

**FORM ADV PART 2A  
DISCLOSURE BROCHURE**



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This brochure provides information about the qualifications and business practices of Big Sioux Financial, Inc. DBA Big Sioux Wealth Management. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 605-882-4280. 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 Big Sioux Financial, Inc. DBA Big Sioux Wealth Management (CRD #299593) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**SEPTEMBER 25,  
2020**

## **Item 2: Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

Since the last filing of this brochure on March 2, 2020, the following has change:

- Item 4 has been updated to reflect the current assets under management.
  - The phone number has been updated on the cover pages.
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### **Full Brochure Available**

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

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## Item 4: Advisory Business

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### Firm Description

Big Sioux Financial, Inc. was founded in 1988. Big Sioux Financial, Inc. DBA Big Sioux Wealth Management ("Big Sioux") was formed and became a Registered Investment Advisor in 2019. Big Sioux Financial, Inc also has a DBA Big Sioux Investments & Insurance that was formed in 2019. Finally, Big Sioux Financial, Inc. owns the entity Reliabank Dakota. David Johnson, Janet Johnson, Ethan Johnson and Reid Johnson are all unregistered majority owners, and will not offer financial advisory services. Dustin Padgett serves as the Division President, Chief Compliance Officer and is an Investment Advisor Representative for the firm.

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### Types of Advisory Services

#### ASSET MANAGEMENT

Big Sioux offers discretionary and non-discretionary asset management services to advisory Clients. Big Sioux will offer Clients ongoing asset management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors. The Client will authorize Big Sioux discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

#### Discretionary

When the Client provides Big Sioux discretionary authority the Client will sign a limited trading authorization or equivalent. Big Sioux will have the authority to execute transactions in the account without seeking Client approval on each transaction.

#### Non-discretionary

When the Client elects to use Big Sioux on a non-discretionary basis, Big Sioux will determine the securities to be bought or sold and the amount of the securities to be bought or sold. However, Big Sioux will obtain prior Client approval on each and every transaction before executing any transaction.

#### ERISA PLAN SERVICES

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

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

#### 1. Fiduciary Services are:

- Provide non-discretionary investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan's investment policies and objectives. Client will make the final decision regarding the initial selection,

retention, removal and addition of investment options. Big Sioux acknowledges that it is a fiduciary as defined in ERISA section 3 (21) (A) (ii).

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

2. Non-fiduciary Services are:

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

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

3. Big Sioux has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- Employer securities;
- Real estate (except for real estate funds or publicly traded REITs);
- Stock brokerage accounts or mutual fund windows;
- Participant loans;
- Non-publicly traded partnership interests;
- Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to Big Sioux on the ERISA Agreement. Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

#### FINANCIAL PLANNING AND CONSULTING

If financial planning services are applicable, a thorough review of all applicable topics including but not limited to, Investments, Qualified Plans, Insurance, and Retirement Income will be reviewed. If a conflict of interest exists between the interests of Big Sioux and the interests of the Client, the Client is under no obligation to act upon Big Sioux's recommendation. If the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transaction through Big Sioux. Financial plans will be completed and delivered inside of thirty (30) days contingent upon timely delivery of all required documentation.

#### SEMINARS AND WORKSHOPS

Big Sioux holds seminars and workshops to educate the public on different types of investments and the different services they offer. The seminars are educational in nature and no specific investment or tax advice is given.

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

The goals and objectives for each Client are documented in our Client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities. Agreements may not be assigned without written Client consent.

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#### **Wrap Fee Programs**

Big Sioux does not sponsor any wrap fee programs.

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#### **Client Assets under Management**

As of September 21, 2020 Big Sioux has \$87,878,148 in discretionary assets and \$43,283,266 of non-discretionary assets.

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### **Item 5: Fees and Compensation**

#### **Method of Compensation and Fee Schedule**

##### ASSET MANAGEMENT

Big Sioux offers direct asset management services to advisory Clients. Big Sioux charges an annual investment advisory fee based on the total assets under management as follows:

Assets Under Management	Annual Fee	Quarterly Fee
Under \$100,000	1.10%	.275%
\$100,000 to \$250,000	1.05%	.263%
\$250,001 to \$750,000	1.00%	.250%
\$750,001 to \$1,000,000	0.90%	.225%
\$1,000,001 to \$3,000,000	0.80%	.200%
\$3,000,001 to \$6,000,000	0.70%	.175%
Over \$6,000,001	.65%	.163%

This is a tiered or breakpoint fee schedule, the entire portfolio is charged the same asset management fee. For example, a Client with \$750,000 under management would pay \$6,750 on an annual basis.  $\$750,000 \times 0.90\% = \$6,750$ .



The annual fee may be negotiable based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.). Fees are billed quarterly in advance based on the amount of assets managed as of the close of business on the last business day of the previous quarter. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation and without penalty. Clients may terminate advisory services with thirty (30) days written notice. For accounts opened or closed mid-billing period, fees will be prorated based on the days services are provided during the given period. All unpaid earned fees will be due to Big Sioux. Additionally, all unearned fees will be refunded to the Client. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

#### ERISA PLAN SERVICES

The annual fees are based on the market value of the Included Assets and will not exceed 1%. The annual fee is negotiable and may be charged as a percentage of the Included Assets or as a flat fee. Fees may be charged quarterly or monthly in arrears or in advance based on the assets as calculated by the custodian or record keeper of the Included Assets (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets). If the services to be provided start any time other than the first day of a quarter or month, the fee will be prorated based on the number of days remaining in the quarter or month. If this Agreement is terminated prior to the end of the billing cycle, Big Sioux shall be entitled to a prorated fee based on the number of days during the fee period services were provided or Client will be due a prorated refund of fees for days services were not provided in the billing cycle.

The fee schedule, which includes compensation of Big Sioux for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees. Client may elect to be billed directly or have fees deducted from Plan Assets. Big Sioux does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, Big Sioux will disclose this compensation, the services rendered, and the payer of compensation. Big Sioux will offset the compensation against the fees agreed upon under the Agreement.

#### FINANCIAL PLANNING AND CONSULTING

Big Sioux charges an hourly fee for financial planning. Prior to the planning process the Client will be provided an estimated plan fee. Services are completed and delivered inside of thirty (30) days contingent upon timely delivery of all required documentation. Client may cancel within five (5) business days of signing Agreement with no obligation and without penalty. If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client, or any unpaid earned fees will be due to Big Sioux. Big Sioux reserves the right to waive the fee should the Client implement the plan through Big Sioux. Fees for financial plans are due upon delivery of the completed plan.

#### HOURLY FEES

Financial Planning and Consulting Services are offered based on an hourly fee of \$250 per hour.

## SEMINARS AND WORKSHOPS

Big Sioux holds seminars and workshops to educate the public on different types of investments and the different services they offer. The seminars are educational in nature and no specific investment or tax advice is given. Big Sioux does not charge a fee for attendance to these seminars.

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### **Client Payment of Fees**

Investment management fees are billed quarterly in advance, meaning that we invoice you before the billing period. Fees are usually deducted from a designated Client account to facilitate billing. The Client must consent in advance to direct debiting of their investment account.

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

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

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### **Additional Client Fees Charged**

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities, and exchange-traded funds. These charges may include mutual fund transaction fees, postage and handling and miscellaneous fees. For more details on the brokerage practices, see Item 12 of this brochure.

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### **Prepayment of Client Fees**

Big Sioux does not require any prepayment of fees of more than \$1,200 per Client and six months or more in advance.

Investment management fees are billed quarterly in advance.

Fees for ERISA 3(21) services may be billed in advance.

If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client, or any unpaid earned fees will be due to Big Sioux.

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### **External Compensation for the Sale of Securities to Clients**

Mr. Padgett receives external compensation for the sale of securities to clients as a registered representative of Gradient Securities, LLC, a broker-dealer. Approximately 5% of his time is spent in this practice and less than 15% of his total revenue is generated as a registered representative. He will offer clients products from this activity.

This represents a conflict of interest because it gives an incentive to recommend products based on the commission received. As a registered representative, Mr. Padgett does not charge advisory fees for the services offered through Gradient Securities, LLC. This conflict is mitigated by disclosures, procedures, and the firm's fiduciary obligation to place the best interest of the Client first and Clients are not required to purchase any products or services. Clients have the option to purchase these products through another registered representative of their choosing.

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

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### **Sharing of Capital Gains**

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

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

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

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### **Description**

Big Sioux generally provides investment advice to individuals, high net worth individuals, trusts, estates, or charitable organizations, corporations or business entities. Client relationships vary in scope and length of service.

### **Account Minimums**

Big Sioux does not require a minimum to open an account.

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

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### **Methods of Analysis**

Security analysis methods may include fundamental analysis and technical analysis. Investing in securities involves risk of loss that Clients should be prepared to bear. Past performance is not a guarantee of future returns.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis 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.

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

The main sources of information include financial newspapers and magazines, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

### **Investment Strategy**

The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time by providing written notice to Big Sioux. Each Client executes a Client profile form or similar form that documents their objectives and their desired investment strategy.

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## Security Specific Material Risks

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with Big Sioux:

- *Market Risk:* The prices of securities held by mutual funds in which Clients invest may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by a fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations. Investors should have a long-term perspective and be able to tolerate potentially sharp declines in market value.
- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Management Risk:* The advisor's investment approach may fail to produce the intended results. If the advisor's assumptions regarding the performance of a specific asset class or fund are not realized in the expected time frame, the overall performance of the Client's portfolio may suffer.
- *Equity Risk:* Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund or ETF can be more volatile than the market as a whole. This volatility affects the value of the Client's overall portfolio. Small- and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.
- *Fixed Income Risk:* The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will

decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities held by a fund is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.

- *Investment Companies Risk:* When a Client invests in open end mutual funds or ETFs, the Client indirectly bears their proportionate share of any fees and expenses payable directly by those funds. Therefore, the Client will incur higher expenses, which may be duplicative. In addition, the Client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value or (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. Adviser has no control over the risks taken by the underlying funds in which Client invests.
- *Long-term purchases:* Long-term investments are those vehicles purchased with the intension of being held for more than one year. Typically the expectation of the investment is to increase in value so that it can eventually be sold for a profit. In addition, there may be an expectation for the investment to provide income. One of the biggest risks associated with long-term investments is volatility, the fluctuations in the financial markets that can cause investments to lose value.
- *Trading risk:* Investing involves risk, including possible loss of principal. There is no assurance that the investment objective of any fund or investment will be achieved.

## **Item 9: Disciplinary Information**

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### **Criminal or Civil Actions**

Big Sioux and its management have not been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

Big Sioux and its management have not been involved in administrative enforcement proceedings.

### **Self-Regulatory Organization Enforcement Proceedings**

Big Sioux and its management have not been involved in legal or disciplinary events that are material to a Client's or prospective Client's evaluation of Big Sioux or the integrity of its management.

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

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### **Broker-Dealer or Representative Registration**

Big Sioux is not registered as a broker-dealer, however, Division President Dustin Padgett is a registered representative of Gradient Securities, LLC, a FINRA/SIPC broker-dealer.

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**Futures or Commodity Registration**

Neither Big Sioux nor its affiliated representatives are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

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**Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Division President, Dustin Padgett has a financial affiliated business as an insurance agent with Big Sioux Financial, Inc. dba Big Sioux Wealth Management. He is also a registered representative with Gradient Securities, LLC. Approximately 5% of his time is spent on these activities. He will offer Clients services from those activities. As an insurance agent and a registered representative, he may receive separate yet typical compensation.

These practices represent conflicts of interest because it gives an incentive to recommend products based on the commission amount received. This conflict is mitigated by disclosures, procedures and the firm's fiduciary obligation to place the best interest of the Client first and the Clients are not required to purchase any products. Clients have the option to purchase these products through another insurance agent or registered representative of their choosing.

Mr. Padgett is also an investor in Prairie Winds Golf Course but this is not a conflict of interest as Clients will not be offered investment opportunities or other services from this activity.

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**Recommendations or Selections of Other Investment Advisors and Conflicts of Interest**

Big Sioux does not select or recommend other investment advisors.

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

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**Code of Ethics Description**

The affiliated persons (affiliated persons include employees and/or independent contractors) of Big Sioux have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of Big Sioux affiliated persons and addresses conflicts that may arise. The Code defines acceptable behavior for affiliated persons of Big Sioux. The Code reflects Big Sioux and its supervised persons' responsibility to act in the best interest of their Client.

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

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

Big Sioux's Code is based on the guiding principle that the interests of the Client are our top priority. Big Sioux's officers, directors, advisors, and other affiliated persons have a fiduciary duty to our Clients and must diligently perform that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client's interests over the interests of either affiliated persons or the company.

The Code applies to "access" persons. "Access" persons are affiliated persons who have access to non-public information regarding any Clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public.

Big Sioux will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

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**Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

Big Sioux and its affiliated persons do not recommend to Clients securities in which we have a material financial interest.

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

Big Sioux and its affiliated persons may buy or sell securities that are also held by Clients. In order to mitigate conflicts of interest such as trading ahead of Client transactions, affiliated persons are required to disclose all reportable securities transactions as well as provide Big Sioux with copies of their brokerage statements.

The Chief Compliance Officer of Big Sioux is Dustin Padgett. He reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over associated persons' transactions.

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

Big Sioux does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, affiliated persons may buy or sell securities at the same time they buy or sell securities for Clients. In order to mitigate conflicts of interest such as front running, affiliated persons are required to disclose all reportable securities transactions as well as provide Big Sioux with copies of their brokerage statements.

The Chief Compliance Officer of Big Sioux is Dustin Padgett. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over associated persons' transactions.

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**Item 12: Brokerage Practices**

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**Factors Used to Select Broker-Dealers for Client Transactions**

Big Sioux may recommend the use of a particular broker-dealer such as TD Ameritrade Institutional is a Division of TD Ameritrade, Inc., Member FINRA/SIPC ("TD Ameritrade"),

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

Big Sioux participates in the TD Ameritrade Institutional program. TD Ameritrade is an independent SEC-registered broker-dealer and is not affiliated with Big Sioux. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Big Sioux receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14)

- *Directed Brokerage*

In circumstances where a Client directs Big Sioux to use a certain broker-dealer, Big Sioux still has a fiduciary duty to its Clients. The following may apply with Directed Brokerage: Big Sioux 's inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among Clients and conflicts of interest arising from brokerage firm referrals. The firm may be unable to achieve most favorable execution of client transactions, and this practice may cost clients more money.

- *Best Execution*

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

- *Soft Dollar Arrangements*

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

A conflict of interest exists when Big Sioux receives soft dollars. This conflict is mitigated by the fact that Big Sioux has a fiduciary responsibility to act in the best interest of its Clients and the services received are beneficial to all Clients.

Big Sioux utilizes the services of custodial broker dealers. Economic benefits are received by Big Sioux which would not be received if Big Sioux did not give investment advice to Clients. These benefits include: A dedicated trading desk, a



dedicated service group and an account services manager dedicated to Big Sioux's accounts, ability to conduct "block" Client trades, electronic download of trades, balances and positions, duplicate and batched Client statements, and the ability to have advisory fees directly deducted from Client accounts.

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#### **Aggregating Securities Transactions for Client Accounts**

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

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

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

Account reviews are performed quarterly by the Chief Compliance Officer of Big Sioux. Account reviews are performed more frequently when market conditions dictate. Reviews of Client accounts include, but are not limited to, a review of Client documented risk tolerance, adherence to account objectives, investment time horizon, and suitability criteria, reviewing target bans of each asset class to identify if there is an opportunity for rebalancing, and reviewing accounts for tax loss harvesting opportunities.

Financial plans generated are updated as requested by the Client and pursuant to a new or amended agreement, Big Sioux suggests updating at least annually.

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#### **Review of Client Accounts on Non-Periodic Basis**

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

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#### **Content of Client Provided Reports and Frequency**

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by Big Sioux's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs.

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

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

Mr. Padgett receives external compensation for the sale of securities to Clients as a registered representative of Gradient Securities, LLC, a broker-dealer.

As disclosed under Item 12 above, Big Sioux participates in TD Ameritrade's institutional customer program and Big Sioux may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Big Sioux's participation in the program and the investment advice it gives to its Clients, although Big Sioux 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 Big Sioux participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Big Sioux by third party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by Big Sioux's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Big Sioux but may not benefit its Client accounts. These products or services may assist Big Sioux in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Big Sioux manage and further develop its business enterprise. The benefits received by Big Sioux 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, Big Sioux endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by Big Sioux or its related persons in and of itself creates a conflict of interest and may indirectly influence the Big Sioux's choice of TD Ameritrade for custody and brokerage services.

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**Advisory Firm Payments for Client Referrals**

Big Sioux does not compensate for Client referrals.

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**Item 15: Custody**

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**Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to Clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodians to any documentation or reports prepared by Big Sioux.

Big Sioux is deemed to have constructive custody solely because advisory fees are directly deducted from Client's accounts by the custodian on behalf of Big Sioux.

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**Item 16: Investment Discretion**

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**Discretionary Authority for Trading**

If applicable, Client will authorize Big Sioux discretionary authority, via the advisory agreement, to determine, without obtaining specific Client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. If applicable, Client will authorize Big Sioux discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement. If however, consent for discretion is not given, Big Sioux will obtain prior Client approval before executing each transaction.

Big Sioux allows Client's to place certain restrictions, as outlined in the Client's Investment Policy Statement or similar document. Such restrictions could include only allowing purchases of socially conscious investments. These restrictions must be provided to Big Sioux in writing.

The Client approves the custodian to be used and the commission rates paid to the custodian. Big Sioux does not receive any portion of the transaction fees or commissions paid by the Client to the custodian.

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## **Item 17: Voting Client Securities**

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### **Proxy Votes**

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

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

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## **Item 18: Financial Information**

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### **Balance Sheet**

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

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

Big Sioux has no condition that is reasonably likely to impair our ability to meet contractual commitments to our Clients.

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### **Bankruptcy Petitions during the Past Ten Years**

Big Sioux has not had any bankruptcy petitions in the last ten years.

Item 1 Cover Page  
**SUPERVISED PERSON BROCHURE**  
FORM ADV PART 2B

Dustin Padgett, CFP®, AIF®



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[Dustin@bigsiouxwealth.com](mailto:Dustin@bigsiouxwealth.com)

**Website:**  
[www.bigsiouxwealth.com](http://www.bigsiouxwealth.com)

This brochure supplement provides information about Dustin Padgett and supplements the Big Sioux Wealth Management brochure. You should have received a copy of that brochure. Please contact Dustin Padgett if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about Dustin Padgett (CRD #3084029) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**SEPTEMBER 25,  
2020**

## Brochure Supplement (Part 2B of Form ADV)

### Supervised Person Brochure

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#### Principal Executive Officer – Dustin Padgett, CFP®, AIF®

- Year of birth: 1975
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#### Item 2 - Educational Background and Business Experience

##### Educational Background:

- University of South Dakota; BBA Business Finance; 1998

##### Business Experience:

- Big Sioux Financial, Inc. dba Big Sioux Wealth Management; Insurance agent; 01/2020 -Present
- Big Sioux Financial, Inc. dba Big Sioux Wealth Management; Division President/ Investment Advisor Representative/Chief Compliance Officer; 08/2019 – Present
- Gradient Securities, LLC; Registered Representative; 08/2019 – Present
- Big Sioux Financial, Inc. dba Big Sioux Investments & Insurance; Insurance agent; 08/2019 – 01/2020
- Reliabank Dakota; Branch Manager; 11/1999 – 08/2019
- Raymond James Financial Services, Inc.; Registered Representative; 06/2000 – 08/2019
- Raymond James Financial Services Advisors, Inc.; Investment Advisor Representative; 01/2009 – 07/2019

##### Professional Designations:

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Dustin Padgett has earned certifications and credentials that are required to be explained in further detail.

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.

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.

Accredited Investment Fiduciary® (AIF®): Accredited Investment Fiduciary designation is awarded from the Center for Fiduciary Studies, LLC. AIF® certification requirements:

- Complete training curriculum.
- Pass the 60 questions AIF® exam with 75% correct answers.
- Sign and agree to abide by a Code of Ethics.
- Complete six hours of continuing professional education, four of which are fi360 Training CE.
- Maintain current contact information in fi360's designee database.
- Submit yearly renewal application with annual dues.

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### **Item 3 - Disciplinary Information**

*Criminal or Civil Action*: None to report.

*Administrative Proceeding*: None to report.

*Self-Regulatory Proceeding*: None to report.

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### **Item 4 - Other Business Activities Engaged In**

Division President, Dustin Padgett has a financial affiliated business as an insurance agent with Big Sioux Financial, Inc. dba Big Sioux Wealth Management. He is also a registered representative with Gradient Securities, LLC. Approximately 5% of his time is spent on these activities. He will offer Clients services from those activities. As an insurance agent and a registered representative, he may receive separate yet typical compensation.

These practices represent conflicts of interest because it gives an incentive to recommend products based on the commission or fee amount received. This conflict is mitigated by disclosures, procedures and the firm's fiduciary obligation to place the best interest of the Client first and the Clients are not required to purchase any products or services. Clients have the option to purchase these products through another insurance agent or registered representative of their choosing. See Item 10 for more details.

Mr. Padgett is also an investor in Prairie Winds Golf Course but this is not a conflict of interest as Clients will not be offered investment opportunities or other services from this activity.

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**Item 5 - Additional Compensation**

Dustin Padgett receives commissions on the insurance and brokerage products he sells. He does not receive any performance-based fees.

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**Item 6 - Supervision**

Since Dustin Padgett is the Chief Compliance Officer of Big Sioux and is solely responsible for all supervision and formulation and monitoring of investment advice offered to Clients. He will adhere to the policies and procedures as described in the firm's Compliance Manual. He can be reached at [Dustin@bigsiouxwealth.com](mailto:Dustin@bigsiouxwealth.com) or 605-882-4280.

Item 1 Cover Page  
**SUPERVISED PERSON BROCHURE**  
FORM ADV PART 2B

McKay Parr, CFP®



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**Website:**  
[www.bigsiouxwealth.com](http://www.bigsiouxwealth.com)

This brochure supplement provides information about McKay Parr and supplements the Big Sioux Wealth Management brochure. You should have received a copy of that brochure. Please contact McKay Parr if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about McKay Parr (CRD #6598316) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**SEPTEMBER 25,  
2020**



## Brochure Supplement (Part 2B of Form ADV)

### Supervised Person Brochure

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#### McKay Parr

- Year of birth: 1993
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#### Item 2 - Educational Background and Business Experience

##### Educational Background:

- University of Utah; BS Marketing; 2015

##### Business Experience:

- Big Sioux Financial, Inc. dba Big Sioux Wealth Management; Investment Advisor Representative; 08/2019 – Present
- Reliabank Dakota; Licensed Assistant; 08/2017 – 08/2019
- Raymond James Financial Services, Inc.; Registered Representative; 08/2017 – 07/2019
- Raymond James Financial Services Advisors, Inc.; Investment Advisor Representative; 03/2018 – 08/2019
- Charles Schwab & Co., Inc.; Registered Representative; 06/2016 – 06/2017
- Charles Schwab & Co., Client Service Representative; 02/2016 – 05/2016
- Matheson Flight Extenders; Forklift Operator; 11/2015 – 01/2016
- Wells Fargo; Banker; 08/2012 – 08/2015
- Full-Time Student; 07/2006 – 08/2012

##### Professional Designations:

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McKay Parr has earned certifications and credentials that are required to be explained in further detail.

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.

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.

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### **Item 3 - Disciplinary Information**

*Criminal or Civil Action:* None to report.

*Administrative Proceeding:* None to report.

*Self-Regulatory Proceeding:* None to report.

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### **Item 4 - Other Business Activities Engaged In**

McKay Parr has a financial affiliated business as a Licensed Assistant with Big Sioux Financial Inc. DBA Big Sioux Investments & Investments. Approximately 5% of his time is spent on this activity. He may offer Clients services from those activities and he may receive separate yet typical compensation.

This practice represents a conflict of interest because it gives an incentive to recommend products based on the commission or fee amount received. This conflict is mitigated by disclosures, procedures and the firm’s fiduciary obligation to place the best interest of the Client first and the Clients are not required to purchase any products or services. Clients have the option to purchase these products through another bank of their choosing. See Item 10 for more details.

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### **Item 5 - Additional Compensation**

McKay Parr is compensated for his role as a licensed assistant and sales of brokerage products. He does not receive any performance-based fees.

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### **Item 6 - Supervision**

Dustin Padgett is the Chief Compliance Officer of Big Sioux. Mr. Padgett reviews Mr. Parr’s work through Client account reviews and quarterly personal transaction reports, as well as

face-to-face and phone interactions. Mr. Padgett can be reached at [Dustin@bigsiouxwealth.com](mailto:Dustin@bigsiouxwealth.com) or 605-882-4280.