervised Persons. As a registered entity, DWA is subject to examinations by regulators, which may be announced or unannounced. DWA is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

## Privacy Policy

---

Effective: May 21, 2020

### Our Commitment to You

JD Financial Services Inc. d/b/a Diamond Wealth Advisors (“DWA” or the “Advisor”) is committed to safeguarding the use of personal information of our Clients (also referred to as “you” and “your”) that we obtain as your Investment Advisor, as described here in our Privacy Policy (“Policy”).

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. DWA (also referred to as “we”, “our” and “us”) protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

DWA does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors (“RIAs”) must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Driver's license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.



### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting. DWA shares Client information with LPL Financial due to the oversight LPL Financial has over certain supervised persons of the Advisor. You may also contact us at any time for a copy of the LPL Financial Privacy Policy.	Yes	No
<b>Marketing Purposes</b> DWA does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where DWA or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
<b>Information About Former Clients</b> DWA does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

### Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (717) 462-6422.