

**Form ADV Part 2A Appendix 1 – Wrap Fee Program Brochure  
Item 1: Cover Page  
April 2021**

**Summit Wealth Wrap Program**

**Sponsored By:**

**Summit Wealth Management Group, Inc.**

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**Firm Contact:**

**Jerry J. Zins, Jr.**

**President, Chief Compliance Officer**

This brochure provides information about the qualifications and business practices of Summit Wealth Management Group, Inc. If you have any questions about the contents of this brochure, please contact us by telephone at (805) 384-1186 or email ([jerry.zins@lpl.com](mailto:jerry.zins@lpl.com)). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission.

Additional information about Summit Wealth Management Group, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term “registered investment adviser” and description of Summit Wealth Management Group, Inc. and/or our associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

## **Item 2: Material Changes**

Summit Wealth Management Group, Inc. is required to advise you of any material changes to the Firm Brochure ("Brochure") from our last annual update.

Since our last annual update filed in January 2020 there have been no material changes made to this disclosure brochure.

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## Item 4: Services, Fees & Compensation

We offer wrap fee programs as described in this Wrap Fee Program Brochure. Our wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services may include portfolio management, and the fee is not based directly upon transactions in your account. Your fee is bundled with our costs for executing transactions in your account(s). This results in a higher advisory fee to you. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for executed trades. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

### Our Wrap Advisory Services

#### Wrap Asset Management:

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been implemented, we review the portfolio periodically to ensure that the portfolio is in line with the client's individual needs, stated goals, and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

Assets Under Management	Annual Percentage of Assets Charge
\$100,000 to \$249,000	1.50%
\$250,000 to \$499,000	1.40%
\$500,000 to \$999,000	1.30%
\$1,000,000 to \$1,999,999	1.15%
\$2,000,000 to \$2,999,999	1.00%
\$3,000,000 to \$4,999,999	0.95%
\$5,000,000 to \$9,999,999	0.90%
Over \$10,000,000	Negotiable

Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. Our fees are generally not negotiable. Fees will generally be automatically deducted from your managed account\*. LPL will make quarterly adjustments for deposits and withdrawals. As part of this process, you understand and acknowledge the following:

- a) LPL Financial as the custodian sends statements at least quarterly to Clients showing all disbursements for their account, including the amount of the advisory fees paid to our firm;
- b) The Client has provided authorization permitting fees to be directly paid by these terms;

c) LPL Financial calculates the advisory fees and deducts them from the Client's account.

\*In rare cases, we will agree to directly bill clients.

Clients will not pay a transaction charge for transactions in a SWM II account, clients should be aware that we pay LPL transaction charges for those transactions. The transaction charges paid by us vary based on the type of transaction (e.g., mutual fund, equity or ETF) and for mutual funds based on whether or not the mutual fund pays 12b-1 fees and/or recordkeeping fees to LPL. Clients should understand that the cost to Advisor of transaction charges may be a factor that we consider when deciding which securities to select and how frequently to place transactions in a SWM II account.

To the extent you own a 12b-1 paying mutual fund or other mutual fund that pays a distribution, marketing or sales fee, please know that no one at our firm will receive that fee. However, such fees and expenses are retained by LPL in their capacity as your account broker/dealer and qualified custodian. LPL does not incentivize us or otherwise try to influence us to pick investments that pay them a 12b-1, distribution, marketing, sales or other fees and expenses.

In many instances, LPL makes available mutual funds in a SWM II account that offer various classes of shares, including shares designated as Class A Shares and shares designed for advisory programs, "Platform Shares". The Platform Share class offered for a particular mutual fund in SWM II in many cases will not be the least expensive share class that the mutual fund makes available, and was selected by LPL in certain cases because the share class pays LPL compensation for the administrative and recordkeeping services LPL provides to the mutual fund. Client should understand that another financial services firm may offer the same mutual fund at a lower overall cost to the investor than is available through SWM II. In other instances, a mutual fund may offer only Class A Shares, but another similar mutual fund may be available that offers Platform Shares. Class A Shares typically pay LPL a 12b-1 fee for providing shareholder services, distribution, and marketing expenses ("brokerage-related services") to the mutual funds. Platform Shares generally are not subject to 12b-1 fees. As a result of the different expenses of the mutual fund share classes, it is generally more expensive for a client to own Class A Shares than Platform Shares. An investor in Platform Shares will pay lower fees over time, and keep more of his or her investment returns than an investor who holds Class A Shares of the same fund.

Our client portfolios that hold A shares are limited to legacy holdings that have been owned for a number of years. We no longer recommend Class A Shares in be held in managed accounts and are transitioning client portfolios into Platform Shares when it is in the client's best interest.

You may pay custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm.

We do not recommend or offer the wrap program services of other providers. Our investment advisory representatives receive a portion of the advisory fee that you pay us, either directly as a percentage of your overall fee or as their salary from our firm. In cases where our investment advisory representatives are paid a percentage of your overall advisory fee, this may create an incentive to recommend that you participate in a wrap fee program rather than a non-wrap fee

program (where you would pay for trade execution costs) or brokerage account where commissions are charged. This is because, in some cases, we may stand to earn more compensation from advisory fees paid to us through a wrap fee program arrangement if your account is not actively traded.

### **Item 5: Account Requirements & Types of Clients**

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Corporations, Limited Liability Companies and/or Other Business Types.

We require a minimum account size of \$500,000 for our Asset Management service. This requirement may be waived depending on the scope of the engagement. The investment adviser representative ultimately holds the discretion to waive the account requirement.

### **Item 6: Portfolio Manager Selection & Evaluation**

Our firm will manage accounts through our in-house professionals. Acting as our own portfolio manager(s) for the wrap fee program(s) may create a conflict of interest in that other investment advisory firms may charge the same or lower fees than our firm for similar services. When selecting and reviewing portfolio managers, the following factors provide the basis of our approach:

- past performance;
- investment philosophy;
- market outlook;
- experience of portfolio managers and executive team;
- disciplinary, legal and regulatory histories of the firm and its associates;
- whether established compliance procedures are in place to address at a minimum, insider trading, conflicts of interest, anti-money laundering.

We do not calculate portfolio manager performance. Instead, we rely upon the performance figures based on client's monthly or quarterly statements. This information is relied upon for accuracy based on standards which are calculated on a uniform and consistent basis.

#### **Advisory Business:**

We offer individualized investment advice to clients utilizing our Wrap Asset Management service. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our Wrap Asset Management service.

#### **Participation in Wrap Fee Programs:**

Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts.

**Performance-Based Fees & Side-By-Side Management:**

We do not charge performance fees to our clients.

**Methods of Analysis, Investment Strategies & Risk of Loss:**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell. Typically we employ this sub-strategy when we believe the securities to be well valued and/or we want exposure to a particular asset class over time, regardless of the current projection for this class.

**Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

**Description of Material, Significant or Unusual Risks**

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to Wrap Asset Management, as applicable.

**Voting Client Securities**

We do not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in

the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

### **Item 7: Client Information Provided to Portfolio Manager(s)**

We are required to describe the information about you that we communicate to your portfolio manager(s), and how often or under what circumstances we provide updated information. Our firm communicates with your portfolio manager(s) on a regular basis as needed (daily, weekly, monthly, etc.) to ensure your most current investment goals and objectives are understood by your portfolio manager(s). In most cases, we will communicate such information as part of our regular investment management duties. Nevertheless, we will also communicate information to your portfolio manager(s) when you ask us to, when market or economic conditions make it prudent to do so, etc.

### **Item 8: Client Contact with Portfolio Manager(s)**

Clients are always free to directly contact their portfolio manager(s) with any questions or concerns they have about their portfolios or other matters.

### **Item 9: Additional Information**

We have determined that our firm and management have no disciplinary information to disclose.

We have the following financial industry activities and affiliations to disclose:

- a. Representatives of our firm are registered representatives of LPL member FINRA/SIPC, and licensed insurance agents. They may offer products and receive normal and customary commissions as a result of these transactions. A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products based on the compensation they may earn. In any event, as a fiduciary, we always put our Client's interest above our own.
- b. Certain investment advisor representatives of SWMG are also licensed as investment adviser representatives with LPL. SWMG and LPL are not affiliated. Through LPL the representatives provide investment advisory services to ERISA covered retirement plans. They earn advisory fees when providing these services through LPL. Therefore, you could receive advisory services from one individual acting as an investment adviser representative on behalf of two separate registered investment advisors. If the representatives of SWMG provide investment advisory services to you under their relationship with LPL you will be given the disclosure brochure of LPL describing the services provided, fees charged and other information. You are encouraged to read and review the disclosure brochures for both SWMG and LPL and direct questions to your representative.
- c. Representatives of SWMG may also receive loans from LPL Financial in order to assist with the transitioning some of our new Advisory Representatives' business onto the LPL Financial custodial platform. These loans are not forgiven by LPL Financial based on the scope of business SWMG engages in with LPL Financial. Instead the loan is forgiven over a pre-determined period of time regardless of assets held by SWMG clients at LPL Financial or revenue generated by SWMG for LPL Financial on their platform. However, to the extent



SWMG recommends you use LPL Financial for such services, it is primarily because SWMG believes that it is in your interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by LPL Financial. To further control for this conflict of interest, you are not required to use LPL Financial and can use another SWMG approved brokerage platform.

## **Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

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We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

## **Review of Accounts**

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We review accounts on a periodic basis for our clients subscribing to our Wrap Asset Management service. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only Jerry J. Zins, Jr., Dustin Dockter, Nicholas Goodwin, Christina Zins and Miranda Gerda will conduct reviews of client accounts.

We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we meet with clients who subscribe to our Wrap Asset Management service.

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

We may review client accounts on a more consistent basis, specifically when accounts are affected by major market or economic events, the client's life events, requests by the client, etc.

### **Client Referrals & Other Compensation**

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We may receive from LPL or a mutual fund company, without cost and/or at a discount support services and/or products, to assist us to better monitor and service client accounts maintained at such institutions. Included within the support services we may receive investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by us to assist us in our investment advisory business operations.

SWMG will from time to time receive expense reimbursement for travel and/or marketing expenses from distributors of investment products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing of client appreciation events and/or seminar expenses. The product sponsor reimbursements are typically made by those sponsors for which we have used their products or it is anticipated that we will use their products in the future. This may create a conflict of interest in that there may be an incentive to recommend certain products and investments based on the receipt of these marketing expense reimbursements. SWMG attempts to control this conflict by always basing investment decisions on the individual needs of our clients.

Our clients do not pay more for investment transactions effected and/or assets maintained at LPL as result of this arrangement. There is no commitment made by us to LPL or any other institution as a result of the above arrangement.

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with relevant state statutes and rules.

### **Financial Information**

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We are not required to provide financial information in this Brochure because:

- We do not require the prepayment of more than \$500 in fees and six or more months in advance.
- We do not take custody of client funds or securities.
- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

We have never been the subject of a bankruptcy proceeding.