

# **Windsor Capital Management, LLC**

**20860 North Tatum Boulevard  
Suite 220  
Phoenix, Arizona 85050**

**Telephone: (480) 515-3514  
Facsimile: (602) 357-7457**

**[www.windsoradvisor.com](http://www.windsoradvisor.com)**

**February 4, 2021**

## **FORM ADV PART 2A BROCHURE**

This firm brochure provides information about the qualifications and business practices of Windsor Capital Management, LLC. If you have any questions about the contents of this firm brochure, contact us at 480-515-3514. The information in this firm brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Windsor Capital Management, LLC (CRD No. 116593) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Windsor Capital Management, LLC is a registered investment adviser. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

## **Item 2 Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their firm brochure when information becomes materially inaccurate. If there are any material changes to an adviser's firm brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated January 21, 2020, there are no material changes to report.

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## Item 4 Advisory Business

### Our Firm

Windsor Capital Management, LLC, a Minnesota limited liability company established in 2000, is a fee-only registered investment adviser with its primary offices located in Phoenix, Arizona. We also maintain a branch office in Oak Brook, Illinois. The firm's principal owners are Darren L. Whitehurst and Donald E. Peppler.

We provide our clients with an extensive range of investment advisory services through various investment management programs, including traditional discretionary and non-discretionary portfolio management services, and advisory consulting services. Our integrated suite of services may be offered to clients on an all-inclusive or individual basis. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to our clients' individual needs.

As used in this firm brochure, the words "we," "our," "firm," and "us" refer to Windsor Capital Management, LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm. Also, you may see the phrase "associated person" throughout this firm brochure. As used in this firm brochure, our associated persons shall include our firm's officers, employees, and all individuals providing investment advice on behalf of the firm.

### Portfolio Management Services

We typically offer our traditional portfolio management services exclusively on a discretionary basis. The advisory services offered under this program are tailored in accordance with your individual investment needs and objectives and are delivered based upon our consultation(s) with you (in-person, telephonic, and otherwise) regarding your unique financial circumstances and goals. We will analyze the information gathered during our consultation(s), assist you in determining (a) an appropriate set of financial goals, (b) your level of risk tolerance, and (c) your retirement plan time horizon, and create a customized investment portfolio and strategy that is based upon your investment profile. Following the creation and implementation of your initial investment portfolio, we will monitor the performance of your holdings on an ongoing basis and implement adjustments within your account as needed, in view of current economic conditions, our market assumptions, and your investment profile.

If you participate in our traditional portfolio management services, we will require you to grant our firm discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. This authorization includes deciding which securities to buy and sell, when to buy and sell, and in what amounts, the broker or dealer to be used and the commission rates to be paid in accordance with your investment program, without obtaining your prior consent or approval for each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, and/or trading authorization forms. You may limit our discretionary authority (for example, limiting the specific securities or types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

As part of our traditional portfolio management services, in addition to other types of investments (see disclosures below in this section), we may invest your assets according to one or more model portfolios developed by our firm. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model.

In limited circumstances, and solely at our discretion, we may also manage your accounts on a non-discretionary basis. Where we manage your account on a non-discretionary basis, we must obtain your consent prior to each transaction and you will have an unrestricted right to decline to implement any advice or recommendations provided by our firm.

You may make additions to and withdrawals from your account at any time, subject to our right to terminate an account that in our discretion falls below a size which is too small to effectively manage. You may withdraw account assets on notice to our firm, and subject to the usual and customary securities settlement procedures. Our investment models typically rely on long-term investment strategies and asset withdrawals may therefore impair the achievement of your specific investment objectives.

We do not hold ourselves out as a financial planner, but may offer financial planning related services incidental to the portfolio management services disclosed above, or as part of an advisory consulting engagement as disclosed below. Fees and fee paying arrangements for financial planning services are negotiated on a case-by-case basis and will be clearly set forth in the agreement for services.

### **Advisory Consulting Services**

We offer general consulting services with respect to securities and non-securities related investments and financial matters. These services are provided on a non-continuous basis, to include one-time, monthly, quarterly, semi-annual or annual advice. The frequency of the services provided will be agreed upon in advance of the services to be rendered. The topics we address may include, but are not limited to, a review of the client's existing portfolio with asset allocation recommendations, a review/evaluation of recommendations made by other advisory professionals for suitability, management and/or monitoring of a participant's investments in a 401(k) plan, on-going portfolio monitoring services or other financial planning related services.

### **Advisory Services to Retirement Plans**

As described above, we offer our traditional discretionary portfolio management services to employee benefit plans ("Plan"). The services are designed to assist plan sponsors in meeting their management and fiduciary obligations to participants under the Employee Retirement Income Securities Act ("ERISA"). Pursuant to adopted regulations of the U.S. Department of Labor, we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

The services we provide to your Plan are described above, and in the service agreement that you have previously signed with our firm. Our compensation for these services is described below, at *Item 5 - Fees and Compensation*, and also in the service agreement. We also participate in the TD Ameritrade AdvisorDirect referral program ("AdvisorDirect"), described more fully below at *Item 12 - Brokerage Practices* and *Item 14 - Client Referrals and Other Compensation*, and may receive certain benefits resulting from our participation in AdvisorDirect. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan. If we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) we will promptly disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

In providing services to the Plan, our status is that of an investment adviser registered under the Investment Advisers Act of 1940, and we are not subject to any disqualifications under Section 411 of ERISA. In performing fiduciary services, we are acting as a fiduciary of the Plan as a discretionary fiduciary as defined in Section 3(21) and Section 3(38) under ERISA.

### **Advisory Services to Unaffiliated Registered Investment Advisers**

We also provide investment advisory services to unaffiliated registered investment advisers. In providing these services, our role is limited to providing these unaffiliated firms with access to our portfolio models. In these arrangements, individual clients are clients of the unaffiliated investment adviser, not our firm. The unaffiliated firm will determine the suitability of their client's participation in one or more of our model portfolios. We do not make any recommendations, determine suitability, or provide any advisory services to individual clients of the unaffiliated firm.

### **Wrap Fee Program(s)**

We do not participate in any wrap fee program.

### **Types of Investments**

We primarily offer advice on individual fixed income and equity securities, exchange traded funds ("ETFs"), and closed ended mutual funds, some which may employ leverage. We will also provide advice on open-ended mutual funds. In addition, we will also offer advice on individual stocks as part of our proprietary model stock portfolios. We do not generally recommend individual stocks as part of our standard advisory services to individual accounts. We may recommend other types of investments since each client has different needs and different tolerances for risk. We may also advise you on any type of investment held in your portfolio at the inception of our advisory relationship, or on specific types of investments at your request.

### **Assets Under Management**

As of December 31, 2020, we provide continuous management services for \$614,680,371 in client assets on a discretionary basis.

## **Item 5 Fees and Compensation**

### **Portfolio Management Services**

Our annual advisory fee for traditional portfolio management services consists of a asset-based management fee ranging between 0.35% and 1.00% of the value of your account. This advisory fee is payable quarterly, in advance, based on the value of your account on the last day of the previous calendar quarter. Our advisory fee is based on the total asset value of your account, which includes the value of any accrued interest on individual fixed income positions within your portfolio.

If our traditional portfolio management services agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro-rata basis, which means that our advisory fee is payable only in proportion to the number of days in the calendar quarter for which you are a client. In special cases, our fees and fee paying arrangements may be negotiable; therefore, arrangements with existing clients may differ from that published in this firm brochure. In all cases, the final fee and billing arrangements will be clearly set forth in the executed agreement for services.

We will either send you an invoice for the payment of our advisory fee, or your account custodian, as paying agent for our firm, will deduct our advisory fee directly from your account. Our fee will be deducted directly from your account only when (1) you have given our firm and your account custodian written authorization authorizing the same, and (2) where your account custodian will deliver an account statement to you at least quarterly showing all activity in your account, including, without limitation, any direct debits of our advisory fees. You should review all account statements for accuracy. We will also receive a duplicate copy of your account statements.

Our agreement for services will continue in effect until terminated by either party. You may terminate the management agreement upon 30-days' written notice to our firm. You will incur a pro-rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory

fees only in proportion to the number of days in the calendar quarter during which you were a client. Upon termination of our traditional portfolio management agreement, you will receive a pro-rated return of any unearned fees to the date of termination.

For those clients who receive an invoice from our firm, we encourage you to reconcile our invoices with the account statement(s) you receive from the qualified custodian of your assets. If you find any inconsistent information between our invoice and the account statement(s) you receive from the qualified custodian, please call our main office number located on the cover page of this firm brochure.

### **Advisory Consulting Services**

Advisory consulting fees may consist of an asset-based fee, a fixed retainer fee, an hourly fee, or any combination thereof. The type and amount of the fees charged will be negotiated on a case-by-case basis. In the event you decide to engage our firm for advisory consulting services, you will be required to enter into a written engagement letter with us describing the scope of the services to be provided and the fees to be paid.

Either party may terminate the consulting engagement upon advance written notice to the other party. Upon termination of the management agreement, you will receive a pro-rated return of any unearned fees to the date of termination.

### **Advisory Services to Retirement Plans**

Fees and fee paying arrangements for retirement plan services are negotiated on a case-by-case basis. Where we provide continuous asset management services, our fees and fee paying arrangements are based on the fee schedule and other information disclosed above for our traditional portfolio management services.

### **Additional Fees and Expenses**

In addition to, and exclusive of, our investment advisory fees disclosed above, you will also be charged brokerage commissions, transaction fees, and other related costs and expenses for trade execution. These transaction charges are paid to, and retained by, the account custodian for its clearance and execution services. We do not receive any portion of these commissions, fees, or costs. For information on our brokerage practices, please refer to *Item 5 - Brokerage Practices* of this firm brochure.

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds, closed-end funds, individual fixed income and/or equity securities, and ETFs. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or ETFs (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to *Item 5 - Brokerage Practices* of this firm brochure.

We may trade client accounts on margin. Each client must sign a separate margin agreement before margin is extended to that client account. Fees for advice and execution on these securities are based on the total asset value of the account, which includes the value of the securities purchased on margin. While a negative amount may show on a client's statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create



a conflict of interest where we may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this firm brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated firm brochure.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

Performance based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance based fees. We do not accept performance-based fees or participate in side-by-side management.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals (including high net worth individuals), pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

For portfolio management accounts, we generally require the following minimums to open an maintain an account with our firm: \$200,000 for our fixed income style accounts; and \$400,000 for our balanced style accounts. At our discretion, we may waive the foregoing minimum account requirements. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management, or where a smaller account is tied to a larger client relationship. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

Third party programs, including TD Ameritrade's AdvisorDirect program, may have account minimums that are higher or lower than our minimum account requirements. These minimums are disclosed separately in the relevant third party adviser's Form ADV disclosure brochure, if any. Please refer to *Item 12 - Brokerage Practices* for additional disclosures on TD Ameritrade and AdvisorDirect program.

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

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Charting Analysis** - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index, or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

**Risk:** Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.



**Technical Analysis** - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

**Risk:** The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

**Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Cyclical Analysis** - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions.

**Risk:** The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost "locking-up" assets that may be better utilized in the short-term in other investments.

**Short-Term Purchases** - we generally do not employ this strategy, but may in limited circumstances, e.g., redemption or liquidation. This strategy is defined as securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

**Risk:** Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

**Margin Transactions** - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

**Risk:** If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount that was loaned to them.

**Option Writing** - a securities transaction that involves selling an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.

**Risk:** Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

We may allocate the assets in your account among various asset classes and securities based upon our market assumptions and your investment profile. In addition to the investment strategies described above, we may, in certain circumstances, implement "trading" (in general, selling securities within 30 days of purchasing the same securities) and other investment techniques in your account. While none of these investment strategies are a fundamental part of our overall investment strategy, we may recommend them occasionally when we determine that they are suitable given your stated investment objectives, tolerance for risk, and market conditions.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Moreover, custodians and broker-dealers must report the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the "first-in, first-out" ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

## **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. This includes equity, fixed income, and any other type of investment held in your account. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

## **Recommendation of Particular Types of Securities**

As disclosed under the *Advisory Business* section above, we primarily recommend the following types of securities: individual fixed income securities, ETFs, and closed-end mutual funds. In addition, we will also include individual stocks as part of our proprietary model stock portfolios. We do not generally recommend individual stocks as part of our standard advisory services to individual accounts. Each type of security has its own unique set of associated risks and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with that investment.

Below is a brief generally description of the various types of investments we may recommend for your account and their associated risks.

**Corporate and Municipal Bonds:** Corporate debt securities ("bonds") and municipal bonds are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same interest rate.

**Individual Equity Securities:** There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing the security. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, more well established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

**Mutual funds and ETFs** are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

**Options and Warrants:** Options are complex securities that involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. It is generally recommended that you only invest in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The main difference between warrants and call options is that warrants are issued and guaranteed by the issuing company, whereas options are traded on an exchange and are not issued by the company. Also, the lifetime of a warrant is often measured in years, while the lifetime of a typical option is measured in months. The two types of options are calls and puts:

A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires.

A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires.

Selling options is more complicated and can be even riskier.

The option trading risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.
- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options which do not have secondary markets on which to sell the options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

The option trading risks pertaining to options sellers are:

- Options sold may be exercised at any time before expiration.
- Covered call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.
- Writers of naked calls risk unlimited losses if the underlying stock rises.
- Writers of naked puts risk unlimited losses if the underlying stock drops.
- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options could lose more money than a short seller of that stock could on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.
- Writers of naked calls are obligated to deliver shares of the underlying stock if those call options are exercised.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction.
- The value of the underlying stock may surge or ditch unexpectedly, leading to automatic exercises.

Other option trading risks are:

- The complexity of some option strategies is a significant risk on its own.
- Option trading exchanges or markets and option contracts themselves are open to changes at all times.
- Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
- Risk of erroneous reporting of exercise value.
- If an options brokerage firm goes insolvent, investors trading through that firm may be affected.
- Internationally traded options have special risks due to timing across borders.

Risks that are not specific to options trading include market risk, sector risk and individual stock risk. Option trading risks are closely related to stock risks, as stock options are a derivative of stocks.

## **Item 9 Disciplinary Information**

Windsor Capital Management, LLC, formerly known as Windsor Financial Group, LLC, has been registered and providing investment advisory services since 2000. Neither our firm nor any of our management persons have any reportable disciplinary information.

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

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker .
2. 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).
3. other investment adviser or financial planner.
4. futures commission merchant, commodity pool operator, or commodity trading advisor.
5. banking or thrift institution.
6. accountant or accounting firm.
7. lawyer or law firm.
8. insurance company or agency.
9. pension consultant.
10. real estate broker or dealer.
11. sponsor or syndicator of limited partnerships.

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

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to clients or prospective clients upon request. You may obtain a copy of our Code of Ethics by calling 480-515-3514.

### **Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this firm brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, where we trade on the same trading day, it is our policy that we will only execute transactions for personal accounts in the same direction as, and after the trade is complete in, your customer account. (1)(2)

#### **Footnotes:**

(1) This investment policy has been established recognizing that some securities being considered for purchase and/or sale on behalf of Windsor's clients trade in sufficiently broad markets to permit transactions by clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with Windsor' records in the manner set forth above.

(2) The foregoing does not apply to certain types of securities, such as obligations of the U.S. government, and shares in open-end mutual funds. Open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds by advisory representatives are not likely to have an impact on the prices of the fund shares in which our clients invest.

## **Item 12 Brokerage Practices**

### **Recommendation of Broker-Dealers**

For traditional portfolio management services accounts, we will generally require that securities be purchased through the facilities of TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), an unaffiliated SEC registered broker-dealer (member FINRA/SIPC).

We participate in the TD Ameritrade Institutional Customer Program for advisors ("Institutional Program") as well as other specific programs through TD Ameritrade (more fully discussed in *Item 14 - Client Referrals and Other Compensation* of this firm brochure). TD Ameritrade offers to independent investment advisers, services that include custody of securities, trade execution, clearance and



settlement of transactions. We receive some benefits from TD Ameritrade through our participation in these programs. In addition to the benefits disclosed below, we may receive benefits such as assistance with conferences and educational meetings from product sponsors. Please refer to *Item 14 - Client Referrals and Other Compensation* for additional disclosures on this topic.

In selecting a broker dealer we will endeavor to select those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, and other services. In recognition of the value of research services and additional brokerage products and services TD Ameritrade provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere. Please refer to *Item 14 - Client Referrals and Other Compensation* for additional disclosures on this topic.

### **Directed Brokerage**

We routinely recommend that you direct our firm to execute transactions through TD Ameritrade and/or the Institutional Program. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage. Please refer to *Item 14 - Client Referrals and Other Compensation* for additional disclosures on this topic.

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent us from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

### **Block Trades**

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

We combine multiple orders for shares of the same securities purchased for discretionary accounts; however, we do not combine orders for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.



## Item 13 Review of Accounts

### Traditional Portfolio Management Services

Darren L. Whitehurst, Chief Manager, Donald E. Peppler, Chief Compliance Officer, or the assigned advisory representative will monitor your account(s) on a continuous basis to ensure the advisory services provided to you and the portfolio mix remain consistent with your current investment needs and objectives. We will conduct account reviews at least quarterly. Triggering factors that may stimulate additional reviews of your account include, but are not limited to, the following: contributions and withdrawals, year-end tax planning, market moving events, security specific events and a change in risk/return objectives of the client.

From time to time, we may provide you with written reports that include relevant account information such as inventory and appraisals of account holdings, cash activity summary, and portfolio allocation details. You will also receive trade confirmations and statements, at least quarterly, directly from your account custodian(s). If available, such information may be accessed online.

We encourage you to reconcile our reports with those received from the qualified custodian. If you find your holdings differ between these two statements, call our main office number located on the cover page of this firm brochure. Frequently, our reports do not reconcile with those of the custodian due to the inclusion of accrued interest on most of our reports. Accrued interest is not included on the reports you receive from your account custodian.

## Item 14 Client Referrals and Other Compensation

### TD Ameritrade AdvisorDirect

We will receive client referrals from TD Ameritrade through our participation in TD Ameritrade's AdvisorDirect Program ("AdvisorDirect" or "referral program"). In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, we may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of, and unaffiliated with our firm; we do not have an employee or agency relationship with TD Ameritrade. TD Ameritrade has established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisers. TD Ameritrade does not supervise our firm and has no responsibility for our management of your portfolios or our other advice or services. We pay TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage of the amount of assets we manage for you (not to exceed .25% of the value of the assets we manage for you). We will also pay TD Ameritrade the Solicitation Fee on any managed assets received by our firm from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and who hire our firm on the recommendation of such referred client. We will not charge clients referred through AdvisorDirect any fees or costs higher than our standard fee schedule offered to our clients or otherwise pass Solicitation Fees paid to TD Ameritrade to you. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgment Form.

Our participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisers that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, we may have an incentive to recommend to our clients that their assets under management with our firm be held in custody with TD Ameritrade and to place transactions for their accounts with TD Ameritrade. In addition, we have agreed not to solicit

clients referred to us through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when our fiduciary duties require us to do so. Our participation in AdvisorDirect does not diminish our duty to seek best execution of trades for client accounts.

### **TD Ameritrade Institutional**

As disclosed above under *Item 12 Brokerage Practices*, we participate in TD Ameritrade's Institutional Customer Program ("Institutional Program") and we may recommend TD Ameritrade to clients for custodial and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade's retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our associated persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our clients' accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our associated persons through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our associated persons in and of themselves creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

### **Item 15 Custody**

We directly debit your account(s) for the payment of our advisory fees. The ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. If you have a question regarding your account statement or if you did not receive a statement from your custodian, contact us immediately at 480-515-3514.

Associated persons of our firm serve as trustees to certain accounts for which we provide investment advisory services. In all cases, the associated person has been appointed trustee as a result of a family or personal relationship with the trust grantor and/or beneficiary and not as a result of employment with our firm. Therefore, we are not deemed to have custody over the advisory accounts for which our associated persons serve as trustee.

## Item 16 Investment Discretion

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

You may grant our firm discretion over the selection and amount of securities to be purchased or sold, the broker or dealer to be used, and the commission rates to be paid for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your traditional portfolio management account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to *Item 4 - Advisory Business* for more information on our discretionary portfolio management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. However, at your request, we may offer you advice regarding the exercise of your proxy voting rights.

## Item 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

## Item 19 Requirements for State-Registered Advisers

We are a federally registered adviser; therefore, we are not required to respond to this item.

## Item 20 Additional Information

### Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, and portfolio accounting and analytical system providers.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to

ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact Don Pepler at 480-515-3514, if you have any questions regarding this policy.

**Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

**Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.