



Item 1 - Cover Page

Paradigm, Strategies in Wealth Management, LLC

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September 10, 2020

This brochure provides information about the qualifications and business practices of Paradigm, Strategies in Wealth Management, LLC. If you have any questions about the contents of this Brochure, please contact us at 763-201-1025 and/or bstrand@planparadigm.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 Paradigm, Strategies in Wealth Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Paradigm, Strategies in Wealth Management, LLC is 110372.

Any references to Paradigm, Strategies in Wealth Management, LLC as a registered investment adviser or its related persons as registered advisory representatives does not imply a certain level of skill or training.

Item 2 Material Changes

Since our last annual updating amendment dated March 27, 2020, we have the following material changes to report:

September 2020

Item 4 - Amended to disclose that Kristina Bentzen is now a Member and the President of Paradigm, Strategies in Wealth Management, LLC ("Paradigm"). We clarified that Paradigm offers discretionary asset management services through our custodian, Schwab Institutional. We provide non-discretionary asset management services for a participant's defined contribution plan such as 401(k) plan, profit sharing plan, and money purchase plan.

Item 5 - An example of the fee calculations for additional deposits or withdrawals to the account was added to this section.

Item 7 - We updated to disclose that we do not impose a minimum account size or require a minimum annual fee for obtaining our services.

Item 10 - Our Advisory Representatives no longer sell insurance products. Kristina Bentzen holds an insurance license so that she may be knowledgeable and offer insurance advice. Any trail compensation she earns for legacy accounts are assigned to Paradigm.

Item 12 - We may combine multiple orders for shares of the same securities purchased for advisory accounts we manage, commonly referred to as "aggregated trading."

At least annually, this section will discuss only specific material changes that are made to the Brochure and provide you with a summary of such changes. Additionally, reference to the date of the last annual update to this Brochure will be provided.

The material changes discussed above are only those changes that have been made to this brochure since the firm's last annual update of the brochure. The date of the last annual update of the brochure was February 2019.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year, which is December 31st. We may further provide other ongoing dis-closure information about material changes as necessary.

Additionally, we will further provide you with a new brochure as necessary based on change or new information, at any time, without charge.

Our brochure may be requested free of charge by contacting William Strand at 763-201-1025 and/or bstrand@planparadigm.com. Additional information about Paradigm, Strategies in Wealth Management, LLC is also available via the SEC's website www.adviserinfo.sec.gov. The website also provides information about any persons affiliated with Paradigm, Strategies in Wealth Management, LLC who are registered, or are required to be registered, as investment adviser representatives of Paradigm, Strategies in Wealth Management, LLC.

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Item 4 Advisory Business

Paradigm, Strategies in Wealth Management, LLC (hereinafter referred to as "Paradigm") is an investment advisory firm offering a variety of advisory services customized to your individual needs.

A. Paradigm was established in 1995. Paradigm is principally owned by William O. Strand III, Managing Member and Founder. Kristina Bentzen, Member, became the President and a minority owner in 2020.

B. Paradigm offers the following advisory services. Each of the services is more fully described below.

- Asset Management Services
- Financial Planning and Consulting Services

C. Paradigm tailors the advisory services it offers to your individual needs. You may impose restrictions and/or limitations on the investing in certain securities or types of securities.

Paradigm will meet with you and conduct an interview and data gathering session to gain a comprehensive understanding of your financial situation. Additionally, you may be requested to complete a risk questionnaire. You should expect to attend at least two to five meetings to complete the initial phase of Paradigm's services. The information gathered by Paradigm will assist Paradigm to provide you with the requested services and customize the services to your financial situation. Depending on the services you have requested, Paradigm will gather various financial information and history from you including, but not limited to:

- Retirement and financial goals
- Investment objectives
- Investment horizon
- Financial needs
- Cash flow analysis
- Cost of living needs
- Education needs
- Savings tendencies
- Other applicable financial information required by Paradigm in order to provide the investment advisory services requested.

Paradigm utilizes the following process:

1. Discovery Meeting
2. Wealth Planning Meeting
3. Commitment Meeting
4. Orientation Meeting
5. Regular Progress Meeting

D. Paradigm does not participate in any wrap fee programs.

E. As of December 31, 2019, we have \$189,526,066 of client assets under our discretionary management and approximately \$12,361,274 of non-discretionary client defined contribution plan assets under management.

Asset Management Services

Paradigm provides fee based investment management consulting services utilizing a five step investment management process.

1. Analyze Current Portfolio
2. Design Optimal Portfolio
3. Formalize an Investment Policy Statement
4. Implement Investment Policy Statement
5. Monitor and Supervise Portfolio

Upon Paradigm completing its analysis of your situation, Paradigm will determine an asset allocation customized to your financial goals, objectives and risk tolerance. Paradigm will schedule a meeting with you and present the recommended portfolio allocation. Upon your approval, Paradigm will implement the portfolio allocation.

Paradigm provides continuous and ongoing management of your account. Paradigm will manage your account held at Schwab Institutional on a discretionary basis and will make changes to the allocation as deemed appropriate by Paradigm. Paradigm will determine the securities to be purchased and sold in the account and will alter the securities holdings from time to time, without prior consultation with you. Paradigm may actively trade securities and hold such holdings for periods of 30 days or less or maintain positions for longer or shorter term periods. Discretionary authority will be granted by you to Paradigm by execution of the Asset Management agreement.

For those that participate in their employer sponsored defined contribution plan such as 401(k) plan, profit sharing plan, money purchase plan, etc., Paradigm offers non-discretionary asset management services following the five step investment management process noted above. We analyze the investment offerings available within your plan. After completing our analysis of your situation and determining an asset allocation customized to your financial goals, objectives and risk tolerance, Paradigm will schedule a meeting with you and present the recommended portfolio allocation. Upon your approval, Paradigm will work with you via screen sharing to assist in the implementation of the desired portfolio allocation. These assets are included in our data aggregation services. With an ongoing asset feed, we provide a current and ongoing review of your employer held 401(k) assets or other defined contribution plan in addition to the assets managed in your Schwab account.

You are advised transactions in the account, account reallocations and rebalancing may trigger a taxable event, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts.

Data Aggregation Services

In some situation, Paradigm may use "By All Accounts" and "Quovo" to assist in gathering information from institutions other than our regular custodians.

By All Accounts and Quovo are a third party data management providers that aggregate account information from virtually any online portal where client account is held and feeds this data into various third party accounting and portfolio management systems and financial planning tools. By All Accounts and Quovo enables Paradigm to have one feed to capture all your accounts including investment, retirement, banking, insurance, 529's, annuities, REITs and other hard to reach assets.

Account aggregation is a way for Paradigm and clients to simplify their lives by taking all accounts and consolidating them into a single feed so everything can be viewed as one.

Financial Planning and Consulting Services

Paradigm will schedule a meeting with you and present the analysis of your situation and recommendations for steps to be taken to assist you to work toward financial goals.

Plans are based on your financial situation at the time and are based on financial information disclosed by you to Paradigm. You are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. Paradigm cannot offer any guarantees or promises that your financial goals and objectives will be met. Further, you must continue to review the plan and update the plan based upon changes in your financial situation, goals, or objectives or changes in the economy. Should your financial situation or investment goals or objectives change, you must notify Paradigm promptly of the changes. You are advised that the advice offered by Paradigm may be limited and is not meant to be comprehensive. Therefore, you may need to seek the services of other professionals such as an insurance adviser, attorney and/or accountant.

You are not obligated to implement advice through Paradigm.

General Information

You are advised the investment recommendations and advice offered by Paradigm are not legal advice or accounting advice. You should coordinate and discuss the impact of financial advice with your attorney and/or accountant. You are advised that it is necessary to inform Paradigm promptly with respect to any changes in your financial situation and investment goals and objectives. Failure to notify Paradigm of any such changes could result in investment recommendations not meeting your needs.

IRA Rollover Considerations

As part of our consulting and advisory services, we may provide you recommendations and advice concerning your employer retirement plan or other qualified retirement account. Our recommendations may include you consider withdrawing the assets from your employer's retirement plan or other qualified retirement account and roll the assets over to an individual retirement account ("IRA"). Further, we offer our management services be applied to those funds and securities rolled into an IRA or other account for which we will receive compensation. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as described above under Item 5. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Furthermore, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by us.

It is important for you to understand many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of each.

An employee will typically have four options:

1. Leave the funds in your employer's (former employer's) plan.
2. Move the funds to a new employer's retirement plan.
3. Cash out and taking a taxable distribution from the plan.
4. Roll the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage it is important you understand the following:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.
 - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
 - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
 - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
 - c. It is likely you will not be charged a management fee and will not receive ongoing asset management services unless you elect to have such services. In the event your plan offers asset management or model management, there may be a fee associated with the services that is more or less than our asset management fee.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may offer financial advice, guidance, and/or model management or portfolio options at no additional cost.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 72.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
 - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

Item 5 Fees and Compensation

Asset Management Services and Data Aggregation Services

A. Fees are not negotiable and are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds.

You may make additions to the account or withdrawals from the account. Fees are adjusted for inflows or outflows of cash and/or securities occurring in the account. No fee adjustments will be made for account appreciation or depreciation.

| Account Size | Maximum Annual Fee |
|-----------------------------|--------------------|
| Up to \$2,000,000 | 1.75% |
| \$2,000,001 to \$3,000,000 | 1.40% |
| \$3,000,001 to \$5,000,000 | 1.25% |
| \$5,000,001 to \$10,000,000 | 1.00% |
| \$10,000,001 and above | 0.65% |

Paradigm aggregates or households all of your managed accounts together to determine your quarterly fee. Paradigm may change the above fee schedule upon 30-days prior written notice to you.

The formula for computing the quarterly fee is: $\text{Annual fee} * \text{Quarterly Ending Value} / 4 = \text{Quarterly Fee}$

EXAMPLE #1: $1.75\% * \$600,000$ (December 31st quarter end value) / 4 = \$2,625 Quarterly Fee

Formula for Additional Deposits to the Account:

$[(\text{Deposit Amount} * \text{Annual Fee \%}) / \# \text{ days in year}] * \# \text{ days during Quarter that funds were not in account} = \text{Qtrly Fee Credit}$.

Example for December 1st Deposit: $(\$100,000 * 1.75\% / 365) * 61 \text{ days} = \292.47 Credit

Quarterly Fee Due = \$2,625 - \$292.47 = \$2,332.53

In the above example, Client's account is valued at \$500,000. Client made \$100,000 deposit on December 1st. Fee calculation at quarter end (December 31st) is based on ending value of \$600,000; however, \$100,000 was not managed for 61 days before the deposit. The quarterly fee is reduced to compensate Client for those days where the funds did not receive Adviser's management services.

EXAMPLE #2: $1.75\% * \$400,000$ (December 31st quarter end value) / 4 = \$1,750 Quarterly Fee

Formula for Withdrawals from the Account:

$[(\text{Withdrawal Amount} * \text{Annual Fee \%}) / \# \text{ days in year}] * \# \text{ days during Quarter that funds were in account} = \text{Qtrly Fee Debit}$.

Example for December 1st Withdrawal: $(\$100,000 * 1.75\% / 365) * 61 \text{ days} = \292.47 Additional Fee Due

Quarterly Fee Due = $\$1,750 + \$292.47 = \$2,042.47$.

In the above example, Client's account is valued at \$500,000. Client made \$100,000 withdrawal on December 1st. Fee calculation at quarter end (December 31st) is based on ending value of \$400,000; however, \$100,000 was managed for 61 days before the withdrawal. The quarterly fee is increased to compensate Adviser for additional days of management services.

B. Advisory fees will generally be collected directly from your Schwab account, provided you have given Paradigm written authorization. Paradigm will provide you with a fee invoice that identifies the advisory fee and the value of the account on which the fee was calculated. Additionally, you will be provided with an account statement reflecting the deduction of the advisory fee direct from the account custodian. If the Account does not contain sufficient funds to pay advisory fees, Paradigm has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees. You may reimburse the account for advisory fees paid to Paradigm, except for ERISA and IRA accounts.

C. In addition to the advisory fees above, you will pay transaction fees for securities transactions executed in your account in accordance with the custodian's transaction fee schedule. The account custodian offers transactions in certain mutual funds with no transaction fees. However, the account custodian will require a hold period typically ranging up to 90 days or a short term trading fee will be charged to the client.

Additionally, you will pay fees for custodial services, account maintenance fees, and other fees associated with maintaining the Account. Such fees are not charged by Paradigm and are charged by the product, broker/dealer or account custodian. Paradigm does not share in any portion of such fees. Additionally, you will pay your proportionate share of the fund's management and administrative fees and sales charges as well as the mutual fund adviser's fee of any mutual fund they purchase. Such advisory fees are not shared with Paradigm and are compensation to the fund-manager.

Registered investment company securities such as mutual funds offer the securities in various share classes. Different share classes are priced differently and have varying levels of internal costs. Share classes other than institutional share classes will involve higher internal costs that over time will cost you more. Institutional share classes often have higher trading costs; however, the internal costs of the fund are lower. Over a period of time, share classes other than institutional shares will become more expensive if held in the account for a long period time, even if there are no transaction fees. A client needs to consider the amount being invested and the length of anticipated holding to make a decision as to the share class most suitable to the client. Paradigm will strive to select least expensive share class funds available and appropriate to the situation taking into consideration trading or transactions costs and internal expenses. However, in attempting to select the least expensive share class, trading costs are sometimes higher. Selecting the lowest share class appropriate to the situation does not imply the lowest cost share class based on internal costs, but means what Paradigm deems lowest cost for the situation. Representatives consider the anticipated holding period, cost structure, and administrative and transaction costs associated with selecting a share class. However, there is no way to predict the future and there will be occasions where a holding is liquidated sooner or held longer resulting in higher costs to the client. Additional information about share classes can be found in an Investor Alert issued by the Securities and Exchange Commission at <https://www.investor.gov/additional-resources/news->

[alerts/alerts-bulletins/investor-bulletin-mutual-fund-classes](https://www.investor.gov/alerts/alerts-bulletins/investor-bulletin-mutual-fund-classes) and <https://www.investor.gov/additional-resources/news-alerts/alerts-bulletins/investor-bulletin-mutual-fund-classes>. Additionally, the SEC and FINRA provides investor information at www.sec.gov and www.finra.org.

D. Advisory fees will be charged in arrears on a calendar quarterly basis. The fee will be calculated based on the value of the account on the last business day of the calendar quarter. Fees will be prorated for accounts established or closed during a calendar quarter. Fee adjustments will be made for partial withdrawals from the account or additional deposits added to the account.

Termination Provisions

You may terminate investment advisory services obtained from Paradigm, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with Paradigm. You will be responsible for any fees and charges incurred from third parties as a result of maintaining the Account such as transaction fees for any securities transactions executed and Account maintenance or custodial fees. Thereafter, you may terminate investment advisory services with 30-days written notice to Paradigm. Should you terminate investment advisory services during a calendar quarter, you will be charged a pro-rated advisory fee for the quarter up to the date of termination.

Financial Planning and Consulting Services

You are advised that fees for planning services are strictly for planning services. Therefore, you may pay fees and/or commissions for additional services obtained such as asset management or products purchased such as securities or insurance.

Fees are not negotiable. Paradigm will provide you a quote for the services based on several factors including but not limited to the number of areas you are requesting and/or requiring advice, complexity of your situation, number of meetings, number of professionals involved (i.e. attorney, accountant, other financial advisor, etc.) and time and staff resources required.

| Fee Type | Maximum Fee | Payable |
|-----------------|--------------------|--|
| Fixed Fee | \$7,500 | Payable one-half (1/2) upon execution of the advisory agreement with Paradigm and the balance due at the time of presentation of the plan, unless otherwise negotiated with you. |

Termination Provisions

You may terminate advisory services obtained from Paradigm, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with Paradigm. Thereafter, you may terminate investment advisory services at any time up to presentation of the plan or analysis and receive a refund of any pre-paid fees.

Item 6 Performance-Based Fees and Side By Side Management

This section is not applicable to Paradigm since Paradigm does not charge performance based fees.

Item 7 Types Of Clients

Paradigm's services are geared toward individuals and their families including high net worth individuals and charitable organizations. We do not impose a minimum account size or require a minimum annual fee for obtaining our services.

Item 8 Methods Of Analysis, Investment Strategies And Risk Of Loss

A. Paradigm uses a combination of both active and passive management styles. The basic tenants under which Paradigm manages portfolios is as follows:

- Modern Portfolio Theory, as recognized by the 1990 Nobel Prize, will be the philosophical foundation for how the portfolio will be structured and how subsequent decisions will be made. The underlying concepts of Modern Portfolio Theory include the premise that investors are risk averse. The only acceptable risk is that which is adequately compensated by potential portfolio return.
- Investing globally helps to minimize overall portfolio risk due to the imperfect correlation between economies of the world. Investing globally has also been shown historically to enhance portfolio returns, although there is no guarantee that it will do so in the future.
- Equities offer the potential for higher long-term investment returns than cash or fixed income investments. Equities are also more volatile in their performance. Investors seeking higher rates of return must increase the proportion of equities in their portfolio, while at the same time accepting greater variation of results (including occasional declines in value).
- To assist Paradigm in providing investment management and consulting services Paradigm has entered into a relationship with YCharts of Chicago, Illinois. YCharts is a web-based financial data and investment research platform that provides Paradigm with comprehensive data, powerful visualization tools and advanced analytics.
- The application houses information on more than 50,000 stocks, ETFs, and mutual funds; employs more than 4,000 financial metrics; and covers the financial histories of companies going back to 1984. With tools that simplify complex economic information and an ever-improving user interface built for optimal user experiences.
- We use YCharts for idea generation and investment monitoring via the powerful screeners, analysis through the charting application and dynamically linked Excel Add-in, and staying up-to-date with real-time news feeds and alerts to monitor the markets.

COMPANY DATA

- 25,000+ Companies and ETFs
- Up to 30 years of history (financials and prices)
- 4,500+ fundamental calculations and line items
- Exchanges: NYSE, Nasdaq, AMEX, NYSE ARCA, TSX, CSVX, TSV

FUND DATA

- 2,000+ ETFs & 40,000 Mutual Funds
- Performance and distribution history since 1970
- Current fundamental metrics
- Forecasted ratios and growth rates
- Exposure statistics, constituents, fee data, and more

INDEX DATA

- 26,000+ Indices
- Families include: S&P, Russell, Barclays, MSCI, Dow Jones, Morningstar, CRSP, Wilshire, CBOE
- Up to 30 years of price history

ECONOMIC INDICATOR DATA

- 400,000+ economic time series
- Up to 100 years of history for certain data items
- Data Verification: Access to the data directly from its original publisher

FUND SCREENER

- Sort through an expansive database of ETFs and Mutual Funds based on performance, risk, or fundamental criteria.

Additionally, Paradigm employs the use of financial programs and software to assist in analyzing your situation.

B. You are advised investing in securities involves risk of loss, including the potential loss of principal. Therefore, your participation in any of the management programs offered by Paradigm will require you to be prepared to bear the risk of loss and fluctuating performance.

Paradigm does not represent, warrant or imply that the services or methods of analysis used by Paradigm can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that your goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by Paradigm will provide a better return than other investment strategies.

C. Paradigm uses a variety of securities types depending on the suitability and risk tolerance of the client. The risks with mutual funds include the costs and expenses within the fund that can impact performance, change of managers, and fund straying from its objective. Open ended mutual funds do not typically have a liquidity issue and the price does not fluctuate throughout the trading day. Mutual fund fees are described in the fund's prospectus, which the custodian mails directly to the client following any purchase of a mutual fund that is new to the client's account. In addition, a prospectus is available online at each mutual fund company's Web site. At the client's request at any time Paradigm will direct the client to the appropriate Web page to access the prospectus.

ETFs trade on an auctionable market. Therefore, there is more price fluctuation with ETFs than with mutual funds since ETFs trade throughout the day, whereas mutual funds are priced once a day. Also, since most ETFs only mirror a market index, such as the S&P 500, they won't outperform the index. The risks with stocks and bonds are that their prices fluctuate throughout the day. Stocks can drop in value and become worthless. The risks with bonds are interest rate, inflation and credit risk. Credit risk is the risk that the bond issuer will be unable to make its payments on time or at all, effectively defaulting on the bonds.

The risks with mutual funds include:

- Manager Risk: which is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities contained within the mutual funds we recommend to you.
- Industry Risk: which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the mutual fund.
- Many funds have multiple share class structures and a particular share class or structure is more expensive over time as compared to another share class.
- There are many variables (including but not limited to trading frequency, internal expense costs, transaction costs, and holding period) that impact an Adviser's decision to select what is believed the least expensive share class for a client, and there are times when a more expensive share class was purchased because a variable change or was not anticipated.

The risks with stocks and bonds are that their prices fluctuate throughout the day. Stocks can drop in value and become worthless. The risks with stocks are market risk and company specific risk. The price of a stock can decline due to company-specific reasons as well as the health of the overall stock market. Even dividends, which many beginning investors believe are guaranteed payments by the company, can decline or be totally eliminated.

Item 9 Disciplinary Information

There is no reportable disciplinary information required for Paradigm or its management persons that is material to your evaluation of Paradigm, its business or its management persons.

Item 10 Other Financial Industry Activities And Affiliations

Financial Strategies, Inc. is an insurance agency licensed with the state of Minnesota and is 100% owned by William O. Strand III. Although insurance products are no longer sold through this entity, Financial Strategies, Inc. continues to earn trail compensation from the prior sale of insurance products.

Paradigm, Strategies in Wealth Management, LLC, is an insurance agency licensed with the state of Minnesota and is owned by William O. Strand III and Kristina M. Bentzen. While Kristina maintains an insurance license, she no longer sells insurance products. She holds an insurance license so that she may be knowledgeable and offer insurance advice. Any trail compensation earned by Kristina from prior insurance sales is signed over to Paradigm.

You are encouraged to consult other insurance professionals for your insurance needs.

Paradigm is not and does not have a related person who is a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities. Further, Paradigm is not and does not have a related person who is a broker/dealer or other similar type of

broker or dealer; investment company or other pooled investment vehicle, futures commission merchant or commodity pool operator; banking or thrift institution; accountant or accounting firm; lawyer or law firm; pension consultant; real estate broker or dealer; or sponsor or syndicator of a limited partnership.

Item 11 Code Of Ethics, Participation Or Interest In Client Transactions And Personal Trading

Code of Ethics

A. Paradigm has a fiduciary duty to you to act in your best interest and always place your interests first and foremost. Paradigm takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as Paradigm's policies and procedures. Further, Paradigm strives to handle your non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides you with Paradigm's Privacy Policy. As such, Paradigm maintains a code of ethics for its Advisory Representatives, supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about your transactions. Further, Paradigm's Code of Ethics establishes Paradigm's expectation for business conduct. A copy of our Code of Ethics will be provided to you upon request.

B. Neither Paradigm nor its associated persons recommends to clients or buys or sells for client accounts any securities in which we have a material financial interest.

C. Paradigm and its associated persons buy or sell securities identical to those securities recommended to you. Therefore, Paradigm and/or its associated persons may have an interest or position in certain securities that are also recommended and bought or sold to you. Paradigm and its associated persons will not put their interests before your interest. Paradigm and its associated persons may not trade ahead of you or trade in such a way to obtain a better price for themselves than for you or other clients.

D. Paradigm is required to maintain a list of all securities holdings for its associated persons and develop procedures to supervise the trading activities of associated persons who have knowledge of your transactions and their related family accounts at least quarterly. Further, associated persons are prohibited from trading on non-public information or sharing such information.

Prohibition on Use of Insider Information

Paradigm has adopted policies and procedures to prevent the misuse of "insider" information (i.e. material, non-public information). A copy of such policies and procedures is available to any person upon request.

Item 12 Brokerage Practices

Paradigm has entered into a relationship with Schwab Institutional, a division of Charles Schwab & Co., Inc. ("Schwab"), a registered broker/dealer, Member NYSE and SIPC to permit clients to custody their assets and to enable Paradigm to trade client's account.

In initially selecting Schwab, Paradigm conducted due diligence. Paradigm's evaluation and criteria includes:

- Ability to service you
- Staying power as a company
- Industry reputation
- Ability to report to you and to Paradigm
- Availability of an efficient trading platform
- Products and services available
- Technology resources
- Educational resources
- Execution capability
- Financial responsibility and viability
- Confidentiality and security of your information
- Responsiveness
- Other factors that may bear on the overall evaluation of best price and execution

Additionally, periodically Paradigm will review transaction costs in light of current market circumstances, available published statistical analysis as well as other relevant information.

Best execution does not simply mean the lowest transaction cost. Therefore, no single criteria will validate nor invalidate a custodian, but rather, all criteria taken together will be used in evaluating the currently utilized custodian.

You are advised there is an incentive for Paradigm and the Advisory Representatives to recommend a broker/dealer over another based on the products and services that will be received rather than your best interest.

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab's commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "*How We Select Brokers/Custodians*").

Products and Services Available to Paradigm From Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage—trading, custody, reporting, and related services many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage

and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services:

Services That Benefit our Clients.

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

Services That May Not Directly Benefit our Clients.

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

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

Services That Generally Benefit Only Paradigm.

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

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most

favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "*How We Select Brokers/Custodians*") and not Schwab's services that benefit only us. This is a conflict of interest. We have significantly more than \$10 million of assets under management and understand we have a duty to select a custodian we believe provides services in the best interest of our clients..

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "aggregated trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in aggregated trading with your accounts; however, they will not be given preferential treatment.

Item 13 Review Of Accounts

A. If you are participating in the Asset Management Services you will be invited to participate in at least an annual review. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Your Advisory Representative will monitor for changes or shifts in the economy, changes to the management and structure of a mutual fund or company in which your assets are invested, and market shifts and corrections.

If you are participating in Financial Planning and Consulting Services you will not receive regular reviews. Paradigm recommends you have at least an annual review and update to any plans. However, the time and frequency of the reviews is solely your decision. Other than the initial plan or analysis, there will be no other reports issued.

The following individuals conduct reviews:

William O. Strand, III, Chief Compliance Officer
Kristina Bentzen, President/Advisory Representative

B. You are advised that you must notify your Advisory Representative promptly of any changes to your financial goals, objectives or financial situation as such changes may require the Advisory Representative to review the portfolio allocation and make recommendations for changes.

C. You will be provided statements at least quarterly direct from the account custodian. Additionally, you will receive confirmations of all transactions occurring direct from the account custodian. If you do not receive at least quarterly account statements from the account custodian, please contact Paradigm immediately.

Item 14 Client Referrals And Other Compensation

A. Paradigm does not receive an economic benefit from someone who is not a client for providing investment advice or other advisory services to you. Economic benefit includes sales awards or other prizes.

B. Paradigm does not directly or indirectly compensate any person who is not a supervised person of Paradigm for referrals. Further, Paradigm does not receive an economic benefit from a non-client for providing investment advice or advisory services to you.

Item 15 Custody

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

Wire Transfer and/or Standing Letter of Authorization

Our firm, or Advisory Representatives, may effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third party wire transfers has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as the following criteria are met:

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Paradigm complies with the conditions of the safe harbor provisions and is therefore exempt from the annual surprise exam requirement for Advisers that have custody.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You may grant Paradigm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

Item 17 Voting Client Securities

Paradigm does not vote your securities. Unless you suppress proxies, securities proxies will be sent directly to you by the account custodian or transfer agent. You may contact Paradigm about questions you may have an opinions on how to vote the proxies. However, the voting and how you vote the proxies is solely your decision.

Item 18 Financial Information

- A. Paradigm will not require you to prepay more than \$1,200 and six or more months in advance of receiving the advisory service.
- B. As stated above, Paradigm has discretionary authority over client accounts; however that authority does not extend to the withdrawal of any client assets, with the exception of deduction of Paradigm's advisory fees from your accounts. We are financially stable. There is no financial condition that is likely to impair our ability to meet our contractual commitment to you or any other client.
- C. Neither Paradigm nor any of its Advisory Representatives has ever been the subject of a bankruptcy petition.