

## Item 1 – Cover Page

### **Hiley Hunt Wealth Management, Inc.**

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Date of Disclosure Brochure: February 2021

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This disclosure brochure provides information about the qualifications and business practices of Hiley Hunt Wealth Management, Inc. (also referred to as we, us and HHWM throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Jason D. Hiley at (402) 504-9347 or [jason@hileyhunt.com](mailto:jason@hileyhunt.com). The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about HHWM is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Hiley Hunt Wealth Management, Inc. or our firm's CRD number 164942.

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

\*\*Although HHWM is referred to as we or us throughout this brochure for your convenience, please understand that any engagement described under this brochure will be made with the legal entity of Hiley Hunt Wealth Management, Inc.

## **Item 2 – Material Changes**

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

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

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#### **Item 4 – Advisory Business**

HHWM is an S-corporation formed under the laws of the State of Nebraska and has applied to become registered with the U.S. Securities and Exchange Commission.

- Jason D. Hiley is the Chief Executive Officer (CEO), President and 51.00% owner of HHWM. Andrew D. Hunt is the Vice President and 49.00% owner of HHWM.
- HHWM was initially approved as an investment adviser on August 15, 2012.

#### **Introduction**

The investment advisory services of HHWM are provided to you through an appropriately licensed individual who is an investment adviser representative of HHWM (referred to as your investment adviser representative throughout this brochure). HHWM is a “fee-only” investment adviser. “Fee-only” means we are paid exclusively by our clients and the amounts of all such compensation are fully disclosed to clients in writing. We do not sell products and we do not receive commissions or other compensation from any source. This fee-only arrangement enables our firm to act solely in our clients’ best interests.

#### **Description of Advisory Services**

The following are descriptions of the primary advisory services of HHWM. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and HHWM before we can provide you the services described below.

**Asset Management Services** – HHWM offers asset management services, which involves HHWM providing you with continuous and ongoing supervision over your specified accounts.

All accounts that HHWM will manage on your behalf will be specified in the Asset Management Agreement that is required to be executed at the initiation of any asset management services (collectively referred to as the “Account”). In most instances you will appoint our firm as your investment adviser of record on specified accounts. The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

**Financial Planning & Consulting Services** - HHWM offers financial planning services, which involve preparing a written financial plan covering specific or multiple topics. We provide full written financial plans, which typically address the following topics: Investment Planning, Retirement Planning, Insurance Planning, Tax Planning, Portfolios Review, and Asset Allocation. When providing financial planning and consulting services, our role is to find ways to help you understand your overall financial situation and help you set financial objectives. Written financial plans prepared by us under this Agreement do not include specific recommendations of individual securities.

Common financial planning topics covered in a plan include:

**Investment Planning** – HHWM prepares an Investment Policy Statement (IPS) with detailed review of client's overall investment objective, return requirements, risk tolerance, time horizon, liquidity needs, tax preference and unique circumstances. The IPS outlines the investment philosophy, asset allocation plan, investment selection criteria and monitoring procedures. The IPS is normally updated on a yearly basis unless there is a change in client's personal circumstance which would require an interim update. Investment planning can take anywhere between three to forty hours depending upon the client's profile and circumstances

**Retirement Planning** – HHWM determines retirement income goals and gathers information about potential sources of retirement. HHWM creates a unified and comprehensive retirement plan covering assets, income, taxation, inheritance and risk management. A long-term asset management plan is structured considering economic environment and inflationary conditions, tax minimization strategy, uncertainty and market volatility. Retirement planning services include research, financial modeling and mathematical simulation to identify adequacy of client's investment to attain retirement readiness, and to clarify strategic choices and actions. Retirement planning can take anywhere between three to fifty hours depending upon the client's profile and circumstances.

**Insurance Planning** – Upon request HHWM will perform a review of clients existing insurance policies and make recommendations for suggested changes. Insurance reviews can take anywhere between three and twenty hours depending upon the client's profile and circumstances.

**Tax Planning** – HHWM works with third party tax / accounting advisor(s) to align financial goals with tax efficiency planning. Tax planning would encompass many different aspects e.g. selection of investment options and types of retirement plans, timing of income and capital growth as well as tax lot selection for

investment transactions within client's portfolio. Tax planning services would include recommendations on tax reduction strategies based on income, expenses, individual needs and goals. Clients can also choose to use their existing tax / accounting advisor(s). The fee arrangement with an outside professional is described in the section 'Other Fee Terms for Financial Planning, Institutional Advisory & Consulting Services'. Tax planning can take anywhere between three to forty hours depending upon the client's profile and circumstances.

**Portfolio Review and Asset Allocation** – HHWM researches clients' existing portfolios and underlying investments to determine the asset class mix, return profile and risk characteristics. HHWM also determines broad asset allocation objectives based on the Investment Policy Statement (IPS). An Efficient Frontier is constructed to develop an optimized portfolio based on the constraints indicated in the IPS, and underlying investments (e.g. stocks, bonds, ETFs, mutual funds) are selected using quantitative screens and qualitative review. HHWM also analyzes return, risk and modern portfolio statistics and runs mathematical simulation, wherever necessary, to identify the adequacy of the portfolio against client's investment objectives and risk tolerance. Portfolio Review and asset allocation can take anywhere between three to sixty hours depending upon the client's profile and circumstances.

We also offer consultations in order to discuss financial planning issues when you do not need a written financial plan. We offer a one-time consultation, which covers mutually agreed upon areas of concern related to investments or financial planning. We also offer "as-needed" consultations, which are limited to consultations in response to a particular investment or financial planning issue raised or request made by you. Under an "as-needed" consultation, it will be incumbent upon you to identify those particular issues for which you are seeking our advice or consultation on.

Topics covered in "as-needed" consultations may include any of the topics typically covered in a comprehensive plan such as: Investment Planning, Retirement Planning, Insurance Planning, Tax Planning, Portfolios Review, and Asset Allocation.

Our financial planning and consulting services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning and consulting recommendations. To the extent that you would like to implement any of our investment recommendations through HHWM or retain us to actively monitor and manage your investments, you must execute a separate written agreement with HHWM for our asset management services.

## **Newsletters**

HHWM occasionally prepares general, educational and informational newsletters and electronic blog posts. Newsletters and blog posts are always offered on an impersonal basis and do not focus on the needs of a specific individual.

## **Retirement Plan Services**

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

## Fiduciary Consulting Services

HHWM provides the following Fiduciary Retirement Plan Consulting Services:

- Investment Policy Statement Preparation. HHWM will help you develop an investment policy statement. The investment policy statement establishes the investment policies and objectives for the Plan. You will have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- Non-Discretionary Investment Advice. HHWM will provide you with general, non-discretionary investment advice regarding assets classes and investment options, consistent with your Plan's investment policy statement.
- Investment Selection Services. HHWM will provide you with recommendations of investment options consistent with ERISA section 404(c).
- Investment Due Diligence Review. HHWM will provide you with periodic due diligence reviews of the Plan's reports, investment options and recommendations.
- Investment Monitoring. HHWM will assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement and HHWM will make recommendations to maintain or remove and replace investment options.
- Default Investment Alternative Advice. HHWM will provide you with non-discretionary investment advice to assist you with the development of qualified default investment alternative(s) ("QDIA"), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election. You will retain the sole responsibility to provide all notices to participants required under ERISA section 404(c)(5).

For Fiduciary Consulting Services, all recommendations of investment options and portfolios will be submitted to you for your ultimate approval or rejection. For retirement plan Fiduciary Consulting Services, the retirement plan sponsor client or the plan participant who elects to implement any recommendations made by us is solely responsible for implementing all transactions.

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

HHWM acknowledges that in performing the Fiduciary Consulting Services listed above that it is acting as a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of Employee Retirement Income Security Act of 1974 ("ERISA") for purposes of providing non-discretionary investment advice only. HHWM will act in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause HHWM to be a fiduciary as a matter of law. However, in providing the Fiduciary Consulting Services, HHWM (a) has no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of Client's retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of Client's retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of Client's retirement plan or the interpretation of Client's retirement plan documents, (b) is not an "investment

manager” as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the “Administrator” of Client’s retirement plan as defined in ERISA.

#### Fiduciary Management Services

HHWM provides clients with the following Fiduciary Retirement Plan Management Services:

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

If you elect to utilize any of HHWM’s Fiduciary Management Services, then HHWM will be acting as an Investment Manager to the Plan, as defined by ERISA section 3(38), with respect to [my][our] Fiduciary Management Services, and HHWM hereby acknowledges that it is a fiduciary with respect to its Fiduciary Management Services.

#### Non-Fiduciary Services

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

HHWM provides clients with the following Non-Fiduciary Retirement Plan Consulting Services:

- Participant Education. HHWM will provide education services to Plan participants about general investment principles and the investment alternatives available under the Plan. HHWM’s assistance in participant investment education will be consistent with and within the scope of DOL Interpretive Bulletin 96-1. Education presentations will not take into account the individual circumstances of each participant and individual recommendations will not be provided unless otherwise agreed upon. Plan participants are responsible for implementing transactions in their own accounts.
- Participant Enrollment. HHWM will assist you with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.



- Due Diligence Review. HHWM will provide you with periodic due diligence reviews of your Plan's fees and expenses and your Plan's service providers.
- Fiduciary File Set-up. HHWM will help you establish a "fiduciary file" for the Plan which contains trust documents, custodial/brokerage statements, investment performance reports, services agreements with investment management vendors, the investment policy statement, investment committee minutes, asset allocation/asset liability studies, due diligence fields on funds/money managers and monitoring procedures for funds and/or money managers.
- Benchmarking. HHWM will provide you benchmarking services and will provide analysis concerning the operations of the Plan.

Individual participants that would like to obtain individualized investment advice will be required to sign a separate Financial Planning or investment Management Agreement with HHWM.

### **Limits Advice to Certain Types of Investments**

HHWM provides investment advice on the following types of investments:

- Mutual Funds
- Exchange Traded Funds (ETFs)
- Exchange-listed Securities
- Securities Traded Over-the-Counter
- Warrants
- Corporate Debt Securities
- Commercial Paper
- Certificates of Deposit
- Municipal Securities
- Variable Annuities
- Variable Life Insurance
- US Government Securities
- Options Contracts on Securities
- Options Contracts on Commodities
- Interests in Partnerships Investing in Real Estate
- Interests in Partnerships Investing in Oil and Gas Interests

Although HHWM generally provide advice only on the products previously listed, we recommend all types of securities, and the types of securities will differ based on each client's individual circumstances.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

*(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

### **Tailor Advisory Services to Individual Needs of Clients**

HHWM's advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information. Our financial planning and consulting services are always provided based on your individual needs. When providing financial planning and consulting services, we work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Client Assets Managed by HHWM**

As of December 31, 2020, HHWM has \$131,012,301 in discretionary assets under management. HHWM has \$0 in non-discretionary assets under management.

## **Item 5 – Fees and Compensation**

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and HHWM.

### **Asset Management Services**

Fees charged for our asset management services are charged based on a percentage of assets under management, billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of the billing period, then the prorated fee for that billing period is based on the value of the Account at the end of the initial partial quarter and billed in arrears at the same time that the first full quarter's fee is billed in advance.

The asset management services continue in effect until terminated by either party (i.e., HHWM or you) by providing written notice of termination to the other party. Any prepaid, unearned fees will be promptly refunded by HHWM to you. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final period. In the event that there is a remaining balance of any fees paid in advance after the deduction of fees from the final invoice, those remaining proceeds will be refunded to the Client.

Fees charged for our asset management services are negotiable based on the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual

funds), the potential for additional account deposits, the personal or professional relationship of the client with the investment adviser representative, and the total amount of assets under management for the client.

For our asset management services, client will be charged the following annual fee based upon the amount of assets under management:

<u>Amount of Assets Under Management</u>	<u>Annual Fees</u>
On Amounts from \$0 – \$2,000,000	1.00%
On the amounts from \$2,000,001 – \$5,000,000	0.90%
On the amounts from \$5,000,001 – \$10,000,000	0.80%
On amounts above \$10,000,000	0.70%

For example, a client having \$6,000,000 in assets under management would be charged 1% on the first \$2,000,000, .90% on the amounts between \$2,000,001 and \$5,000,000 and .80% on the amounts of assets under management between \$5,000,000 and \$6,000,000.

HHWM believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

You can choose how to pay your investment advisory fees. The investment advisory fees can be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account or you can pay our firm upon receipt of a billing notice sent directly to you.

If you choose to have the investment advisory fees deducted from your account, you must authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to HHWM. We will send you a billing statement prior to the time that fee deduction instruction is sent to the qualified custodian(s) of your account. The billing statement will detail the formula used to calculate the fee, the assets under management and the time period covered.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

If you choose to pay the fees after receiving a statement, fees are due upon your receipt of a billing notice sent directly to you. The billing notice will detail the formula used to calculate the fee, the assets under management and the time period covered. Fees for the services of our firm will be due immediately after your receipt of the billing notice.

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

custodian(s) of your account. Management fees charged by HHWM are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

### **Financial Planning & Consulting Services**

Fees charged for our financial planning and consulting services are negotiable based upon the type of client, the services requested, the complexity of the client's situation, the composition of the client's account, other advisory services provided and the personal or professional relationship of the client and the investment adviser representative. The following are the fee arrangements available for financial planning and consulting services offered by HHWM.

#### ***Fees for Financial Planning Services***

HHWM provides financial planning services under an hourly fee arrangement. An hourly fee of \$200 per hour is charged by HHWM for financial planning services under this arrangement. Before commencing financial planning services, HHWM provides an estimate of the approximate hours needed to complete the requested financial planning services. If HHWM anticipates exceeding the estimated amount of hours required, HHWM will contact you to receive authorization to provide additional services. The standard billing dates and events of HHWM are the following: (1) the first business day of each month; (2) the date when incurred hourly fees and expenses will cause the retainer balance to be depleted to zero; (3) the date or thereafter that HHWM substantially provides the agreed upon services; and (4) the date the engagement is terminated by either you or HHWM. Upon presentment of the invoice to you, HHWM will deduct the hourly fees due HHWM against your current retainer balance and you are required to pay immediately HHWM any outstanding balance of hourly fees due.

To the extent HHWM provides you with general investment recommendations as part of the financial planning services and you implement such investment recommendations through HHWM, We may offer in our agreement with you to waive or reduce the fees for financial planning services.

The financial planning services terminate upon delivery of the written financial plan or upon either party providing the other party with written notice of termination.

You may terminate the financial planning services within five (5) business days of entering into an agreement with HHWM without penalty or fees due. If you terminate the financial planning services after five (5) business days of entering into an agreement, you will be responsible for immediate payment of any financial planning services performed by HHWM prior to the receipt by HHWM of your notice. For financial planning services performed by HHWM under an hourly arrangement, you will pay HHWM for any hourly fees incurred at the rates described above.

#### ***Fees for Consulting Services***

HHWM provides consulting services under an hourly fee arrangement. An hourly fee of \$200 per hour is charged by HHWM for consulting services. Before providing consulting service, HHWM will provide an estimate of the approximate hours needed to complete the consulting services. If HHWM anticipates exceeding the estimated amount of hours required, HHWM will contact you to receive authorization to provide additional services. You may be requested to pay in advance a mutually agreed upon retainer that will be available for HHWM to bill hourly fees against for our consulting services; however, under no

circumstances will HHWM require you to pay fees more than \$500 more than six months in advance. The standard billing dates and events of HHWM are the following: (1) the first business day of each month; (2) the date when incurred hourly fees will cause the retainer balance to be depleted to zero; (3) the date or thereafter that HHWM substantially provides the agreed upon services; and (4) the date the engagement is terminated by either you or HHWM. Upon presentment of the invoice to you, HHWM will deduct the hourly fees due HHWM against your current retainer balance and you will immediately pay HHWM any outstanding balance of hourly fees due.

To the extent HHWM provides you with general investment recommendations as part of our consulting services and you implement such investment recommendations through us, HHWM at our discretion may offer to waive or reduce the fee for certain consulting services.

The one-time consulting services will terminate upon completion of the consultation or either party providing the other party with written notice. The "as-needed" consulting services will terminate upon either you or HHWM providing written notice of termination to the other party.

You may terminate the consulting services within five (5) business days of entering into an agreement with HHWM without penalty or fees due. If you terminate the consulting services after five (5) business days of entering into an agreement with HHWM, you will be responsible for immediate payment of any consulting work performed by HHWM prior to the receipt by HHWM of your notice. For consulting services performed by HHWM under an hourly arrangement, you will pay HHWM for any hourly fees incurred at the rates described above.

#### ***Other Fee Terms for Financial Planning & Consulting Services***

You may pay the investment advisory fees owed for the financial planning services by submitting payment directly (for example, by check) or having the fee deducted from an existing investment account.

If you elect to pay by automatic deduction from an existing investment account, you will provide written authorization to HHWM for such charge.

To the extent HHWM engages an outside professional (i.e. attorney, independent investment adviser or accountant) while providing financial planning and consulting services to you, HHWM will be responsible for the payment of the fees for the services of such an outside professional, and you will not be required to reimburse HHWM for such payments. To the extent that you personally engage such an outside professional, you will be responsible for the payment of the fees for the services of such an outside professional, and HHWM will not be required to reimburse Client for such payments. Fees for the services of an outside professional (i.e. attorney, independent investment adviser or accountant) will be in addition to and separate from the fees charged by HHWM, and you will be responsible for the payment of the fees for the services of such an outside professional. In no event will the services of an outside professional be engaged without your express approval.

All fees paid to HHWM for services are separate and distinct from the commissions, fees and expenses charged by insurance companies associated with any disability insurance, life insurance and annuities subsequently acquired by you. If you sell or liquidate certain existing securities positions to acquire any insurance or annuity, you may also pay a commission and/or deferred sales charges in addition to the financial planning and consulting fees paid to HHWM and any commissions, fees and expenses charged by the insurance company for subsequently acquired insurance and/or annuities.

All fees paid to HHWM for advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

All fees paid to HHWM for financial planning and consulting services are separate and distinct from the commissions charged by a broker-dealer or asset management fees charged by an investment adviser to implement such recommendations.

If you elect to implement the recommendations of HHWM through our other investment advisory programs, HHWM may waive or reduce a portion of the investment advisory fees for such investment advisory program(s). Any reduction will be at the discretion of your investment adviser representative and disclosed to you prior to contracting for additional investment advisory services.

It should be noted that lower fees for comparable services may be available from other sources.

### **Newsletters**

Newsletters and blog postings are provided to clients and prospective clients free of charge.

### **Retirement Plan Services**

For retirement plan sponsor clients, HHWM will charge a fixed annual fee. This fee is negotiable based upon the complexity of the plan, the size of the plan assets and the actual services requested.

For our retirement plan services, client will be charged the following annual fee based upon the amount of assets in the retirement plan:

Plan Assets	Annual Fees
\$0 – \$2,000,000	\$7,500
\$2,000,001 – \$3,000,000	\$9,500
\$3,000,001 – \$4,000,000	\$11,750
\$4,000,001 - \$5,000,000	\$14,500
\$5,000,001 - \$7,500,000	\$17,500
\$7,500,001 - \$10,000,000	\$20,000
\$10,000,001 and above	\$25,000

Either party may terminate the services upon providing the other party providing with written notice of termination effective upon 60 after the other party receives such notice. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

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

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. *Item 6* is not applicable to this Disclosure Brochure because we do not charge or accept performance-based fees.

## **Item 7 – Types of Clients**

HHWM generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above
- Retirement Plans

You are required to execute a written agreement with HHWM specifying the particular advisory services in order to establish a client arrangement with HHWM.

### **Minimum Investment Amounts Required**

HHWM does not require a minimum investment amount to open a managed account.

The minimum fee generally charged for financial planning and consulting services provided on an hourly basis is \$200.00.

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

### **Methods of Analysis**

HHWM uses the following methods of analysis in formulating investment advice:

Charting - This is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

Cyclical –This method analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy

and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

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

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question,



so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

There are risks involved in using any analysis method.

To conduct analysis, HHWM gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

### **Investment Strategies**

HHWM uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Frequent trading. This strategy refers to the practice of selling investments within 30 days of purchase.

Short sales. A short sale is generally the sale of a stock not owned by the investor. Investors who sell short believe the price of the stock will fall. If the price drops, the investor can buy the stock at the lower price and make a profit. If the price of the stock rises and the investor buys it back later at the higher price, the investor will incur a loss. Short sales require a margin account.

Margin transactions. When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest of the purchase price from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from HHWM.

Option writing including cover options, uncovered options or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

### **Primarily Recommend One Type of Security**

We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client's specific circumstances and needs.

## **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If

our investment strategies do not produce the expected returns, the value of the investment will decrease.

- **Margin Risk** - When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intended to borrow funds in connection with your Account, you will be required to open a margin account, which will be carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to you.

If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established as part of the Asset Management Agreement established between you and HHWM and held by the account custodian or clearing firm.

These risks include the following:

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

## **Item 9 – Disciplinary Information**

*Item 9* is not applicable to this Disclosure Brochure because there are no legal or disciplinary events, which include criminal actions, civil actions, regulatory proceeding, and/or self-regulatory organization proceedings, that are material to a client's or prospective client's evaluation of our business or integrity.

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

HHWM is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures

commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

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

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

### **Code of Ethics Summary**

An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. HHWM has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. HHWM's Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. HHWM requires its supervised persons to consistently act in your best interest in all advisory activities. HHWM imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of HHWM. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

HHWM or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a conflict of interest. It is the express policy of HHWM that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. HHWM and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.

- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of HHWM.

Any associated person not observing our policies is subject to sanctions up to and including termination.

## **Item 12 – Brokerage Practices**

Clients are under no obligation to act on the financial planning recommendations of HHWM. If the firm assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back office services, technology and pricing of services offered.

### **Brokerage Recommendations**

You are under no obligation to act on the financial planning recommendations of HHWM. If WE assist you in the implementation of any recommendations, we are responsible to ensure that you receive the best execution possible.

HHWM recommends that you establish brokerage accounts with TD Ameritrade through their Institutional Platform. TD Ameritrade, Inc. (“TD Ameritrade”) is a member of FINRA, SIPC and the NFA. TD Ameritrade is an independent (and unaffiliated) SEC-registered broker-dealer and is recommended by HHWM to maintain custody of clients' assets and to effect trades for their accounts.

At least annually, we will review alternative custodians in the marketplace for comparison to the currently used custodian, evaluating criteria such as overall expertise, cost competitiveness, and financial condition. Quality of execution for custodians will be reviewed through trade journal evaluations.

HHWM is independently owned and operated and not affiliated with TD Ameritrade.

The primary factor in suggesting a broker/dealer or custodian is that the services of the recommended firm are provided in a cost-effective manner. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration. The trading process of any broker/dealer and money manager suggested by HHWM must be efficient, seamless, and straight-forward. Overall custodial support services, trade correction services, and statement preparation are some of the other factors determined when suggesting a broker/dealer.

TD Ameritrade, Inc. provides us with access to their institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisors at no charge to them so long as the independent investment advisors maintain a minimum amount of assets with the custodian.

TD Ameritrade does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed by recommended money managers through the custodian or that settle into a custodian account.

These benefits include, but are not necessarily limited to: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; access to block trading which provides the ability to aggregate securities transactions and allocate the appropriate shares to client accounts; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; and access to mutual funds that generally require significantly higher minimum initial investments or are generally only available to institutional investors.

TD Ameritrade, Inc. also makes available to us other products and services that benefit our firm but may not benefit clients' accounts. Some of these other products and services assist us in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); provide research, pricing information and other market data; facilitate payment of the firm's fees from its clients' accounts; and assist with back-office functions; record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at a recommended custodian. TD Ameritrade is also providing other services intended to help our firm manage and further develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing.

Specifically, HHWM participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Adviser receives some benefits from TD Ameritrade through its participation in the program. *(Please see the disclosure under Item 14 below.)*

### **Directed Brokerage**

Clients are allowed to select the broker-dealer that will be used for their accounts. Clients directing the use of a particular broker/dealer or other custodian must understand that we may not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, clients may receive less favorable prices than would otherwise be the case if the client had not designated a particular

broker/dealer or custodian. Directed brokerage account trades are generally placed by HHWM after effecting trades for other clients of HHWM. In the event that a client directs HHWM to use a particular broker or dealer, HHWM may not be authorized to negotiate commissions and may be unable to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct HHWM to use a particular broker or dealer versus clients who do not direct the use of a particular broker or dealer.

### **Soft Dollar Benefits**

An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

HHWM does not have a soft dollar agreement with a broker-dealer or a third-party.

### **Handling Trade Errors**

HHWM has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of HHWM to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and any loss resulting from the trade error is absorbed by HHWM if the error is caused by HHWM. If the error is caused by the broker-dealer, the broker-dealer is responsible for handling the trade error. If an investment gain results from the correcting trade, the gain remains in the client's account unless the same error involved other client account(s) that should also receive the gains. It is not permissible for all clients to retain the gain. HHWM may also confer with a client to determine if the client should forego the gain (e.g., due to tax reasons).

HHWM will never benefit or profit from trade errors.

### **Block Trading Policy**

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

HHWM uses the pro rata allocation method for transaction allocation.

Under this procedure, pro rata trade allocation means an allocation of the trade at issue among applicable advisory clients in amounts that are proportional to the participating advisory client's intended investable assets. HHWM will calculate the pro rata share of each transaction included in a block order and assigns the appropriate number of shares of each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which HHWM or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

### **Agency Cross Transactions**

Our associated persons are prohibited from engaging in agency cross transactions, meaning we cannot act as brokers for both the sale and purchase of a single security between two different clients and cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

Managed accounts are reviewed at least quarterly. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by the investment advisor representative servicing the client account, with reviews performed in accordance with your investment goals and objectives.

Our financial planning services terminate upon the presentation of the written plan. Our financial planning and consulting services do not include monitoring the investments of your account(s), and therefore, there is no ongoing review of your account(s) under such services.

### **Statements and Reports**

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements directly from the qualified custodian. Additionally, HHWM may provide position or performance reports to you quarterly and upon request.

Financial planning clients do not receive any report other than the written plan originally contracted for and provided by HHWM.

You are encouraged to always compare any reports or statements provided by me, a sub-adviser or third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

## **Item 14 – Client Referrals and Other Compensation**

HHWM has entered into agreements with selected firms (Referring Parties) to refer clients to HHWM. If a referred client enters into an investment advisory agreement with HHWM, a cash referral fee is paid to the referring party, which is based upon a percentage of the client advisory fees that are generated. The referral agreements between any referring party and HHWM will not result in any charges to clients in addition to the normal level of advisory fees charged.



When a client is referred to us by a referring party, the referring party provides the client with a copy of our Disclosure Brochure as required by the *Investment Advisers Act of 1940*. The client also will complete a Solicitor's Disclosure Statement document. If the referring party is an unaffiliated registered investment adviser firm, then the client will also receive a copy of the referring party's Form ADV Part 2 Disclosure Brochure. If a referred client enters into an investment advisory agreement with HHWM, a referral fee is paid to the referring party. The referral relationship will not result in clients being charged any fees over and above the normal advisory fees charged for the advisory services provided.

The referral agreements between HHWM and referring parties are in compliance with state and federal securities rules regarding paid solicitor arrangements.

The state of Nebraska (48 NAC 10.002.15) sets forth certain conditions that govern the ability of an investment adviser to make cash payments for the solicitation of clients. Prior to entering into an agreement with a solicitor, HHWM will conduct a full due diligence investigation into the solicitor and their business practices to ensure that all the requirements of 48 NAC 10.002.15 are met. Jason Hiley is responsible for conducting and documenting the initial and annual due diligence review of each solicitor. In order to ensure that HHWM has fully satisfied its investigation responsibilities, the initial investigation of a solicitor will, at a minimum, include the following:

Jason Hiley will conduct an annual review to examine any material changes the solicitor has made to its business practices since the last due diligence review. At least annually, Jason Hiley will contact all solicitors to confirm each solicitor is delivering, at the time of solicitation to all prospects, the solicitor disclosure statement, Form ADV Part 2A and the Form ADV Part 2B Brochure Supplement(s) for any supervised person(s) of the adviser who will formulate the investment advice for the client and will have direct contact with the client, and any supervised person(s) of the adviser who has discretionary authority over the client's assets.

### **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

HHWM is deemed to have custody of client funds and securities whenever HHWM is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody HHWM will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody. In addition, for certain client accounts we have the ability to transfer funds from their managed accounts to designated third parties based upon a standing letter of authorization. The state of Nebraska (48 NAC 7.012) has also deemed this activity to be custody of client assets. However, our procedures are designed to meet the requirements established by the state of Nebraska.

For accounts in which HHWM is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the

manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from HHWM. When clients have questions about their account statements, they should contact HHWM or the qualified custodian preparing the statement.

When fees are deducted from an account, HHWM is responsible for calculating the fee and delivering instructions to the custodian. At the same time HHWM instructs the custodian to deduct fees from your account; HHWM will send you an invoice itemizing the fee. Itemization will include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

### **Item 16 – Investment Discretion**

When providing asset management services, HHWM maintains trading authorization over your Account and can provide management services on a **discretionary** basis. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction. However, it is the policy of HHWM to consult with you prior to making significant changes in the account even when discretionary trading authority is granted.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to HHWM so long as the limitations are specifically set forth or included as an attachment to the client agreement.

### **Item 17 – Voting Client Securities**

#### **Proxy Voting**

HHWM does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the

additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact me. However, you will have the ultimate responsibility for making all proxy-voting decisions.

### **Item 18 – Financial Information**

This *Item 18* is not applicable to this brochure. HHWM does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, HHWM has not been the subject of a bankruptcy petition at any time.

### **Business Continuity Plan**

HHWM has a business continuity and contingency plan in place designed to respond to significant business disruptions. These disruptions can be both internal and external. Internal disruptions will impact our ability to communicate and do business, such as a fire in the office building. External disruptions will prevent the operation of the securities markets or the operations of a number of firms, such as earthquakes, wildfires, hurricanes, terrorist attack or other wide-scale, regional disruptions.

Our continuity and contingency plan has been developed to safeguard employees' lives and firm property, to allow a method of making financial and operational assessments, to quickly recover and resume business operations, to protect books and records, and to allow clients to continue transacting business.

The plan includes the following:

- Alternate locations to conduct business;
- Hard and electronic back-ups of records;
- Alternative means of communications with employees, clients, critical business constituents and regulators; and
- Details on the firms' employee succession plan

Our business continuity and contingency plan is reviewed and updated on a regular basis to ensure that the policies in place are sufficient and operational.

## Customer Privacy Policy Notice

In November of 1999, Congress enacted the Gramm-Leach-Bliley Act (GLBA). The GLBA requires certain financial institutions, such as investment adviser firms, to protect the privacy of customer information. In situations where a financial institution does disclose customer information to non-affiliated third parties, other than permitted or required by law, customers must be given the opportunity to opt out or prevent such disclosure. Hiley Hunt Wealth Management does not share or disclose customer information to non-affiliated third parties except as permitted or required by law.

Hiley Hunt Wealth Management is committed to safeguarding the confidential information of its clients. Hiley Hunt Wealth Management holds all personal information provided by clients in the strictest confidence and it is the objective of Hiley Hunt Wealth Management to protect the privacy of all clients. Except as permitted or required by law, Hiley Hunt Wealth Management does not share confidential information about clients with non-affiliated parties. In the event that there were to be a change in this policy, Hiley Hunt Wealth Management will provide clients with written notice and clients will be provided an opportunity to direct Hiley Hunt Wealth Management as to whether such disclosure is permissible.

To conduct regular business, Hiley Hunt Wealth Management may collect personal information from sources such as:

- Information reported by the client on applications or other forms the client provides to Hiley Hunt Wealth Management
- Information about the client's transactions implemented by Hiley Hunt Wealth Management or others
- Information developed as part of financial plans, analyses or investment advisory services

To administer, manage, service and provide related services for client accounts, it is necessary for Hiley Hunt Wealth Management to provide access to customer information within the firm and to non-affiliated companies, (optional to include examples of outside firms), with whom Hiley Hunt Wealth Management has entered into agreements. To provide the utmost service, Hiley Hunt Wealth Management may disclose the information below regarding customers and former customers, as necessary, to companies to perform certain services on Hiley Hunt Wealth Management's behalf.

- Information Hiley Hunt Wealth Management receives from the client on applications (name, Social Security number, address, assets, etc.)
- Information about the client's transactions with Hiley Hunt Wealth Management or others (account information, payment history, parties to transactions, etc.)
- Information concerning investment advisory account transactions
- Information about a client's financial products and services transaction with Hiley Hunt Wealth Management

Since Hiley Hunt Wealth Management shares non-public information solely to service client accounts, Hiley Hunt Wealth Management does not disclose any non-public personal information about Hiley Hunt Wealth Management's customers or former customers to anyone, except as permitted by law. However, Hiley Hunt Wealth Management may also provide customer information outside of the firm as required by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas. In the event that Hiley Hunt Wealth Management has a change to its customer privacy policy that would allow it to disclose non-public information not covered under applicable law, Hiley Hunt Wealth Management will allow its clients the opportunity to opt out of such disclosure.

**Part 2B of Form ADV: Brochure Supplement– Jason D. Hiley**

Jason D. Hiley  
Hiley Hunt Wealth Management, Inc.  
9850 Nicholas Street, Suite 315  
Omaha, NE 68114  
(402)504-9347

[www.hileyhunt.com](http://www.hileyhunt.com)

Date of Disclosure Brochure: February 2021

This brochure supplement provides information about Jason D. Hiley that supplements the Hiley Hunt Wealth Management brochure. You should have received a copy of that brochure. Please contact Jason at (402) 504-9347 or [jason@hileyhunt.com](mailto:jason@hileyhunt.com) if you did not receive Hiley Hunt Wealth Management's brochure or if you have any questions about the contents of this supplement.

Additional information about Jason is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Educational, Background and Business Experience**

**Full Legal Name:** Jason D. Hiley, CRD #4557060 Born: 1975

### ***Educational Background:***

Bachelor of Science Business Administration - Accounting and Management Information Systems  
University of Iowa, Iowa City, IA

### ***Business Experience:***

Hiley Hunt Wealth Management, Inc., CEO and President, 07/2012 to Present;  
Karstens Investment Counsel, Inc., Investment Advisor Representative, 01/2006 to 07/2012;  
McCarthy Group Advisors, LLC, Investment Advisor Representative, 07/2004 to 12/2005

## **Item 3 Disciplinary Information**

Jason Hiley has not been the subject of:

A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the he:

1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
3. was found to have been involved in a violation of an investment-related statute or regulation; or
4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which the he:

1. was found to have caused an investment-related business to lose its authorization to do business; or
2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
  - (a) denying, suspending, or revoking the authorization of the supervised person to act in an investment-related business;
  - (b) barring or suspending the supervised person's association with an investment-related business;

- (c) otherwise significantly limiting the supervised person's investment-related activities;  
or
- (d) imposing a civil money penalty of more than \$2,500 on the supervised person.

C. A self-regulatory organization (SRO) proceeding in which he:

- 1. was found to have caused an investment-related business to lose its authorization to do business; or
- 2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

D. Any other proceeding in which a professional attainment, designation, or his license was revoked or suspended because of a violation of rules relating to professional conduct

#### **Item 4 Other Business Activities**

Jason has no other business activities.

#### **Item 5 Additional Compensation**

Jason does not receive any economic benefit from a non-advisory client for the provision of investment advisory services.

#### **Item 6 Supervision**

Jason D. Hiley is the Chief Compliance Officer of HHWM. He is responsible for developing, overseeing and enforcing the firm's compliance programs that have been established to monitor and supervise the activities and services provided by the firm and its representatives, including Jason D. Hiley. Mr. Hiley can be contacted at (402)504-9347.

**Part 2B of Form ADV: Brochure Supplement– Andrew D. Hunt**

Andrew D. Hunt  
Hiley Hunt Wealth Management, Inc.  
9850 Nicholas Street, Suite 315  
Omaha, NE 68114  
(402)504-9347

[www.hileyhunt.com](http://www.hileyhunt.com)

Date of Disclosure Brochure: February 2021

This brochure supplement provides information about Andrew D. Hunt that supplements the Hiley Hunt Wealth Management brochure. You should have received a copy of that brochure. Please contact Andrew at (402) 504-9347 or [andrew@hileyhunt.com](mailto:andrew@hileyhunt.com) if you did not receive Hiley Hunt Wealth Management's brochure or if you have any questions about the contents of this supplement.

Additional information about Andrew is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## **Item 2 Educational, Background and Business Experience**

**Full Legal Name:** Andrew D. Hunt, CRD # 5657526 Born: 1986

### ***Educational Background:***

Bachelor of Science Business Administration-Accounting, University of Nebraska - Omaha, Omaha, NE  
Masters of Business Administration, University of Nebraska - Omaha, Omaha, NE  
Certificate of Financial Planning, Boston University, Boston, MA

### ***Business Experience:***

Hiley Hunt Wealth Management, Inc., Vice President and Owner 01/2017 to Present;  
Hiley Hunt Wealth Management, Inc., Investment Advisor Representative 03/2015 to Present;  
Gallup Federal Credit Union, Consultant, 11/2013 to 03/2015;  
Guide Rock Capital Management, Inc., Investment Adviser Representative/Insurance Agent, 09/2009 to 03/2015;  
Guide Rock Capital Management, Inc., Insurance Agent, 09/2009 to 03/2015;  
Gallup Federal Credit Union, V.P. of Operations, 01/2007 to 11/2013;  
Gallup Federal Credit Union, Investment Adviser Representative, 06/2009 to 09/2009

## **Item 3 Disciplinary Information**

Andrew D. Hunt has not been the subject of:

A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the he:

1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
3. was found to have been involved in a violation of an investment-related statute or regulation; or
4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which the he:

1. was found to have caused an investment-related business to lose its authorization to do business; or

2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
  - (a) denying, suspending, or revoking the authorization of the supervised person to act in an investment-related business;
  - (b) barring or suspending the supervised person's association with an investment-related business;
  - (c) otherwise significantly limiting the supervised person's investment-related activities; or
  - (d) imposing a civil money penalty of more than \$2,500 on the supervised person.

C. A self-regulatory organization (SRO) proceeding in which he:

1. was found to have caused an investment-related business to lose its authorization to do business; or
2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

D. Any other proceeding in which a professional attainment, designation, or his license was revoked or suspended because of a violation of rules relating to professional conduct

#### **Item 4 Other Business Activities**

Andrew is also engaged as a Director of DayCloud Studios, LLC a full service creative agency which offers traditional and new media advertising services. He spends less than 5 hours per week on this activity.

#### **Item 5 Additional Compensation**

Andrew does not receive any economic benefit from a non-advisory client for the provision of investment advisory services.

#### **Item 6 Supervision**

Jason D. Hiley is the Chief Compliance Officer of HHWM. He is responsible for developing, overseeing and enforcing the firm's compliance programs that have been established to monitor and supervise the activities and services provided by the firm and its representatives, including Andrew D. Hunt. Mr. Hiley can be contacted at (402)504-9347.