

# WE Alliance Wealth Advisors Inc. Wrap Fee Program Brochure

*This brochure provides information about the qualifications and business practices of WE Alliance Wealth Advisors Inc.. If you have any questions about the contents of this brochure, please contact us at (916) 325-0130 or by email at: [terry@weriaadvisors.com](mailto:terry@weriaadvisors.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 WE Alliance Wealth Advisors Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). WE Alliance Wealth Advisors Inc.'s CRD number is: 175405.*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

There are no material changes in this brochure from the last annual updating amendment of WE Alliance Wealth Advisors Inc. on 03/12/2020.

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## Item 4: Services Fees and Compensation

We Alliance Advisors, Inc. (hereinafter “WE Alliance”) offers the following services to advisory clients:

### A. Description of Services

WE Alliance participates in and sponsors a wrap fee program, which allows WE Alliance to manage client accounts for a single fee that includes both portfolio management services and brokerage costs for assets held at or primary custodian which is Equity Trust Company. The fee schedule is set forth below:

Total Assets Under Management	Annual Fee
\$0 - \$100,000	1.50%
\$100,001 - \$250,000	1.25%
\$250,001 - \$1,000,000	1.00%
\$1,000,000 - \$2,500,000	0.75%
\$2,500,000 – And Up	0.50%

These fees are negotiable depending upon the needs of the client and complexity of the situation and the final fee schedule is attached as Exhibit II of the client contract. WE Alliance uses the last day of previous month for purposes of determining the market value of the assets upon which the advisory fee is based. If a non-primary custodian is used, clients must pay custodian and transaction fees charge by said custodian. Lower fees for comparable services may be available from other sources.

Advisory fees are withdrawn directly from the client’s accounts with client’s written authorization or may be invoiced to the client and paid by check or credit card and clients may select the method in which they are billed. Advisory fees are withdrawn directly from the client’s accounts with client written authorization. Fees are paid monthly in arrears. Because fees are charged in arrears, no refund policy is necessary.

Clients may terminate the contract without penalty, for full refund, within five business days of signing the contract. Thereafter, clients may terminate the contract with thirty days’ written notice.

### B. Contribution Cost Factors

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client’s account, the adviser’s ability to aggregate trades, and the

cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

### **C. Additional Fees**

Clients who participate in the wrap fee program will not have to pay for transaction or trading fees.

### **D. Compensation of Client Participation**

Neither WE Alliance, nor any representatives of WE Alliance receive any additional compensation beyond advisory fees for the participation of client's in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, WE Alliance may have a financial incentive to recommend the wrap fee program to clients.

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

WE Alliance generally provides its wrap fee program services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pooled Investment Vehicles

### ***Minimum Account Size***

There is an account minimum of \$500,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

### **A. Selecting/Reviewing Portfolio Managers**

WE Alliance will not select any outside portfolio managers for management of this wrap fee program. WE Alliance will be the sole portfolio manager for this wrap fee program.

#### ***1. Standards Used to Calculate Portfolio Manager Performance***

WE Alliance will use industry standards and utilize a third party performance tracking and software firm to calculate portfolio manager performance.

## ***2. Review of Performance Information***

Third party reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed monthly and is reviewed by third party advisor.

### **B. Related Persons**

No related persons act as a portfolio manager for the wrap fee program as described in this brochure. As such, there are no conflicts of interest with related persons and WE Alliance will not select any related persons as portfolio managers for this wrap fee program.

### **C. Advisory Business**

WE Alliance offers portfolio management services to its wrap fee program participants as discussed in Section 4 above.

#### ***Wrap Fee Portfolio Management***

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

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

WE Alliance evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### ***Performance-Based Fees and Side-By-Side Management***

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

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

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

protected/inflation linked bonds, commodities, non-U.S. securities, venture capital funds and private placements. WE Alliance may use other securities as well to help diversify a portfolio when applicable.

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

WE Alliance will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by WE Alliance on behalf of the client. WE Alliance will not use "model portfolios" but rather a specific set of recommendations for each client based on their personal restrictions, needs, and targets.

Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

### ***Wrap Fee Programs***

WE Alliance sponsors and acts as portfolio manager for this wrap fee program. WE Alliance manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than non-wrap fee. The fees paid to the wrap account program will be given to WE Alliance as a management fee.

### ***Amounts Under Management***

WE Alliance has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 155,617,633	\$ 0	December 2019

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

WE Alliance's methods of analysis include fundamental analysis and modern portfolio theory.

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

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

### ***Investment Strategies***

WE Alliance uses long term trading and options trading (including covered options, uncovered options, or spreading strategies).



WE Alliance may recommend unusually risky investments to clients. For example: Options but they are used to structure portfolios and bring down overall risk. Additionally we take on illiquidity risk to increase returns.

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

### ***Material Risks Involved***

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

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

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

### ***Risks of Specific Securities Utilized***

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

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The

value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

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

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you

withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Venture capital funds** invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

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

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

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

### ***Voting Client Proxies***

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

## **Item 7: Client Information Provided to Portfolio Managers**

WE Alliance is the portfolio managers for this wrap fee program. All client information that is collected, including basic information, risk tolerance, sophistication level, and income level will

be collected by WE Alliance. As that information changes and is updated, WE Alliance will have immediate access to that information once collected.

## **Item 8: Client Contact with Portfolio Managers**

WE Alliance places no restrictions on client ability to contact its portfolio managers. WE Alliance's representative, Terry D Wheeler can be contacted during regular business hours and contact information is on the cover page of Terry D Wheeler's Form ADV Part 2B brochure supplement.

## **Item 9: Additional Information**

### **A. Disciplinary Action and Other Financial Industry Activities**

#### ***Criminal or Civil Actions***

There are no criminal or civil actions to report.

#### ***Administrative Proceedings***

There are no administrative proceedings to report.

#### ***Self-regulatory Organization Proceedings***

There are no self-regulatory organization proceedings to report.

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

Neither WE Alliance nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

Neither WE Alliance nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

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

Terry Dean Wheeler is a lawyer and from time to time, may offer clients advice or products from those activities via Strategic Wealth Legal Advisors, Inc. Clients should be aware that these services may involve a conflict of interest. WE Alliance always acts in the best interest of the client and clients are in no way required to utilize the services of any

representative of WE Alliance in connection with such individual's activities outside of WE Alliance.

Certain supervised persons are licensed insurance agents. From time to time, they may offer clients advice or products from those activities through WE Alliance Insurance Solutions, Inc. an insurance agency under common control with WE Alliance. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. WE Alliance always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients always have the right to decide whether or not to utilize the services of any WE Alliance representative in such individual's outside capacities.

Terry Dean Wheeler acts as a real estate broker or dealer and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. WE Alliance always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of WE Alliance in connection with such individual's activities outside of WE Alliance.

Terry Dean Wheeler is the manager of WE Alliance Tactical Managers, LLC, the general partner of WE Alliance Tactical Holdings, LLC, a private equity fund. WE Alliance will recommend investments in this private fund to those clients for which investment in the fund is suitable. This presents a conflict of interest in that WE Alliance or its related persons may receive more compensation from investment in the fund than from other investments. Nevertheless, WE Alliance acts in the best interest of the client consistent with its fiduciary duties and clients are not required invest in the private fund if they do not wish to do so.

Terry Dean Wheeler is the manager of WE Alliance Strategic Management Services, LLC, the general partner of three different private funds; WE Alliance Secured Income Fund, LLC, WE Alliance Structured Active Allocation Growth Fund, LLC, and WE Alliance Structured Strategies Stock Allocations Fund, LLC. WE Alliance will recommend investments in these private funds to those clients for which investment in the funds is suitable. This presents a conflict of interest in that WE Alliance or its related persons may receive more compensation from investment in the funds than from other investments. Nevertheless, WE Alliance acts in the best interest of the client consistent with its fiduciary duties and clients are not required invest in these private funds if they do not wish to do so.

WE Alliance Institutional, LLC is the holding company over WE Alliance Strategic Management Services, LLC and WE Alliance Tactical Managers, LLC.

***Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections***

WE Alliance direct clients to third-party investment advisers. Clients will pay WE Alliance its standard fee in addition to the standard fee for the advisers to which it directs

those clients. The fees will not exceed any limit imposed by any regulatory agency. WE Alliance will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. WE Alliance will ensure that all recommended advisers are exempt, licensed or notice filed in the states in which WE Alliance is recommending them to clients.

## **B. Code of Ethics, Client Referrals, and Financial Information**

### ***Code of Ethics***

We have a written Code of Ethics that covers the following areas: Prohibited Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

### ***Recommendations Involving Material Financial Interests***

Terry Dean Wheeler is the manager of WE Alliance Tactical Managers, LLC, the general partner of WE Alliance Tactical Holdings, LLC, a private equity fund. In addition, Terry Dean Wheeler is the manager of WE Alliance Strategic, manager of WE Alliance Secured Income Fund, LLC, WE Alliance Structured Active Allocation Growth Fund, LLC, and WE Alliance Structured Strategies Stock. WE Alliance will recommend investments in this private fund to those clients for which investment in the fund is suitable.

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

From time to time, representatives of WE Alliance may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of WE Alliance to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. WE Alliance will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

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

From time to time, representatives of WE Alliance may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of WE Alliance to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, WE Alliance will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### ***Frequency and Nature of Periodic Reviews and Who Makes Those Reviews***

Client accounts are reviewed at least annually only by Terry D Wheeler, CEO. Terry D Wheeler is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at WE Alliance are assigned to this reviewer.

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

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

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

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

### ***Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)***

WE Alliance does not receive any economic benefit, directly or indirectly from any third party for advice rendered to WE Alliance clients.

### ***Compensation to Non – Advisory Personnel for Client Referrals***

WE Alliance does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### ***Balance Sheet***

WE Alliance does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### ***Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients***

Neither WE Alliance nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

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

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