

Item 1 – Cover Page

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This brochure provides information about the qualifications and investment advisory business practices of Work Optional, Inc. If you have any questions about the contents of this brochure please contact us at (952) 475-7000. 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 Work Optional, Inc. is also available on the Internet at www.adviserinfo.sec.gov. You can view information on this website by searching for Work Optional, Inc.'s name or by using its CRD number: 143430.

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

Item 2 – Material Changes

Since our last Annual Amendment was filed in February 2021, we made the following revisions to our brochure:

- We have updated the assets under management reported at **Item 4 – Advisory Business**.

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time, we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

Item 3 – Table of Contents

Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	4
Ownership	4
General Description of Primary Advisory Services	4
Limits Advice to Certain Types of Investments	4
Tailor Advisor Services to Individual Needs of Clients	4
Wrap-Fee Program versus Portfolio Management Program	5
Client Assets Managed by Advisor	5
Item 5 – Fees and Compensation	5
Seminars	5
Work Optional Coaching Consultation Services	5
Retirement Plan Services	7
Asset Management	11
Additional Compensation	13
Comparable Services	13
Item 6 – Performance-Based Fees and Side-By-Side Management	13
Item 7 – Types of Clients	13
Minimum Investment Amounts Required	13
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	14
Methods of Analysis	14
Risks	15
Investment Strategies	15
Risk of Loss	15
Primarily Recommend One Type of Security	17
Item 9 – Disciplinary Information	17
Item 10 – Other Financial Industry Activities and Affiliations	17
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading	18
Code of Ethics	18
Participation or Interest in Client Transactions	19
Item 12 – Brokerage Practices	19
Trade Errors	20
Block Trades	20
Item 13 – Review of Accounts	21
Account Reviews	21
Account Reports	21
Item 14 – Client Referrals and Other Compensation	21
Client Referrals	21
Other Compensation	21
Item 15 – Custody	22
Item 16 – Investment Discretion	22
Item 17 – Voting Client Securities	23
Item 18 – Financial Information	23
Customer Privacy Policy	23

Item 4 – Advisory Business

Ownership

Work Optional, Inc. (“Advisor” or “we”) is an investment advisor who is registered with the Securities and Exchange Commission (SEC) and has been registered with the SEC since May 2018. Previously, we were registered with the Minnesota Department of Commerce from May 2012 to May 2018. We are a Minnesota corporation and our sole owner is Marc D. Langva.

General Description of Primary Advisory Services

We offer asset management services and consulting services. We also offer retirement plan consulting services to retirement plan sponsors and to individual participants in retirement plans. These services can be both fiduciary and non-fiduciary.

A detailed description of our services is provided in **Item 5, Fees and Compensation**, so that clients and prospective clients (“client” or “you”) can review the services and description of fees more thoroughly.

Limits Advice to Certain Types of Investments

We provide investment advice on the following types of investments:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issues
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Variable annuities
- Variable life insurance
- Mutual fund shares
- United States government securities
- Interests in partnerships investing in real estate and oil and gas interests

Although our advice is generally limited to the investment products listed above, we reserve the right to advise clients on any investment product that may fit their specific needs, desires or objectives. Please refer to **Item 8, Methods of Analysis, Investment Strategies and Risk of Loss**, for more information.

Tailor Advisor Services to Individual Needs of Clients

Our services are always provided based on the specific needs of the individual client. Clients are given the ability to impose restrictions on their accounts, including specific investment selections and sectors. However, we may not be able to enter into an investment advisor relationship where the prospective client seeks to impose unduly restrictive investment guidelines.

Wrap-Fee Program versus Portfolio Management Program

In traditional management programs, advisory services are provided for a fee but transaction services are billed separately on a per-transaction basis. In wrap-fee programs, advisory services and transaction services are provided for one fee. We do not act as a portfolio manager of or sponsor wrap fee programs.

Client Assets Managed by Advisor

The amount of clients' assets managed by us totaled \$167,597,648 as of December 31, 2020, with \$157,944,646 managed on a discretionary basis and \$9,653,002 managed on a non-discretionary basis.

Item 5 – Fees and Compensation

In addition to the information provided in **Item 4, Advisory Business**, this section provides details regarding our services along with descriptions of the fees and compensation arrangements.

Seminars

We may periodically offer seminars or workshops on educational and informational topics. Attendees can include current clients, referrals and the general public. There is a charge for the cost of the book for specific seminars. Other seminars are provided for no fee.

Work Optional Coaching Consultation Services

In the Work Optional Coaching consulting services program, the initial consulting process involves three meetings. The initial meeting is conducted free of charge and involves a discussion with you regarding your current situation as well as your goals and objectives. During this meeting, we begin gathering information and documentation required to provide the agreed upon consulting services. Additional sessions may be necessary to collect all required data. We rely on the information provided by you. Therefore, it is very important that the information you provide is complete and accurate. We are not responsible for verifying the information supplied by you or your other professional consultants (i.e., attorney, accountant, etc.).

If you wish to proceed with consulting services, you are required to sign an agreement for services with us. Consulting services can include, but are not limited to, one or more of the following:

- Goal Planning
- Retirement Planning
- Investment Planning
- Protection Planning
- Estate Planning

Our services do not include legal or tax advice. We urge you to work closely with your attorney, accountant or other professional consultants regarding your financial and personal situation. We also

request that you notify us if there is ever a change in your financial situation or investment objectives so that we can review, evaluate and/or revise any prior recommendations made or services provided.

Approximately three to six weeks after all required information and documentation is received, one of investment advisor representatives ("representatives") schedules a second meeting--the presentation meeting. At the presentation meeting, our representatives go over the suggested plan of action with you and discuss our recommendations.

At the end of the second meeting, you are requested to schedule a third appointment with us. The third purpose of this third meeting is to discuss the various courses of action you can take going forward as well as any decisions made regarding implementing the plan recommendations.

Consulting services automatically continue after the third meeting on an annual retainer basis based on your individual needs. We recommend you have your financial plans reviewed and updated on a regular basis. We recommend the first be held 3 months after the implementation meeting for the original plan is held and then every 12-18 months after that.

If you do not wish to contract for consulting services through our Work Optional Coaching Program, you can contract with us for a limited scope engagement focusing on a specific area of concern to you.

Initial fees for consulting services are typically charged on a fixed fee basis ranging from \$1,500 to \$20,000. This fee covers only the initial consulting services provided in the second and third meetings with us. At the conclusion of the third meeting, we begin charging an annual retainer fee that ranges from \$1,500 to \$20,000. In some instances, the initial and annual retainer fee may exceed \$20,000 when more complex services are required and/or you have a higher income and/or net worth.

Fees are negotiable based on your income, net worth and the complexity of the services provided. The initial consulting fee is due at the time the agreement for services is signed (the initial meeting). At the conclusion of the third meeting, we begin charging the annual retainer fee monthly in advance.

At your request, consulting services can be billed at an hourly fee of up to \$500 per hour, negotiable based on the same factors previously discussed. If you elect hourly billing, we provide you with an estimated number of hours needed to complete the project. This estimate is then used to determine the initial fee. If more time is needed than the original estimate, our representatives contact you to obtain authorization to continue with the planning process. When billing hourly, you are always charged for the actual time spent preparing the requested plan. Any adjustment to the estimated fee (refund or additional fees due) is computed and paid at the implementation meeting.

All fees are disclosed to you prior to services being provided. You have the option to pay the initial fee by check, credit card, or electronic funds transfer (EFT) at the first meeting. The on-going annual retainer fee payments are paid via automatic deduction from an existing account, through a direct credit card payment authorization or via an electronic funds transfer (EFT). In order to have fees paid in these manners, you are required to provide the account custodian with written authorization to deduct fees from the account, to charge the payment to the authorized credit card or to transfer funds and to pay such fees direct to us. Paying fees to us via direct deduction could be deemed custody by some regulators. However, your assets are maintained by an outside custodian not affiliated with us and we do not have direct access to your funds and securities. See **Item 15, Custody**, for additional information.

Work Optional Coaching Services continue until written notice is received by one of the parties to the advisory services agreement. Limited scope engagements terminate on conclusion of the project. Either party can terminate services at any time by providing written to the other party. Termination is effective upon receiving that notice. If services are terminated within five business days of signing the client agreement, they are terminated without penalty. After the initial five business days, if services are terminated prior to the completion of the three initial meetings, we charge you a prorated fee based on the time expended and the level of completion of the initial project achieved by our representative prior to the effective date of termination. A prorated refund or a pro-rated charge is determined based on the time expended by our representatives prior to receiving notice of termination. For annual retainer services, if notice of termination is received after the completion of the initial project, we charge you a prorated fee based on the number of days services are provided prior to the effective date of termination. Any unearned fees are promptly refunded to you. We provide you with a billing statement detailing the prorated refund due to you or prorated charge due from you.

Retirement Plan Services

Advisor offers retirement plan services to retirement plan sponsors and to individual participants in retirement plans. For a corporate sponsor of a retirement plan, our retirement plan services can include, but are not limited to, the following services:

Fiduciary Consulting Services

- **Non-Discretionary Investment Advice.** We provide you with general, non-discretionary investment advice regarding assets classes and investment options, consistent with your plan's investment policy statement.
- **Investment Selection Services.** We provide you with recommendations of investment options consistent with ERISA Section 404(c).
- **Investment Due Diligence Review.** We provide you with periodic due diligence reviews of the plan's reports, investment options and recommendations.
- **Default Investment Alternative Advice.** We provide non-discretionary investment advice to assist you with developing qualified default investment alternative(s) ("QDIA"), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the plan or who otherwise fail to make an investment election. You retain sole responsibility to provide all notices to participants required under ERISA Section 404(c)(5).

For fiduciary consulting services, all recommendations of investment options and portfolios are submitted to you for your ultimate approval or rejection. The retirement plan sponsor client or the plan participant who elects to implement any recommendations made by us is solely responsible for implementing all transactions.

Fiduciary consulting services are not management services, and we do not serve as administrator or trustee of the plan. We do not act as custodian for any client account or have access to client funds or securities (with the exception of some accounts having written authorization from the client to deduct our fees).

Advisor acknowledges that in performing the fiduciary consulting services listed above it is acting as a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of the *Employee Retirement Income Security*

Act of 1974 ("ERISA") for purposes of providing non-discretionary investment advice only. Advisor acts in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause Advisor to be a fiduciary as a matter of law. However, in providing the fiduciary consulting services, Advisor (a) has no responsibility and does not (i) exercise any discretionary authority or discretionary control respecting management of client's retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of client's retirement plan, or (iii) have any discretionary authority or discretionary responsibility in administering client's retirement plan or interpreting client's retirement plan documents, (b) is not an "investment manager" as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets and (c) is not the "Administrator" of client's retirement plan as defined in ERISA.

Fiduciary Management Services

- Discretionary Management Services. We provide you with continuous and ongoing supervision over the designated retirement plan assets. We actively monitor the designated retirement plan assets and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the plan. We have discretionary authority to make all decisions to buy, sell or hold securities, cash or other investments for the designated retirement plan assets in our sole discretion without first consulting with you. We also have the power and authority to carry out these decisions by giving instructions, on your behalf, to brokers and dealers and the qualified custodian(s) of the plan for our management of the designated retirement plan assets.

If you elect to utilize any of Advisor's fiduciary management services, then it is acting as an investment manager to the plan, as defined by ERISA Section 3(38), and Advisor hereby acknowledges that it is a fiduciary with respect to its fiduciary management services.

Non-Fiduciary Services

Although an investment adviser is considered a fiduciary under the *Investment Advisers Act of 1940* and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-fiduciary should not be considered fiduciary services for the purposes of ERISA since Advisor is not acting as a fiduciary to the plan as the term "fiduciary" is defined in Section 3(21)(A)(ii) of ERISA. The exact services provided to a client are listed and detailed in the client agreement.

- Participant Education. We provide education services to plan participants about general investment principles and the investment alternatives available under the plan. Our assistance in participant investment education is consistent with and within the scope of DOL Interpretive Bulletin 96-1. Education presentations do not take into account the individual circumstances of each participant and individual recommendations are not provided unless otherwise agreed upon. Plan participants are responsible for implementing transactions in their own accounts.
- Participant Enrollment. We assist you with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.
- Qualified Plan Development. We assist you with establishing a qualified plan by working with you and a selected third party administrator. If you have not already selected a third party administrator, we assist you with reviewing and selecting a third party administrator for the plan.

We can also meet with individual participants to discuss their specific investment risk tolerance, investment time frame and investment selections.

Securities and other types of investments all bear different types and levels of risk. Those risks are typically discussed with clients in defining the investment policies and objectives that will guide investment decisions for their qualified plan accounts. Upon request, as part of our retirement plan services, we can discuss those investments and investment strategies that we believe may tend to reduce these risks for a particular client's circumstances and plan participants.

Clients and plan participants must realize that obtaining higher rates of return on investments entails accepting higher levels of risk. Based upon discussions with the client, we attempt to identify the balance of risks and rewards that is appropriate and comfortable for the client and other employees. All plan participants are strongly encouraged to read prospectuses, when applicable, and ask questions prior to investing.

We strive to render our best judgment for clients. Still, we cannot assure that investments will be profitable or assure that no losses will occur in their portfolios. Past performance is an important consideration with respect to any investment or investment advisor, but it is not necessarily an accurate predictor of future performance.

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

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

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learn of such error or omission.

Fees for services to both plan sponsors and plan participants can be charged as a percentage of assets or a flat fee. Retirement plan sponsors may elect to pay all or a portion of fees for the individualized services provided by us to the plan participants. If paid as a percentage of assets, the maximum fee is 1.75% annually. For plan sponsors, the fee is negotiable based upon the complexity of the plan, the size of the plan assets, the actual services requested and the representative providing the services. For plan participants, the fee is negotiable based upon the actual services requested and the complexity of the participant's situation. The maximum fixed fee charge generally does not exceed \$5,000 and is negotiable based upon the actual services requested, the complexity of the plan or participant's situation and the representative providing the services.

Depending upon the plan, fees can be billed monthly or quarterly in advance or arrears. Fixed fees may also be billed semi-annually, although Advisor will never require pre-payment of more than \$500 more than six months in advance. For accounts opened mid-period, fees begin on the day the account is initially funded and are prorated based on the number of days services are provided. For fees billed in advance, the initial period fee is charged in arrears with the first full billing cycle fee charged. If the initial account assets are transferred in at different times during the first billing period, fees are prorated based on the number of days services are provided on those assets.

For percentage fees billed on a monthly basis, calculations are based on the average daily balance of the account. For percentage fees billed on a quarterly basis, calculations are based on the last calendar day of the previous quarter.

The fees may be deducted from the plan or participant account, from a non-retirement plan account or billed directly and due upon receipt of advisor's detailed billing notice. If fees are automatically deducted from an existing plan or non-plan account, clients are required to provide the custodian with written authorization to deduct the fees from the account and pay them to Advisor. We provide the custodian with a fee notification statement.

Retirement plan services are ongoing. Either party may terminate services by providing the other party with written notice and termination is effective 60 days after the other party receives such notice. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination. Any prorated fees owned by client are due upon receipt of Advisor's detailed billing statement.

Advisor does not reasonably expect to receive any other compensation, direct or indirect, for its services. If we receive any other compensation for such services, we (i) offset that compensation against our stated fees, and (ii) disclose the amount of such compensation, the services rendered for such compensation and the payment of such compensation to you.

Retirement Plan Rollover Recommendations

When Advisor provides investment advice about your retirement plan account or individual retirement account ("IRA") including whether to maintain investments and/or proceeds in the retirement plan account, roll over such investment/proceeds from the retirement plan account to a IRA or make a distribution from the retirement plan account, we acknowledge that Advisor is a **"fiduciary"** within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC") as applicable, which are laws governing retirement accounts. The way Advisor makes money creates conflicts with your interests so Advisor operates under a special rule that requires Advisor to act in your best interest and not put our interest ahead of you.

Under this special rule's provisions, Advisor must as a fiduciary to a retirement plan account or IRA under ERISA/IRC:

- Meet a professional standard of care when making investment recommendations (e.g., give prudent advice);
- Never put the financial interests of Advisor ahead of you when making recommendations (e.g., give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;

- Follow policies and procedures designed to ensure that Advisor gives advice that is in your best interest;
- Charge no more than is reasonable for the services of Advisor; and
- Give Client basic information about conflicts of interest.

To the extent We recommend you roll over your account from a current retirement plan account to an individual retirement account managed by Advisor, please know that Advisor and our investment adviser representatives have a conflict of interest.

We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to an IRA managed by Advisor. We will earn fewer investment advisory fees if you do not roll over the funds in the retirement plan to an IRA managed by Advisor.

Thus, our investment adviser representatives have an economic incentive to recommend a rollover of funds from a retirement plan to an IRA which is a conflict of interest because our recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not based exclusively on whether or not moving the IRA to our management program is in your overall best interest.

We have taken steps to manage this conflict of interest. We have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in Advisor receiving unreasonable compensation related to the rollover of funds from the retirement plan to an IRA, and (iii) fully disclose compensation received by Advisor and our supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

When providing advice to you regarding a retirement plan account or IRA, our investment adviser representatives will act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk, tolerance, financial circumstances, and a client's needs, without regard to the financial or other interests of Advisor or our affiliated personnel.

Asset Management

We provide investment supervisory services, defined as giving continuous investment advice to you (or making investments for you) based on your individual needs. We craft a specific investment strategy and investment policy to focus on your specific goals and objectives.

We provide asset management services through accounts maintained at a qualified custodian recommended by us. If you use us to manage assets, you are required to custody assets through Fidelity Institutional Wealth Services ("FIWS"). FIWS is affiliated with National Financial Services, LLC ("NFS") and Fidelity Brokerage Services, LLC ("FBS"). Because of this affiliation, NFS or FBS may provide clearing, custody or other brokerage services to FIWS. We are independently owned and operated and not affiliated with FIWS, NFS or FBS. Neither we nor our representatives act as custodian and we do not

have access to your funds and securities except to have advisory fees deducted from your account by the custodian with your prior written authorization and then paid to us.

When executing an asset management agreement for services, we are granted trading authorization on your account and can manage assets on a discretionary or non-discretionary basis. Please see **Item 16, Investment Discretion**, for additional information on discretionary and non-discretionary authority.

We charge for management services based on a percentage of assets under management. Typically, fees will be charged pursuant to the following fee schedule:

<u>Amount of Assets Under Management</u>	<u>Annual Percentage</u>
\$0 to \$ \$500,000	1.75%
\$500,001 to \$1,000,000	1.50%
\$1,000,001 to \$5,000,000	1.25%
\$5,000,001 to \$10,000,000	1.00%
\$10,000,001 to \$25,000,000	0.75%
\$25,000,001 to \$100,000,000	0.50%
\$100,000,001 +	0.25%

In some instances, fees are negotiable based on factors such as the complexity of your financial situation and circumstances (i.e., relationship of client to us, history of client with us, proximity to breakpoints), the amount of assets under management, whether we have discretionary trading authorization and the overall complexity of the services provided. The exact services and fees are agreed upon and disclosed in the agreement for services prior to services being provided.

Fees are billed monthly in advance within the first ten days of each month and are calculated based on the average daily balance of your account on the last calendar day of the previous month. The initial fee begins on the day the account is initially funded and is prorated based on the number of days services are provided. The initial fee is charged in arrears with the first full billing cycle's fee that is charged in advance. If the initial account assets are transferred in at different times during the first billing period, fees are prorated based on the number of days services are provided on those assets. Asset Management fees would be separate and distinct from any Financial Planning or Consulting fees that the firm may charge a client.

You must provide the account custodian with written authorization to have fees deducted from the account and paid to us. Having fees deducted from your account is deemed custody by some regulators. However, your assets are maintained by an outside custodian not affiliated with us and we do not have direct access to your funds and securities. See **Item 15, Custody**, for additional information. At the time fees are deducted, we provide you a with fee billing notice showing the amount deducted, the manner in which the fee is calculated, any adjustments to the fee and an explanation of any such adjustments.

Custodial fees, brokerage commissions and/or transaction ticket fees charged by the custodian are billed directly to you. We not receive any portion of such commissions or fees from the custodian or from you. In addition, you can incur certain charges imposed by third parties other than us in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, and IRA and qualified retirement plan fees. Our management fees are separate and distinct from the fees and expenses charged by

investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

Either party may terminate the agreement for services at any time by providing written notice to the appropriate party. Termination is effective upon receiving the notice. If services are terminated within 5 business days of signing the agreement, they are terminated without penalty and no fees are due or a refund of any fees paid in advance is given to you. If services are terminated after the initial 5 day period, you receive a prorated refund of any fees paid in advance based on the number of days that services are provided prior to the effective date of termination.

Additional Compensation

You have sole discretion about whether or not to contract for our services. In addition, you have sole discretion about whether or not to implement any recommendations made by our representatives. If you do decide to implement recommendations, you are responsible for taking any actions or implementing any transactions required. You are free to select any broker/dealer and/or insurance agent to implement our recommendations. You should be aware that our representatives are independently licensed as insurance agents and sell insurance products to any client. The representatives can earn commissions when selling insurance products in this separate capacity. This is a conflict of interest, since any commissions earned could be in addition to advisory fees earned in their capacity as an investment advisor representative.

Please see **Item 10, Other Financial Activities and Affiliations**, and **Item 12, Brokerage Practices**, for additional discussion on these conflicts of interest.

Comparable Services

We believe our fees for advisory services are reasonable with respect to the services provided and the fees charged by other investment advisors offering similar services. However, lower fees for comparable services may be available from other sources.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. We do not receive performance-based fees.

Item 7 – Types of Clients

We generally provide investment advice to the following types of clients:

- Individuals (including high-net worth individuals)
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations

Minimum Investment Amounts Required

There is a minimum fee of \$1,500 for Work Optional Coaching consulting services, both for the initial fee and the annual retainer. This minimum applies when fees are billed on a fixed fee basis.

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

Methods of Analysis

We use fundamental, technical, charting and cyclical analysis when considering investment strategies and recommendations for clients.

Fundamental

Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. In other words, fundamental analysts try to determine its true value by looking at all aspects of the business, including both tangible factors (e.g., machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, “brand” names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

Technical

This method of evaluating securities analyzes statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Charting

Charting is a technical analysis that charts the patterns of stocks, bonds and commodities to help determine buy and sell recommendations for clients. It is a way of gathering and processing price and volume information in a security by applying mathematical equations and plotting the resulting data onto graphs in order to predict future price movements. A graphical historical record assists the analyst in spotting the effect of key events on a security's price, its performance over a period of time and whether it is trading near its high, near its low or in between. Chartists believe that recurring patterns of trading, commonly referred to as indicators, can help them forecast future price movements.

Cyclical

Cyclical analysis looks at recurring periods of expansion and contraction that can impact a company's profitability and cash flow. There are a variety of cycles that can be examined and some are more commonly known than others, such as a four-year presidential cycle or annual/quarterly fiscal reporting cycles. Identifying cycles can help to anticipate tops and bottoms and also to determine trends. But sometimes cycles don't repeat themselves, sometimes they overlap and sometimes they offset each other. Cyclical stocks tend to rise quickly when the economy turns up and fall quickly when the economy turns down (e.g., housing, automobiles, telecommunications, paper, etc. Non-cyclical industries (e.g., food, insurance, drugs, health care, etc.) are not as directly impacted by economic changes.

Risks

There are risks with all analysis methods. Fundamental analysis takes a long-term approach to analyzing markets, often looking at data over a number of years. The data reviewed is released over years (e.g., quarterly financial statements). Technical analysis uses a shorter timeframe—often weeks or days. The price and volume data reviewed is released on a daily basis. Therefore, fundamental analysis could mean a gain is not realized until a security's market price rises to its "correct" value over the long run—perhaps several years.

Charting analysts look for patterns to help identify the direction the market is going at any given time. However, patterns and expected ranges or time frames may not occur as anticipated due to any number of factors (i.e., natural disasters, political upheaval, etc.). Charting can have the same issues.

Investment Strategies

When implementing investment advice, our investment strategies include:

- Long term purchases (Investments held at least a year)
- Short term purchases (Investments sold within a year)
- Short sales
- Margin transactions (Investor pays for part of the purchase and borrows the rest from a brokerage firm; e.g., investor buys \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from Advisor.)

We gather information from financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectus and other filings with the Securities and Exchange Commission and company press releases.

Risk of Loss

Investing in securities involves a risk of loss that you should be prepared to bear, including loss of your original principal. However, you should be aware that past performance of any security is not necessarily indicative of future results. Therefore, you should not assume that future performance of any specific investment or investment strategy will be profitable. We do not provide any representation or guarantee that your goals will be achieved. Further, depending on the different types of investments, there may be varying degrees of risk:

- Market Risk. Either the market as a whole, or the value of an individual company, goes down, resulting in a decrease in the value of client investments. This is referred to as systemic risk.
- Equity (Stock) Market Risk. Common stocks are susceptible to fluctuations and to volatile increases/decreases in value as their issuers' confidence in or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.
- Company Risk. There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).
- Options Risk. Options on securities may be subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options are highly specialized activities and involve greater than ordinary investment risk. Puts and calls are the right to sell or buy a specified amount of an underlying asset at a set price within a set time.
- Fixed Income Risk. Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- ETF and Mutual Fund Risk. ETF and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also incur brokerage costs when purchasing ETFs.
- Management Risk. Your investments also vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our strategies do not produce the expected returns, the value of your investments will decrease.

When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you borrow part of the purchase price then you are engaging in margin transactions and there is risk involved with this. The securities held in your margin account are collateral for the custodian or clearing firm that loaned you the money. If those securities decline in value, then the value of the collateral supporting your loan also declines. As a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, including:

- You can lose more funds than you deposit in your margin account
- The account custodian or clearing firm can force the sale of securities or other assets in your account

- The account custodian or clearing firm can sell your securities or other assets without contacting you
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities
- The account custodian or clearing firm can increase its “house” maintenance margin requirements at any time and are not required to provide you advance written notice
- You are not entitled to an extension of time on a margin call

Primarily Recommend One Type of Security

We do not recommend any specific security to clients. Instead, we recommend any product that may be suitable for each client relative to their specific circumstances and needs.

Item 9 – Disciplinary Information

We have no legal or disciplinary events that are material to your evaluation of our business or the integrity of our management. Therefore, this item is not applicable to our Disclosure Brochure.

Item 10 – Other Financial Industry Activities and Affiliations

We are not and do not have a related person that is:

- A broker/dealer, municipal securities dealer or government securities dealer or broker
- An investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
- Another investment adviser or financial planner
- An insurance company or agency
- A futures commission merchant, commodity pool operator or commodity trading advisor
- A banking or thrift institution
- A lawyer or law firm
- A pension consultant
- A real estate broker or dealer
- A sponsor or syndicator of limited partnerships.

We are an independent registered investment registered advisor and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment advisor representatives with us.

Other Business Activities of Company Principals

Commercial Real Estate Ownership

Marc Langva is also the sole owner of OnEdge, LLC a limited liability company formed for the sole purpose of holding the title to the office building in which the firm is located. .

Residential Real Estate Ownership

Marc Langva is also the joint owner of Cannon Ridge, LLC and LBearDen, LLC.

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

Code of Ethics

According to the *Investment Advisers Act of 1940*, an investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in the best interest of each client. We and our representatives and associated persons have a fiduciary duty to all clients. We have established a Code of Ethics which all associated persons must read. They must then execute an acknowledgment agreeing that they understand and agree to comply with the Code of Ethics. Our fiduciary duty to clients is considered the core underlying principle for our Code of Ethics and represents the expected basis for all dealings with clients. We have the responsibility to make sure that the interests of clients are placed ahead of our own or our associated persons' own investment interests. All associated persons will conduct business in an honest, ethical and fair manner. All associated persons will comply with all federal and state securities laws at all times. We provide full disclosure of all material facts and conflicts of interest to clients prior to services being conducted. All associated persons have a responsibility to avoid circumstances that might negatively affect or appear to affect their duty of complete loyalty to clients. This section is only intended to provide current clients and potential clients with a description of our Code of Ethics. If current clients or potential clients wish to review our Code of Ethics in its entirety a copy can be requested from us and it is provided promptly.

Some of our representatives are also Certified Financial Planners™. In addition to abiding by our Code of Ethics, they also abide by the Code of Ethics and Responsibility Code of the Certified Financial Planner™ Board of Standards, Inc. That Code requires CFP® designees to comply with all applicable laws and regulations and also to act in an ethical and professional responsible manner in all professional services and activities. The principles guiding CFP® designees are:

- Integrity
- Objectivity
- Competence (in providing services and maintaining knowledge and skills to do so)
- Fairness (to clients, principals, partners and employers and disclosing any conflicts of interest in providing services)
- Confidentiality (keeping all client information confidential without the specific client consent unless in response to legal process or in defense of charges of wrongdoing or civil dispute)
- Professionalism
- Diligence

You can obtain a copy of the Code of Ethics and Responsibility Code by requesting a copy from one of our representatives.

Participation or Interest in Client Transactions

We, our representatives and our associated persons may buy or sell securities or have an interest or position in a security for our personal accounts that are also recommended to clients. We are and will continue to be in compliance with applicable state and federal rules and regulations. As these situations represent a conflict of interest, it is our policy that no associated persons will prefer his or her own interest to that of the advisory client. No person employed by us may purchase or sell any security prior to a transaction or transactions being implemented for an advisory account. We will not buy or sell securities for our personal account(s) where our decision is derived, in whole or in part, by information obtained as a result of our employment unless the information is also available to the investing public upon reasonable inquiry.

Item 12 – Brokerage Practices

If you wish to implement our advice, you are free to select any broker/dealer or investment advisor you wish and are so informed. If you wish to implement our advice through our asset management services, you are required to select Fidelity Institutional Wealth Services (“FIWS”) for custody and trade execution services due to our arrangements for such services with FIWS. FIWS is affiliated with National Financial Services, LLC (“NFS”) and Fidelity Brokerage Services, LLC (“FBS”). Because of this affiliation, NFS or FBS may provide clearing, custody, or other brokerage services to FIWS.

While there is no direct linkage between our investment advice to you and our participation in the FIWS program, FIWS provides us with economic benefits that we would not receive if we did not provide advisory services on the FIWS platform. These benefits may include:

- Negotiated costs for transaction implementation
- A credit or refund of certain costs associated with closing accounts maintained at another broker/dealer to transfer them to FIWS
- A dedicated trade desk that services FIWS participants exclusively
- A dedicated service group and an account services manager dedicated to our accounts
- Access to a real-time order matching system
- Ability to “block” client trades
- Electronic download of trades, balances and position information
- Access, for a fee, to an electronic interface with FIWS software
- Duplicate and batched client statements, confirmations and year-end summaries
- The ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements)
- Availability of third-party research and technology through “soft dollar” arrangements
- A quarterly newsletter
- Access to Fidelity mutual funds
- Access to AdvisorChannel.com (internet access to statements, confirmation and transfer of asset status)
- Access to Account View (through which you can access your account information over the internet via our web site)

- Access to a number of mutual funds that are not affiliated with Fidelity, of which some may have no transaction fees
- Ability to have loads waived for our clients who invest in certain Fidelity loaded funds when certain conditions are met and maintained
- Ability to have custody fees waived (when negotiated by us and allowed under certain circumstances).

Some of the benefits previously mentioned may be based on the amount of assets maintained and trading activity with FIWS.

If we assist you in implementing any recommendations, we have a duty to ensure that you receive the best execution possible. The primary factor in suggesting a broker/dealer is that the services of the broker/dealer are provided in a cost-effective manner. Best execution of client transactions is an obligation we take seriously and is a catalyst in the decision of suggesting a broker/dealer. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not our sole consideration. The trading process of any broker/dealer we suggest must be efficient, seamless, and straight-forward. Overall custodial support services, trade correction services and statement preparation are some of the other factors determined when suggesting a broker/dealer. As a fiduciary, we endeavor to act in our clients' best interests. However, our recommendation that you maintain your assets in accounts at certain broker/dealers may be influenced in part on the benefit to us of the availability of some of the foregoing products and services, which may create a conflict of interest. There may be other platforms that are less expensive and may provide faster execution capabilities.

Trade Errors

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and we absorb any resulting loss if the error was caused by us. If the error is caused by the broker-dealer, the broker-dealer is responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain remains in the client's account unless the same error involved other client account(s) that should also receive the gains. It is not permissible for all clients to retain the gain. We may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons). We never benefit or profit from trade errors.

Block Trades

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading, or block trading and may be used when we believe such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders

are placed independently. Under this procedure, transactions are averaged as to price and are allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons may invest, we do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation or remuneration as a result of blocking trades.

Item 13 – Review of Accounts

Account Reviews

Both Work Optional Coaching consultation services and benefit plan consultation services can include reviews as contracted for by you. Managed accounts are reviewed at least monthly. While the calendar is the main triggering factor, additional account reviews may be conducted due to your specific request, a change in your financial circumstances or unusual market activity. Absent specific instructions from you, reviews are conducted to check that portfolio holdings and performance continue to work toward your goals and objectives. Marc Langva is responsible to ensure that client accounts are reviewed as scheduled.

Account Reports

You receive statements from your account custodian at least quarterly. If there is activity in your account, you receive a monthly statement. We do not provide any on-going position or performance reports to you.

Item 14 – Client Referrals and Other Compensation

Client Referrals

We do not directly or indirectly compensate any one for referring clients to us.

Other Compensation

Other Compensation – Product Sponsors

Work Optional receives additional compensation from various vendors, product providers, distributors and others. These providers may provide non-monetary compensation by paying some expenses related to training and education, including travel expenses, lodging expenses, meals and attaining professional designations. Work Optional can also receive payments to subsidize our own training programs. Certain vendors may invite us to participate in conferences, on-line training or receive publications that may further our skills and knowledge. The receipt of the additional compensation creates a conflict of interest in that the firm may favor a product sponsor that provides additional compensation over sponsors that do not. Work Optional addresses this conflict of interest by only recommending products that meet the investment objectives of our clients.

For additional discussion on other compensation received by Advisor, its owners or its representatives, please refer to **Additional Compensation** under **Item 5, Fees and Compensation** and **Item 12, Brokerage Practices**.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined as having access or control over client funds and/or securities, but does **not** include the ability to execute transactions in client accounts. Custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody for purposes of the *Investment Advisers Act of 1940* and must ensure proper procedures are implemented. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody. We are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. Our procedures do **not** result in our maintaining custody of client funds and securities.

For accounts where we are deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the creation of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from us. When clients have questions about their account statements, they should contact us or the qualified custodian preparing the statement.

Item 16 – Investment Discretion

In addition to having trading authority on your managed accounts, we will implement trades on a discretionary basis with your written authorization. This means we make all decisions to buy, sell or hold securities, cash or other investments in the managed account in our sole discretion without consulting with you before implementing any transactions. You must provide us with written authorization to exercise this discretionary authority.

When discretionary authority is granted, it is limited. We do not have access to your funds and/or securities with the exception of having advisory fees deducted from your account and paid to us by the account custodian. Any fee deduction is done pursuant to your prior written authorization provided to the account custodian. You have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. You can also place reasonable limitations on the discretionary power granted to us so long as the limitations are specifically set forth or included as an attachment to the client agreement.

If management services are provided on a non-discretionary basis, we always contact you before implementing any transactions in an account. You must accept or reject our investment recommendations, including (1) the security being recommended, (2) the number of shares or units and (3) whether to buy or sell. Once these factors are agreed upon, we are responsible for making decisions

regarding the timing of the purchase or sale and the price at which it is bought or sold. You should know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of implementing trades and we may not achieve the optimal trading price.

Item 17 – Voting Client Securities

Neither we nor our representatives vote proxies on your behalf. All proxy voting materials are delivered directly to you. You should read through the information provided and make a determination based on the information provided. You have sole responsibility for making all proxy-voting decisions.

Item 18 – Financial Information

This item is not applicable to our brochure. We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.

Customer Privacy Policy

We are committed to safeguarding the confidential information of our clients. We hold all personal information provided by clients in the strictest confidence. We may have relationships with other non-affiliated investment advisor firms, insurance companies, trust companies, custodians and other financial institution entities. Except as required or permitted by law, we do not share confidential information about clients with non-affiliated third parties. In the unlikely event there were to be a change in this fundamental policy that would permit additional disclosures of client confidential information, we provide written notice to clients, and clients are given an opportunity to direct us whether such disclosure is permissible.

AN IMPORTANT NOTICE CONCERNING CLIENT PRIVACY

Customer Information Collected. We collect and develop personal information about clients, and some of that information is non-public personal information (Customer Information). The essential purpose for collecting Customer Information is to provide and service the financial products and services clients obtain from us. The categories of Customer Information collected by us depend upon the scope of the engagement with the client and are generally described below. As an investment advisor, we collect and develop Customer Information about clients in order to provide investment advisory services. Customer Information we collect includes:

- Information received from clients on financial inventories through consultations. This Customer Information may include personal and household information, such as income, spending habits, investment objectives, financial goals, statements of account and other records concerning clients' financial condition and assets, together with information concerning employee benefits and retirement plan interests, wills, trusts, mortgages and tax returns.
- Information developed as part of financial plans, analyses or investment advisory services.

- Information concerning investment advisory account transactions, such as wrap account transactions.
- Information about a client's financial products and services transactions with the applicant.

Data Security. We restrict access to Customer Information to those associated persons and employees who need the information to perform their job responsibilities. We maintain agreements, as well as physical, electronic and procedural securities measures, that comply with federal regulations to safeguard Customer Information about clients.

Use and Disclosure of Customer Information to Provide Service for Accounts. To administer, manage and service customer accounts, process transactions and provide related services for client accounts, it is necessary for us to provide access to Customer Information within the firm and to non-affiliated companies such as other investment advisers, other broker-dealers, trust companies, custodians and insurance companies. We may also provide Customer Information outside of the firm as permitted by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas.

Former Clients. When clients close an account with us, we continue to operate in accordance with the principles stated in the Notice.

Requirements of Federal Law. In November of 1999, Congress enacted the *Gramm-Leach-Bliley Act* ("GLBA"). The GLBA requires certain financial institutions, including broker-dealers and investment advisors, to protect the privacy of Customer Information. To the extent a financial institution discloses Customer Information to non-affiliated third parties other than as permitted or required by law, customers must be given the opportunity and means to opt out (or prevent) such disclosure. Please note that that we do not disclose Customer Information to non-affiliated third parties except as permitted or required by law (e.g., disclosures to service a client's account or to respond to subpoenas).