

# Private Wealth Strategies, L.L.C. Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Private Wealth Strategies, L.L.C. If you have any questions about the contents of this brochure, please contact us at (614) 888-2117 or by email at: [aosterling@shoremorganyoung.com](mailto:aosterling@shoremorganyoung.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Private Wealth Strategies, L.L.C. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Private Wealth Strategies, L.L.C.'s CRD number is: 298682.*

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*Registration as an investment adviser does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of Private Wealth Strategies, L.L.C. on 3/27/2020 are described below. Material changes relate to Private Wealth Strategies, L.L.C.'s policies, practices or conflicts of interests.

- Private Wealth Strategies, L.L.C. has updated financial information (Item 18).

## Item 3: Table of Contents

Item 1: Cover Page

<b>Item 2: Material Changes .....</b>	<b>ii</b>
<b>Item 3: Table of Contents .....</b>	<b>iii</b>
<b>Item 4: Advisory Business.....</b>	<b>4</b>
<b>Item 5: Fees and Compensation .....</b>	<b>7</b>
<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, &amp; Risk of Loss.....</b>	<b>10</b>
<b>Item 9: Disciplinary Information.....</b>	<b>15</b>
<b>Item 10: Other Financial Industry Activities and Affiliations.....</b>	<b>15</b>
<b>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</b>	<b>17</b>
<b>Item 12: Brokerage Practices .....</b>	<b>19</b>
<b>Item 13: Review of Accounts .....</b>	<b>20</b>
<b>Item 14: Client Referrals and Other Compensation.....</b>	<b>21</b>
<b>Item 15: Custody .....</b>	<b>23</b>
<b>Item 16: Investment Discretion.....</b>	<b>23</b>
<b>Item 17: Voting Client Securities (Proxy Voting) .....</b>	<b>23</b>
<b>Item 18: Financial Information.....</b>	<b>24</b>

## Item 4: Advisory Business

### A. Description of the Advisory Firm

Private Wealth Strategies, L.L.C. (hereinafter “PWSL”) is a Limited Liability Company organized in the State of Ohio. The firm was formed in August 2018, and the principal owners are Lewis D Shore & Associates, Inc. and JOMO Holdings, Inc.

### B. Types of Advisory Services

#### *Non-Wrap Fee Portfolio Management Services*

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

- Investment strategy
- Asset allocation
- Risk tolerance
- Regular portfolio monitoring
- Asset selection

PWSL evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. PWSL provides discretionary and non-discretionary portfolio management services. For client accounts managed on a discretionary basis, PWSL will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

PWSL seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its clients and without consideration of PWSL’s economic, investment or other financial interests. To meet its fiduciary obligations, PWSL attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, PWSL’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is PWSL’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

## ***Retirement Plan Advisory & Consulting Services***

PWSL may offer or refer out consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- identifying investment objectives and restrictions
- providing guidance on various assets classes and investment options
- recommending money managers to manage plan assets in ways designed to achieve objectives
- monitoring performance of money managers and investment options and making recommendations for changes
- recommending other service providers, such as custodians, administrators and broker-dealers

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan.

## ***Financial Planning***

Financial plans and financial planning may include but are not limited to: investment planning; life insurance;; retirement planning; college planning; and debt/credit planning. Financial Planning services are generally provided to you on a flat fee or hourly fee basis. You will enter into a separate written financial planning agreement. This agreement will describe the services and fees you and your Advisor have agreed upon. Many Advisors have earned professional designations that qualify them to offer these planning services, but PWSL does not require the Advisor to maintain a professional designation in order to offer financial planning services. Ask your Advisor about his or her professional designations or see their Form ADV 2B Supplement which provides their career biographical information and the professional designations earned. PWSL does not provide tax or legal advice. Please consult with your personal attorney and tax accountant.

## ***Subscription Services***

PWSL provides a newsletter to clients, employees, and prospects using PWSL's other advisory services at no additional cost; it does not entail an additional fee. It may offer recommendations on purchasing and selling specific securities, sectors, asset classes, or other specific groupings of securities at a stated time. The main purpose of the weekly publication is to educate clients on basic financial terms, macroeconomic happenings, and the general markets landscapes.

## ***Services Limited to Specific Types of Investments***

PWSL generally provides its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation

protected/inflation linked bonds and non-U.S. securities. PWSL, however, will recommend a strategy of securities including but not limited to those previously mentioned based on the Investment Policy Statement.

### **C. Client Tailored Services and Client Imposed Restrictions**

PWSL will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by PWSL on behalf of the client. PWSL may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Advice is tailored to clients based not only on risk tolerance, but assets held, liabilities, current and expected income, insurance needs, personal preferences, family needs, financial investing knowledge and experience, objectives and goals.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent PWSL from properly servicing the client account, or if the restrictions would require PWSL to deviate from its standard suite of services, PWSL reserves the right to end the relationship.

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

A Wrap Fee Program is an investment advisory program in which you pay one bundled fee to compensate PWSL and your Advisor for their services *and* to pay the transaction and clearing costs associated with transactions in the your advisory account. The PWSL Wrap Fee Programs are detailed in the PWSL Wrap Fee Program Brochure (Form ADV Part 2A Appendix I. Participation in a Wrap Fee Program is based on the client's objectives, suitability, and consultations with the advisor. The amount of trading activity is determined based on the aforementioned factors and trades are carried out at the advisor's discretion unless requested directly by the client.

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

PWSL has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$451,250,827	\$4,518,478	December 2019

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Non-Wrap Fee Portfolio Management Fees*

Total Assets Under Management	Annual Fees
\$0 - \$1,249,999	1.30%
\$1,250,000 - \$1,999,999	.90%
\$2,000,000 - \$4,999,999	0.80%
\$5,000,000 - \$9,999,999	0.70%
\$10,000,000 - \$24,999,999	0.55%
\$25,000,000 – And Up	0.40%

PWSL uses the value of the account as of the last business day of the billing period for purposes of determining the market value of the assets upon which the advisory fee is based.

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the Investment Advisory Contract, or the Pension Consulting Agreement if applicable, immediately upon written notice.

The final fee schedule will be memorialized in the client's advisory agreement. PWSL uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

#### *Financial Planning Fees*

##### **Fixed Fees**

The fixed rate for creating client financial plans is generally between \$5,000 and \$25,000. These fees are generally negotiable and the final fee will be memorialized in the client's Financial Planning Agreement.

Financial Planning services are generally provided to you on a flat fee or hourly fee basis. You will receive a written financial planning agreement before any financial services begin. This agreement will describe the services and fees you and your Advisor have agreed upon.

Clients may terminate the Financial Planning Agreement generally upon written notice.

### ***Subscription Fees***

PWSL offers a weekly subscription newsletter, "By The Numbers," the price of which is included in the price of other services such as portfolio management. This newsletter will be provided via postal mail or electronic mail and may be cancelled immediately upon written notice.

Advisory/management fees will not be amended should the client choose to opt out of the subscription.

## **B. Payment of Fees**

### ***Payment of Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization. Fees are paid quarterly in advance.

### ***Payment of Financial Planning Fees***

Financial planning fees are paid via check and are expected to be paid in advance. If not paid in advance, the payment is expected at the time of delivery of the physical financial plan. If paid in advance, PWSL will not accept prepayment of more than \$1,200 in fees per client, six months or more in advance.

## **C. Client Responsibility for Third Party Fees**

This brochure describes PWSL's non-wrap fee advisory services; clients utilizing PWSL's wrap fee portfolio management should see the separate Wrap Fee Program Brochure. Client accounts not participating in the wrap fee program are responsible for the payment of all third party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by PWSL. Please see Item 12 of this brochure regarding broker/custodian.

## **D. Prepayment of Fees**

PWSL collects fees in advance. Any unearned portion of the fee when service is terminated will be returned to the client via check, or return deposit back into the client's account.

For all asset based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee by 365. In the event that this occurs during a leap



year the calculation will be (\*The daily rate is calculated by dividing the annual asset-based fee by 366. )

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

### **E. Outside Compensation for the Sale of Securities to Clients**

Some or all of the Investment Adviser Representatives (IAR) of PWSL are also licensed as registered representatives and/or insurance agents. In these roles, they accept compensation for the sale of investment products to PWSL clients.

These IARs in these outside roles as an insurance agent and registered representative may accept compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds or alternative investments, including but not limited to real estate investments trusts, business development companies, and private placements to PWSL's clients. This presents a conflict of interest and gives the IAR in their outside roles as an insurance agent and registered representative an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of investment products for which the IARs in their outside roles receives compensation, PWSL will document the conflict of interest in the client file and inform the client of the conflict of interest. Clients always have the option to purchase PWSL recommended products through other brokers or agents that are not affiliated with PWSL.

Commissions are not PWSL's primary source of compensation as a firm. However, as discussed above, the IARs in their outside roles of PWSL, as registered representatives and insurance agents may receive commissions. Advisory fees that are charged to clients are not reduced to offset the commissions or markups on investment products recommended to clients by IARs of PWSL in their outside roles as described above.

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

PWSL does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

A performance based fee is an advisory fee that compensates the advisor for the advisor's success in managing his client's money or "a fee based on the share of the capital gains and appreciation of a client's funds." A performance based fee may induce an advisor to take greater and undue risks with client's funds in an attempt to generate higher compensation to the advisor.

## **Item 7: Types of Clients**

PWSL generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Charitable Organizations
- ❖ Corporations or Business Entities

There is no account minimum for any of PWSL's services.

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

### **A. Methods of Analysis and Investment Strategies**

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

PWSL's methods of analysis include Charting analysis, Cyclical analysis, Fundamental analysis, Quantitative analysis and Technical analysis.

**Charting analysis** involves the use of patterns in performance charts. PWSL uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

#### ***Investment Strategies***

PWSL uses long term investing, short term trading, margin transactions and options trading (including covered options, uncovered options, or spreading strategies) Material risks involved in using these strategies are described below. In order to invest in a hedge fund, clients are required to be qualified as an accredited investor. The firm may recommend unusually risky investments to clients. For example, if it is in accordance with

the client's objectives, tolerance, investment experience and knowledge, PWSL may recommend hedge funds including the Switchback Dynamic Volatility Fund 1, LP, which are typically riskier than other investments.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### *Methods of Analysis*

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance; however, past performance is not indicative of future performance.

**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.

**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.

**Quantitative analysis** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**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.

### *Investment Strategies*

PWSL's use of margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term investing** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long term investing risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

PWSL's use of margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**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. Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Because ETFs use "authorized participants" (APs) as agents to facilitate creations or redemptions (primary market), there is a risk that an AP decides to no longer participate for a particular ETF; however, that risk is mitigated by the fact that other APs can step in to fill the vacancy of the withdrawing AP [an ETF typically has multiple APs] and ETF transactions predominantly take place in the secondary market without need for an AP. Like other liquid securities, ETF pricing changes throughout the trading day and there can be no guarantee that an ETF is purchased at the optimal time in terms of market movements. Moreover, due to market fluctuations, ETF brokerage costs, differing demand and characteristics of underlying securities, and other factors, the price of an ETF can be lower than the aggregate market price of its cash and component individual securities (net asset value – NAV). An ETF is subject to the same market risks as those of its underlying individual securities, and also has internal expenses that can lower investment returns.

**Inverse ETFs** are designed to produce the inverse returns on a daily basis of whatever index they are tracking. For example if the S&P 500 were to fall 10% in a given day, an S&P 500 inverse ETF would be up 10% that same day. Because inverse ETFs “reset” daily, their performance over longer periods of time -- over weeks or months or years -- can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time. This effect can be magnified in volatile markets.

**Leveraged 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). Leverage provides additional risk, as any losses sustained will constitute a greater percentage of principal than if leverage had not been employed. Additionally, if losses occur, the value of the account may fall below the lender’s threshold thereby forcing the account holder to devote more assets to the account or sell assets on a shorter time frame than desired. Areas of concern for ETFs 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.

**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.

**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.

**Real Estate** exposure (including REITs) entails several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Specifically, revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities** are retirement products for those who may have the ability to pay a premium now and want to guarantee they receive certain payments or a return on investment in the future. Annuities are contracts issued by a life insurance company designed to meet retirement 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 money early. Variable annuities also involve investment risks, just as mutual funds do.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**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.

**Hedge Funds** often engage in leveraging and other speculative investment practices that may increase the risk of investment loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; may involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

*Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.*

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-Regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Some or all of the IARs of PWSL are also licensed as registered representatives of Lincoln Investment Planning, LLC (Lincoln Investment), a dually registered broker-dealer and registered investment adviser, and thus may accept compensation for the sale of securities to PWSL clients.

## **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither PWSL nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

## **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

As noted above, some or all of the IARs of PWSL are also licensed as registered representatives of Lincoln. As such, an IAR may also act as agent and offer to you securities (such as mutual funds, annuities, stocks, or bonds) or insurance. If you choose to engage with IARs of PWSL and acquire these other services or products, the IARs of PWSL will receive additional compensation. Lincoln Investment and PWSL are not affiliated and each is separately responsible for complying with the rules and regulations of the Investment Advisers Act of 1940 and/or any applicable states' rules and regulations relating to investment advisory activities. Lincoln Investment neither conducts due diligence of the PWSL's advisory services nor endorses any advisory services offered by PWSL. PWSL and its IARs must disclose or make available to Lincoln, confidential information about its customers. Lincoln shall only use this information for its broker dealer supervisory purposes. Moreover, PWSL and its IARs have entered into a confidentiality agreement with Lincoln Investment to ensure client information is protected.

Some or all of the IARs of PWSL are also licensed as insurance agents with Shore Morgan Young Wealth Strategies, an insurance agency affiliated with PWSL, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. PWSL always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to use the services of any representative of PWSL in connection with such individual's activities outside of PWSL.

Additionally, some or all of the IARs of PWSL are also investment adviser representatives with Lincoln Investment and/or Capital Analysts, LLC (Capital Analysts). Capital Analysts is an affiliated registered investment adviser of Lincoln Investment. Capital Analyst and PWSL are not affiliated and each is separately responsible for complying with the rules and regulations of the Investment Advisers Act of 1940 and/or any applicable states' rules and regulations relating to investment advisory activities. Capital Analysts neither conducts due diligence of the PWSL's advisory services nor endorses any advisory services offered by PWSL. From time to time, some or all of the IARs of PWSL offer clients



advice or products from Lincoln Investment and/or Capital Analysts and clients should be aware that these services may involve a conflict of interest. PWSL seeks to act in the best interest of the client and clients are in no way required to use the services of PWSL in connection with such individual's activities outside of PWSL and clients are in no way required to use the services Lincoln Investment, or Capital Analysts.

Jon Ryan Morgan, Lewis Dorian Shore, and Marya Changizi Young are equity owners, members and passive owners in Switchback Global LLC, the General Partner of Switchback Dynamic Volatility Fund 1, LP ("the Fund"). Jon Ryan Morgan, Lewis Dorian Shore, and Marya Changizi Young can introduce prospective clients to the Fund and refer clients to the Fund. They may recommend clients of PWSL to invest in the Fund. This is a Hedge Fund whose objective is to achieve capital growth through a quantitative-driven investment model to buy and sell volatility instruments tied to the S&P 500. The Fund uses quantitative models to make daily judgements on volatility-related metrics to determine whether the fund should be long, short, or neutral (in cash). Compensation for introductions or referrals to the Fund by Jon Ryan Morgan, Lewis Dorian Shore, and Marya Changizi Young is paid via commissions to Lincoln Investment Planning, LLC, their Broker/Dealer, which is then paid to Jon Morgan and Lewis Shore as commissions. This presents a conflict of interest in that related persons of PWSL may share in the profits of the General Partner, earned as management fees and performance fees of the Fund. This is in addition to compensation from the Fund in the form of commissions for the client referral to the Fund.

#### **D. Selection of Other Advisers or Managers**

PWSL may engage with third-party investment advisers in the future.

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

#### **A. Code of Ethics**

PWSL has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. PWSL's Code of Ethics is available free upon request to any client or prospective client.

## **B. Recommendations Involving Material Financial Interests**

PWSL and its associated persons may have material financial interests in issuers of securities that PWSL may recommend for purchase or sale by clients. Specifically, as noted above, certain representatives of PWSL are also passive owners in Switchback Global LLC which owns and operates the Switchback Dynamic Volatility Fund 1, LP ("the Fund"). The Fund is used for portfolio diversification and hedging for PWSL clients when appropriate and they may recommend that clients of PWSL invest in the hedge fund.

Jon Ryan Morgan, Lewis Dorian Shore, and Marya Changizi Young are equity owners, members and passive owners in Switchback Global LLC, the General Partner of Switchback Dynamic Volatility Fund 1, LP ("the Fund"). Jon Ryan Morgan, Lewis Dorian Shore, and Marya Changizi Young can introduce prospective clients to the Fund and refer clients to the Fund. They may recommend clients of PWSL to invest in the Fund. This is a Hedge Fund whose objective is to achieve capital growth through a quantitative-driven investment model to buy and sell volatility instruments tied to the S&P 500. The Fund uses quantitative models to make daily judgements on volatility-related metrics to determine whether the fund should be long, short, or neutral (in cash). Compensation for introductions or referrals to the Fund by Jon Ryan Morgan, Lewis Dorian Shore, and Marya Changizi Young is paid via commissions to Lincoln Investment Planning, the Broker/Dealer, which is then paid to Jon Morgan and Lewis Shore as commissions. This presents a conflict of interest in that related persons of PWSL may share in the profits of the General Partner, earned as management fees and performance fees of the Fund. This is in addition to compensation from the Fund in the form of commissions for the client referral to the Fund. Client approval will be sought for client investment in such recommendations. The recommendation to Switchback to clients will be in the capacity as a broker-dealer representative and not as a representative of PWSL. PWSL always acts in the best interest of the client consistent with its fiduciary duties and clients are not required invest in such investments if they do not wish to do so.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, IARs of PWSL buys or sells securities for themselves that they also recommend to clients. This may provide an opportunity for IARs of PWSL to buy or sell the same securities before or after recommending the same securities to clients resulting in IARs profiting off the recommendations they provide to clients. PWSL will give priority to clients when trading in the same securities. Such transactions may create a conflict of interest. The CCO will always document any transactions that could be construed as conflicts of interest and PWSL will always transact client business before its own when similar securities are being bought or sold. PWSL will always document any transactions that could be construed as conflicts of interest and PWSL does not engage in trading that operates to the client's disadvantage when similar securities are being bought or sold. Personal trading of IARs will be monitored by CCO to ensure compliance with policies and procedures and that no trading occurs to the client's disadvantage.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, IARs of PWSL buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for IARs of PWSL to buy or sell securities before or after recommending securities to clients resulting in IARs profiting off the recommendations they provide to clients. PWSL will give priority to clients when trading in the same securities. Such transactions may create a conflict of interest; however, PWSL does not engage in trading that operates to the client's disadvantage if representatives of PWSL buy or sell securities at or around the same time as clients. The CCO will always document any transactions that could be construed as conflicts of interest and PWSL will always transact client business before its own when similar securities are being bought or sold. Personal trading of IARs will be monitored by CCO to ensure compliance with policies and procedures and that no trading occurs to the client's disadvantage.

### **Item 12: Brokerage Practices**

#### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on PWSL's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and PWSL may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in PWSL's research efforts. PWSL does not currently charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

PWSL will require clients to use TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC. TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC ("TD Ameritrade"). TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. By selecting the broker-dealer, Client understands and agrees that PWSL may not have the authority to negotiate commissions among various broker-dealers. Further, PWSL may not be able to obtain volume discounts that it may be able to obtain for other Clients. As a consequence, best execution may not be achieved.

## ***1. Research and Other Soft-Dollar Benefits***

In addition to the soft dollars program in which soft dollars are used to pay for third party services, PWSL may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). PWSL may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and PWSL does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. PWSL benefits by not having to produce or pay for the research, products or services, and PWSL will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that PWSL's acceptance of soft dollar benefits may result in higher commissions charged to the client.

## ***2. Brokerage for Client Referrals***

PWSL receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

PWSL will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

If it is determined that it is in the client's best interest to aggregate trades, PWSL may choose to utilize block trading.

## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Periodic Reviews**

All client accounts for PWSL's advisory services provided on an ongoing basis are reviewed at least annually by an investment adviser representative of Private Wealth Strategies, L.L.C. with regard to clients' respective investment policies and risk tolerance levels. Clients are contacted, with the best of PWSL's abilities, at minimum annually, for

a review of their accounts. If the client is not responsive to the attempts, a prepared review is sent to them via mail or email.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by an investment advisor representative. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further comprehensive financial plans provided unless specifically requested by the client or deemed warranted by the advisor for a fee.

There is no review for subscription services beyond PWSL's review prior to rendering the subscription advice.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, PWSL's services will generally conclude upon delivery of the financial plan unless the client chooses to engage PWSL for portfolio management services.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of PWSL's advisory services provided on an ongoing basis will receive a quarterly account statement from the custodian

Each financial planning client will receive the financial plan upon completion.

PWSL does not provide reports relating to its subscription services.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

Currently, PWSL may accept compensation for client referrals, but does not have any such arrangements in place at this time. PWSL will fully disclose to clients the details of any referral relationships.

As disclosed under Item 12 above, PWSL participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. PWSL receives some benefits from TD Ameritrade through its participation in the Program.

As part of the Program, PWSL may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between PWSL's participation in the Program and the investment advice it gives to its clients, although PWSL receives economic benefits through its 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 PWSL 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 PWSL's 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 PWSL by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by PWSL's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit PWSL but may not benefit its client accounts. These products or services may assist PWSL in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help PWSL manage and further develop its business enterprise. The benefits received by PWSL or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, PWSL endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by PWSL or its related persons in and of itself creates a conflict of interest and may indirectly influence the PWSL's choice of TD Ameritrade for custody and brokerage services.

PWSL 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 partial or full economic benefits paid directly to Constant Contact, a business communications service; Skynet Technologies, an IT service provider; and Thinkpipes, a TD Ameritrade proprietary advanced trading/research tool helping better serve PWSL clients. TD Ameritrade provides the Additional Services to PWSL in its sole discretion and at its own expense, and PWSL does not pay any fees to TD Ameritrade for the Additional Services. PWSL and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

PWSL's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to PWSL, TD Ameritrade most likely considers the amount and

profitability to TD Ameritrade of the assets in, and trades placed for, PWSL's client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with PWSL, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, PWSL may have an incentive to recommend to its clients that the assets under management by PWSL be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. PWSL'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.

#### **B. Compensation to Non - Advisory Personnel for Client Referrals**

PWSL may, via written arrangement, retain third parties to act as solicitors for PWSL's investment management services. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law.

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, PWSL will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

### **Item 16: Investment Discretion**

PWSL provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, PWSL generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, PWSL's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to PWSL).

### **Item 17: Voting Client Securities (Proxy Voting)**

PWSL will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

PWSL neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions**

We chose to apply for a Paycheck Protection Program (PPP) Loan versus laying off or reducing the pay of our valuable and essential employees. We have since received a PPP loan in the amount of \$210,710. Due to the fact that PWSL advises over 400 families, we felt it imperative to ensure ongoing business liquidity so that we could continue to operate our advisory business at this crucial time and maintain full employment, despite significant and ongoing uncertainty surrounding future revenue.

### **C. Bankruptcy Petitions in Previous Ten Years**

PWSL has not been the subject of a bankruptcy petition in the last ten years.