

## **Item 1 Cover Page**

Togwotee CIO, LLC  
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Beverly Hills, CA 90210

January 4, 2021

**This brochure provides information about the qualifications and business practices of Togwotee CIO, LLC. If you have any questions about the contents of this brochure, please contact us at (323) 717-5403. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as a registered investment advisor does not imply a certain level of skill or training.**

**Additional information about Togwotee CIO, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 Material Changes**

This is a new brochure and there has not been a previous annual update. Therefore, there are no changes to report.

### Item 3 Table of Contents

#### Brochure

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## **Item 4 Advisory Business**

Togwotee CIO, LLC is a new investment advisor firm registered with the U.S. Securities and Exchange Commission (“SEC”).

The principal owner of Togwotee CIO, LLC is R. Brendt Stallings, Managing Member and CIO.

### Advisory Services

Togwotee CIO, LLC’s (“Togwotee CIO” or “Advisor”) principal service is providing fee-based investment advisory services and outsourced Chief Investment Officer services. The Advisor practices custom management of portfolios, on a discretionary basis, according to the client’s objectives. The Advisor’s primary approach is to use a strategic and tactical allocation strategy aimed at reducing risk and increasing performance. The Advisor may use any of the following: exchange listed securities; over-the-counter securities; exchange trade funds (“ETFs”); foreign securities; warrants; investment grade and high yield corporate debt securities; CDs; municipal securities; mutual funds; United States government securities; mortgage-backed securities; options contracts on securities; futures contracts on tangibles; and interests in partnerships investing in real estate, oil and gas interests, and financial assets to accomplish this objective. The Advisor measures and selects mutual funds by using various criteria, such as the fund manager’s tenure, and/or overall career performance. The Advisor may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The Advisor may recommend specific stocks to increase sector weighting and/or dividend potential. The Advisor may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The Advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client’s risk tolerance.

Togwotee CIO will tailor its advisory services to its client’s individual needs based on meetings and conversations with the client. If clients wish to impose certain restrictions on investing in certain securities or types of securities, the Advisor will address those restrictions with the client to have a clear understanding of the client’s requirements.

Togwotee CIO does not provide portfolio management services to wrap fee programs.

As of the approval date of the firm, Togwotee CIO had no clients and therefore no client assets under management.

## **Item 5 Fees and Compensation**

### Asset Management Fees

Pursuant to an Investment Advisory contract signed by each client, the client will pay Togwotee CIO an annual management fee, payable quarterly in arrears, based on the value of portfolio assets of the account on the last business day of the preceding quarter. New account fees will be prorated from the inception of the account to the end of the first quarter.

Management fees range from 0.40% per annum to 1.0% per annum depending on the type and complexity of the investment management strategy employed as well as the size of the account or overall client relationship. These fees may be negotiated by Togwotee CIO at its sole discretion. Client will be sent an invoice at the end of each quarter. The invoice is payable upon receipt.

#### Fixed Fee

Some clients will contract to have investment advisory advice provided based on a fixed fee rather than based on the assets under management. The Advisor will charge a range of fees up to \$100,000 per year payable in arrears. Fixed fees will be negotiated and agreed upon by the parties in advance. New account fees will be prorated from the inception of the account to the end of the first calendar year. Client will be sent an invoice at the end of the calendar year. The invoice is payable upon receipt. If the client terminates the agreement with the Advisor prior to the calendar year end, any fees due the Advisor will be invoiced to the client and payable within 5 days of delivery of the invoice.

For each of the Advisor's services described above, the Client may terminate these services within five business days of the effective date of an Agreement signed with the Advisor without any payment of the Advisor's fee.

All fees paid to Togwotee CIO for investment advisory services are separate and distinct from the expenses charged by mutual funds, ETFs, or partnerships to their shareholders or investors. These fees and expenses are described in each investment's prospectus or offering documents. These fees will generally include a management fee and other fund expenses and may include performance-based fees.

At no time will Togwotee CIO accept or maintain custody of a client's funds or securities. Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Advisor's fee is separate and distinct from the custodian and execution fees.

Neither Togwotee CIO nor its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Togwotee CIO does not charge performance-based fees.

### **Item 7 Types of Clients**

The Advisor will offer its services to individuals, trusts, estates, or charitable organizations, corporations, or other business entities.

The Advisor's cumulative minimum account requirement for opening and maintaining an account is \$10 million. However, based on facts and circumstances the Advisor may, at its sole discretion, accept accounts with a lower value.

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

The Advisor may utilize fundamental, technical or cyclical analysis techniques in formulating investment advice or managing assets for clients.

Fundamental analysis of businesses involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives; to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions and to calculate its credit risk.

Technical analysis is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall.

Cyclical analysis of economic cycles is used to determine how these cycles affect the returns of an investment, an asset class or an individual company's profits. Cyclical risks exist because the broad economy has been shown to move in cycles, from periods of peak performance followed by a downturn, then a trough of low activity. Between the peak and trough of a business or other economic cycle, investments may fall in value to reflect the uncertainty surrounding future returns as compared with the recent past.

The investment strategies the Advisor will implement may include long term purchases of securities held at least for one year; short term purchases for securities sold within a year; trading of securities sold within 30 days, margin transactions, and option writing, including covered options, uncovered options, or spreading strategies.

The methods of analysis and investment strategies followed by the Advisor are utilized across all of the Advisors clients, as applicable. One method of analysis or investment strategy is not more significant than the other as the Advisor is considering the client's portfolio, risk tolerance, time horizon and individual goals. However, the client should be aware that with any trading that occurs in the client account, the client will incur transaction and administrative costs.

Investing includes the risk that the value of an investment can be negatively affected by factors specifically related to the investment (e.g., capability of management, competition, new inventions by other companies, lawsuits against the company, labor issues, patent expiration, etc.), or to factors related to investing and the markets in general (e.g., the economy, pandemics, wars, civil unrest or terrorism around the world, concern about oil prices or unemployment, etc.). Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.

Risks of fundamental analysis may include risks that market actions, natural disasters, government actions, world political events or other events not directly related to the price or valuation of a

specific company's fundamental analysis can adversely impact the stock price of a company causing a portfolio containing that security to lose value. Risks may also include that the historical data and projections on which the fundamental analysis is performed may not continue to be relevant to the operations of a company going forward, or that management changes or the business direction of management of the company may not permit the company to continue to produce metrics that are consistent with the prior company data utilized in the fundamental analysis, which may negatively affect the Advisor's estimate of the valuation of the company.

In cyclical analysis, economic or business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. Also, the lengths of the economic cycles may be difficult to predict with accuracy. Therefore, the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

The primary risks in technical analysis are that the factors used to analyze the price, trends and volatility of a security may not be replicated, or the outcomes of such analysis will not be the same as in past periods where similar combinations existed. Because of the reliance on trends, technical analysis can signal buying at market peaks and selling at market troughs.

All investments involve some degree of risk. In finance, risk refers to the degree of uncertainty and/or potential financial loss inherent in an investment decision. In general, as investment risks rise, investors seek higher returns to compensate themselves for taking such risks.

Every saving and investment product has different risks and returns. Differences include how readily investors can get their money when they need it, how fast their money will grow, and how safe their money will be. The primary risks faced by investors include:

#### Business Risk

With a stock, you are purchasing a piece of ownership in a company. With a bond, you are loaning money to a company. Returns from both of these investments require that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing.

#### Volatility Risk

Even when companies aren't in danger of failing, their stock price may fluctuate up or down. Large company stocks as a group, for example, have lost money on average about one out of every three years. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

#### Inflation Risk

Inflation is a general upward movement of prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest. The principal concern for individuals investing in cash equivalents is that inflation will erode returns.

### Interest Rate Risk

Interest rate changes can affect a bond's value. If bonds are held to maturity the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than the face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher rate of interest than older ones. To sell an older bond with a lower interest rate, you might have to sell it at a discount.

### Liquidity Risk

This refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. This can be the case with the more complicated investment products. It may also be the case with products that charge a penalty for early withdrawal or liquidation such as a certificate of deposit (CD).

The Advisor does not primarily recommend a particular type of security. However, clients are advised that many unexpected broad environmental factors can negatively impact the value of portfolio securities causing the loss of some or all of the investment, including changes in interest rates, political events, natural disasters, and acts of war or terrorism. Further, factors relevant to specific securities may have negative effects on their value, such as competition or government regulation. Also, the factors for which the company was selected for inclusion in a client portfolio may change, for example, due to changes in management, new product introductions, or lawsuits.

### **Item 9 Disciplinary Information**

Neither Togwotee CIO nor its management persons have had any legal or disciplinary events, currently or in the past.

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

Neither Togwotee CIO nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Togwotee CIO nor any of its management persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Togwotee CIO does not currently have any relationships or arrangements that are material to its advisory business or clients with either a broker-dealer, municipal securities dealer, or government securities dealer or broker, 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), other investment advisor or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer or sponsor of syndicator of limited partnerships.

Togwotee CIO does not recommend or select other investment advisers for clients.



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

Togwotee CIO is registered with the SEC and maintains a Code of Ethics pursuant to SEC rule 204A-1. Togwotee CIO has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of Togwotee CIO deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Togwotee CIO are conducted in a manner that avoids any conflict of interest between such persons and clients of the adviser or its affiliates. Togwotee CIO collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve conflicts of interest. Togwotee CIO will provide a copy of the Code of Ethics to any client or prospective client upon request.

Togwotee CIO does not recommend to clients, or buy or sell for client accounts, securities in which the firm or a related person has a material financial interest.

Togwotee CIO and/or its investment advisor representatives may from time to time purchase or sell securities that they may recommend to clients. This practice creates conflicts of interest in that personnel of Togwotee CIO can take advantage of the advance knowledge of firm securities trading and trade their personal accounts ahead of the client trades or recommend trades in client accounts that may affect the price of the securities owned by the Investment Advisor Representatives. To mitigate these conflicts, Togwotee CIO has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of Togwotee CIO deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Togwotee CIO are conducted in a manner that avoids any actual or potential conflict of interest between such persons and clients of the adviser or its affiliates. Togwotee CIO collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed quarterly by the Chief Compliance Officer to identify and resolve potential conflicts of interest. Togwotee CIO's Code of Ethics is available upon request. Finally, supervised persons of registered investment advisors are fiduciaries by law and are required to put the client's interest before those of the firm and themselves.

Togwotee CIO requires that its investment advisor representatives follow its basic policies and ethical standards as set forth in its Code of Ethics.

Investment Advisor Representatives of Togwotee CIO may trade for their own accounts securities that are being traded for client accounts at or about the same time. To mitigate the conflict of interest in such circumstances, Togwotee CIO's policy is to require the trading of all relevant client account prior to the trading of their own accounts. The Chief Compliance Officer examines personal trading activities of Togwotee CIO's personnel to verify compliance with this policy.

## **Item 12 Brokerage Practices**

If requested by the client, Togwotee CIO may suggest brokers or dealers to be used based on execution and custodial services offered, cost, quality of service and industry reputation. Togwotee CIO will consider factors such as commission price, speed and quality of execution, client management tools, and convenience of access for both the Advisor and client in making its suggestion.

Togwotee CIO does not receive research or other products or services other than execution from a broker-dealer or third party as a result of client securities transactions.

Togwotee CIO does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to clients.

Togwotee CIO will recommend a particular broker-dealer for execution and/or custodial services based on the type of client and account requirements. The broker-dealer is recommended based on criteria such as, but not limited to, reasonableness of commissions charged to the client, tools and services made available to the client and the Advisor, and convenience of access to the account trading and reporting. The client will provide authority to Togwotee CIO to direct all transactions through that broker-dealer in the investment advisory agreement.

As an investment advisory firm, Togwotee CIO has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client. Togwotee CIO's primary objectives when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Togwotee CIO may not necessarily pay the lowest commission or commission equivalent as specific transactions may involve specialized services on the part of the broker.

Togwotee CIO does not permit clients to direct brokerage.

Togwotee CIO may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g. for the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of Togwotee CIO's investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to

be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. Togwotee CIO may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

### **Item 13 Review of Accounts**

The firm reviews client accounts on an annual basis, or when conditions would warrant a review based on market conditions or changes in client circumstances. Triggering factors may include Togwotee CIO becoming aware of a change in client's investment objective, a change in market conditions, change of employment, or a change in recommended asset allocation weightings in the account that exceed a predefined guideline.

The client is encouraged to notify the Advisor and Investment Advisor Representative if changes occur in his/her personal financial situation that might materially affect his/her investment plan.

The client will receive written statements no less than quarterly from the qualified custodian. In addition, the client will receive other supporting reports from mutual funds, asset managers, trust companies or other custodians, broker-dealers and others who are involved with client accounts. Togwotee CIO delivers separate client statements quarterly.

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

Togwotee CIO is not compensated by anyone for providing investment advice or other advisory services except as previously disclosed in this Brochure.

Togwotee CIO does not directly or indirectly compensate any person who is not a supervised person for client referrals.

### **Item 15 Custody**

At no time will Togwotee CIO accept or maintain custody of a client's funds or securities.

Togwotee CIO will provide quarterly account statements to clients. Clients are urged to compare the account statement they receive from the qualified custodian with those they receive from Togwotee CIO. Any discrepancies should be immediately brought to the firm's attention.

### **Item 16 Investment Discretion**

Togwotee CIO generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client for each

transaction. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Togwotee CIO.

Discretionary authority will only be provided upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Togwotee CIO will be in accordance with each client's investment objectives and goals.

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

Togwotee CIO will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, Togwotee CIO cannot give any advice or take any action with respect to the voting of these proxies. The client and Togwotee CIO agree to this by contract. Clients will receive proxy solicitations from their custodian and/or transfer agent.

### **Item 18 Financial Information**

Togwotee CIO does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance, and is not required to file a balance sheet.

Togwotee CIO has discretionary authority over client accounts and is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If Togwotee CIO does become aware of any such financial condition, this brochure will be updated and clients will be notified.

Togwotee CIO has never been subject to a bankruptcy petition.