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Item 1 – Cover Page

# Brochure

## RIA Wealth Advisors, LLC

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Houston, TX 77079  
281-501-1791

January 21, 2021

This Brochure provides information about the qualifications and business practices of RIA Wealth Advisors, LLC (“RIA Wealth Advisors”, “Firm”, “us”, “we” or “our”). When we use the words “you”, “your” and “client” we are referring to you as our client or our prospective client. We use the term “supervised person” when referring to our officers, employees, and all individuals providing investment advice on behalf of RIA Wealth Advisors. If you have any questions about the contents of this Brochure, please contact us at 281-501-1791 or [conniemack@myclarityfinancial.com](mailto:conniemack@myclarityfinancial.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

RIA Wealth Advisors is a registered investment adviser. The registration of an investment adviser does not imply any level of skill or training. The oral and written communications made to you by RIA Wealth Advisors, including the information contained in this Brochure, should provide you with information to determine whether to hire or retain RIA Wealth Advisors as your adviser.

Additional information about RIA Wealth Advisors also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website also provides information about any persons affiliated or registered with, and or required to be registered, as investment adviser representatives of RIA Wealth Advisors.

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## Item 2 - Material Changes

This Brochure reflects the current advisory activities of RIA Wealth Advisors, and is posted on the SEC's public disclosure website ("IAPD") at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

In the future we will provide new clients with a Brochure before or at the time we enter into an advisory agreement. In the future, we will deliver to our clients, within 120 days of the end of each fiscal year, a free, updated Brochure that either includes or is accompanied by a summary of material changes. Alternatively, we may deliver a summary of material changes that includes an offer to provide a copy of the updated Brochure and information on how our clients may obtain the Brochure.

Currently, our Brochure may be requested by contacting Connie Mack Jr., Manager at 281-501-1791.

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## **Item 4 – Advisory Business**

RIA Wealth Advisors, LLC (“RIA Wealth Advisors” or the “Firm”) is a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). RIA Wealth Advisors is organized as a limited liability company under the laws of Texas in 2020 and located in Houston, Texas.

### ***Ownership***

RIA Wealth Advisors is equally owned and operated by Connie Mack Jr., Manager, James D. Ratliff, Manager and Lance E. Roberts, Manager. This Disclosure Brochure provides information regarding the advisory services and business practices provided by RIA Wealth Advisors.

### ***Services Offered***

RIA Wealth Advisors offers the following advisory services:

- Financial planning services
- Portfolio management services (discretionary)
- Sub-Advisory and back office support services

### ***Overview of Services Offered***

RIA Wealth Advisors provides discretionary investment management services, sub-advisory services, and financial planning services based on the client’s individual needs. RIA Wealth Advisors also provides back office support services to other registered investment advisors.

#### ***Financial Planning Services***

RIA Wealth Advisors comprehensive financial planning provides a holistic review of the Client’s personal finance in order to address immediate and long-term goals. RIA Wealth Advisors will create a financial plan covering the following areas:

- Fundamentals-Budgeting, Net Worth Statement, and Cash Flow Analysis;
- Investment Planning-Determine risk tolerance, create investment strategy for each goal, Provide recommendations on company retirement plan;
- Risk Analysis-Insurance review of all policies covering Life, Health, Property, and Casualty to ensure adequate coverage at competitive prices;
- Income Tax Planning-Review overall tax strategy as it pertains to small business, investment vehicles, and account tax status;
- Estate Planning-Review will and make sure account registration reflects strategy contained in will. Discuss life planning events and create estate strategy around those events.

The process typically takes place over several meetings, starting with developing a written list of client goals, and gathering information during interviews, from statements provided by the client, as well as questionnaires. In between meetings, RIA Wealth Advisors conducts research and analysis and prepares observations and recommendations to present to clients. The final product is a detailed written plan that provides in-depth analysis and specific recommendations.

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### ***Portfolio Management Services***

RIA Wealth Advisors provides discretionary portfolio management services to clients through model portfolios offered through Schwab. For clients using our investment management services, we use asset allocated model portfolios. Each model portfolio is designed to meet a particular investment goal. Models are classified according to relative risk (conservative, balanced, aggressive, etc.). Custom allocation models may be established for individual clients. Selection of a model is guided by the client's written investment policy statement as well as tax considerations. Through personal discussions with the client and risk assessment, the client's goals and objectives are established. We then determine which model portfolio is suitable to the client's circumstances. Once we determine the suitability of the portfolio, we manage the portfolio based upon the model portfolio's goal, rather than according to each client's individual needs. Clients may be given the ability to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities.

### ***Sub-Advisory Services***

RIA Wealth Advisors provides sub-advisory services to other unaffiliated registered investment advisers. To engage RIA Wealth Advisors, the third-party registered investment adviser would execute a sub-advisory agreement ("Sub-Advisory Agreement") with RIA Wealth Advisors wherein we would be granted authority to provide discretionary investment advisory services to their advisory clients. As the sub-adviser, we manage these accounts in accordance with the investment direction provided by the client's investment adviser.

### ***Back Office Operational Services***

RIA Wealth Advisors provides back-office operational services, including daily account reconciliation, asset transfers, billing and other back office functions. RIA Wealth Advisors uses billing software to automate billing for third-party registered investment advisers. Our platform can accommodate a billing structure to include house-holding of accounts to capture scaling rates, several layers of combined accounts and assets, flat fee billing, credits, advance or arrear billing, daily weighted average billing and event triggered billing. Our back office operational services are offered as a stand-alone service, or in conjunction with our sub-advisory service.

### ***Investment Products***

RIA Wealth Advisors generally limits its investment advice to mutual funds, fixed income securities, insurance products including annuities, equities, ETFs and non-U.S. securities, although RIA Wealth Advisors primarily recommends adaptive - tactical asset allocation to a majority of its clients. RIA Wealth Advisors may use other securities as well to help diversify a portfolio when applicable.

### ***Assets Under Management***

As of the date of this Brochure, RIA Wealth Advisors has no assets under management.

### ***Wrap Programs***

RIA Wealth Advisors does not participate in or sponsor any wrap fee programs.

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## Item 5 – Fees and Compensation

### ***Type of Compensation***

Based on the investment services provided, RIA Wealth Advisors is compensated by the following means:

- A percentage of assets under management
- Hourly charges

### ***Fees***

Although many advisory fees are individually negotiated, some common fees are included on our fee schedule for your review and described further below.

#### ***Portfolio Management Fee Schedule***

<b><u>Asset Level</u></b>	<b><u>Fee</u></b>
\$0 - \$2,000,000	1.0%
\$2,000,001 to \$4,000,000	0.75%
\$4,000,001 and over	0.65%

#### ***Sub-Advisory Fee Schedule***

RIA Wealth Advisors provides advice as a sub-adviser to other third-party investment advisory firms. For these services, RIA Wealth Advisors receives a sub-advisory fee (“Sub-Advisory Fee”) that is negotiated and set forth in the sub-advisory agreement between the parties. This fee typically ranges between 0.20% to 0.50%. Sub-Advisory Fees are set forth in the Sub-Adviser Agreement; however, depending on the terms of investment advisory agreement between the client and the third-party adviser, our Sub-Advisory Fee may be included in the amount payable by the client to the third-party adviser, or in addition to such advisory fees.

#### ***Financial Planning Fee***

RIA Wealth Advisors charges financial planning clients an hourly fee of \$350.00 per hour, which is detailed in the Financial Planning Agreement. We will provide a verbal estimate of the range of the estimated financial plan fee (“Financial Planning Fee”) after our initial meeting, based on the limited information we have at that time. The amount of time spent, and the resulting final plan fee, depends on the complexity of a client’s circumstances and goals and the amount of effort required by us to obtain financial information from the client and other sources. A written estimate to complete the plan is typically provided at the end of the second or third meeting, assuming we have collected enough information to estimate the amount of work involved to complete the project. At completion, an invoice will be provided detailing the actual time spent, the hourly rate, and the final plan fee. The Financial Planning Fee for the financial plan will be broken out into two payments. The first payment will be due upon execution of Financial Planning Agreement.

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The final payment will be due upon the completion and delivery of financial plan. Once a Financial Plan is completed, future consultations are typically carried out on an hourly basis.

### ***Back Office Operational Service Fees***

RIA Wealth Advisors offers back-office operational services are based upon the third-party advisers assets under management, and generally will not exceed 0.35% per annum.

### ***Advisory Fees***

Portfolio Management Fees and Sub-Advisory Fees (collectively “Advisory Fees”) are collected by RIA Wealth Advisors on a quarterly basis, in advance, and are based on the asset value of the investment portfolio under management, as of the last business day of the prior quarter. Advisory Fees are deducted directly from the client’s investment account. At our discretion, we may combine the account values of family members living in the same household to determine the applicable Advisory Fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. New accounts or deposits to existing accounts are charged a pro-rated fee based on when the money was first invested during the quarter and when we start managing it. A partial quarterly fee is calculated based on the number of days remaining in the quarter divided by the number of days in the quarter. If a client terminates their advisory service during a quarter, it is our policy to refund the unused amount of that quarter’s advisory fee.

Clients generally authorize us to directly debit Advisory Fees from their accounts. Advisory Fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Generally, investment advisory contracts may be terminated by clients at any time.

All fees are subject to negotiation.

### ***Transaction Costs***

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund’s prospectus. See also “*Brokerage Practices and Referral Arrangements and Other Compensation*” for a description of additional compensation received by RIA Wealth Advisors and for a description of factors that RIA Wealth Advisors considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

### ***Termination***

The relationship between parties may be terminated by either party upon 30 days’ written notice. If the relationship is terminated in the middle of a quarter and client has prepaid the quarterly fee, RIA Wealth Advisors will reimburse client a percentage of the prepaid fee that equals that part of

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the quarter that remains after the 30-day notice is satisfied, on a pro rata basis. If the Account is to be liquidated as the result of a termination notice, the parties understand that the process of liquidation can take up to five (5) trading days following the date RIA Advisors received the liquidation request.

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

RIA Wealth Advisors does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) and or engage in side-by-side management.

## **Item 7 – Types of Clients**

We offer portfolio management investment advice to the following types of clients:

- Individuals
- Families
- High net worth individuals
- High net worth families
- Charitable organizations
- Trusts
- Estates
- Private business owners
- Other investment advisors

## ***Account Minimum Requirements***

By adhering to certain account sizes, RIA Wealth Advisors is able to provide focus on a select few relationships. RIA Wealth Advisors generally require that clients have a minimum net worth or net assets of \$50,000.00 under management. We may accept accounts with less than the minimum amount, in our discretion, depending on the nature of the account, the potential for future additions to the account, and other factors.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

### ***Analysis Methods***

Security analysis methods utilized by RIA Wealth Advisors include the following:

#### ***Charting***

Charting analysis seeks to identify resistance and support reference prices for decisions to buy (price hits the support) or sell (price hits the resistance). Through charting, the analysis seeks to identify price patterns and market trends in financial markets. Charting may apply to long-term investing or be used as a market-timing strategy, depending on the timeframe of the price charts.

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### ***Fundamental***

Fundamental analysis maintains that markets may misprice a security in the short run, but that the correct price will eventually be reached by the market. The fundamental analysis of a business involves analyzing a businesses: financial statements and health, management and competitive advantages, and competitors and markets. When applied to futures and forex, it focuses on the overall state of the economy, interest rates, production, earnings, and management.

### ***Technical***

Technical analysis maintains that all information is already reflected in the stock price. Technical analysis is a discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Generally, technical analysis employs models and trading rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns.

### ***Cyclical***

Cyclical analysis generally targets cyclical stocks for purchase of equity securities when the ratio of price-to-earnings (P/E Ratio) is low, and sell them when the P/E Ratio is high (i.e. when earnings are peaking). The P/E Ratio is a measure of the price paid for a share relative to the annual net income or profit earned by a firm per share.

## ***Sources of Information***

The main sources of information that RIA Wealth Advisors will use is business-oriented media sources and other publicly available sources of information to gather information on securities.

## ***Investment Strategies***

The investment strategies RIA Wealth Advisors uses to implement any investment advice to clients includes the following:

- Long term Purchases (securities held at least a year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)

## ***Investment Strategy Risks***

Investing in securities involves risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by the investor. Our investment approach seeks to keep the risk of loss in mind. Investors face the following investment risks:

### ***General Risks***

***Lack of Diversification:*** Portfolio investments may be concentrated, and diversification may be limited. There are no limits with respect to position sizes. Any assets or combination of assets that can be held in a securities account can be purchased or sold.

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***Cash and Cash Equivalents:*** Accounts may maintain significant cash positions from time to time and the client will pay the Investment Management Fee based on the net asset value of the Account, including cash and cash equivalents. Furthermore, the Account may forego investment opportunities to hold cash positions if we consider it in the best interests of the Accounts.

***Interest Rate Fluctuation:*** The prices of securities in which the Advisor may invest are sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs of borrowed securities and leveraged investments.

***Long term Purchases (securities held at least a year)***

***Liquidity:*** The portfolio may be invested in liquid and illiquid securities. You should be aware that liquid securities may become less liquid during the holding period.

***Short term purchases (securities sold within a year)***

***Market Risks:*** The success of a significant portion of the program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may decline, including due to other market participants developing similar programs or techniques.

***Trading (securities sold within 30 days)***

***Market Risks:*** The success of a significant portion of a trading program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may decline for many reasons, including other market participants developing similar programs or techniques.

***Trading is Speculative:*** There are risks are involved in trading securities. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.

***Turnover:*** Our trading activities may be made on the basis of short-term market considerations. The portfolio turnover rate could be significant, potentially involving substantial brokerage commissions, and related transactional fees and expenses.

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### ***Margin Risk***

***Leverage:*** We may use leverage in investing. Such leverage may be obtained through various means. The use of short-term margin borrowings may result in certain additional risks to Accounts. For example, should the securities pledged to a broker to secure a margin account decline in value, a margin call may be issued pursuant to which additional funds would be required to be deposited with the broker or the broker would affect a mandatory liquidation of the pledged securities to compensate for the decline in value. We might not be able to liquidate assets quickly enough to pay off the margin debt and the Accounts may therefore also suffer additional significant losses as a result of such default. Although borrowing money increases returns if returns on the incremental investments purchased with the borrowed accounts exceed the borrowing costs for such accounts, the use of leverage decreases returns if returns earned on such incremental investments are less than the costs of such borrowings.

### ***Option writing, including covered & uncovered options or spreading strategies.***

***Options and Other Derivatives:*** We may purchase or sell options, warrants, equity related swaps or other derivatives that trade on an exchange. Both the purchasing and selling of call and put options entail risks. An investment in an option may be subject to greater fluctuation than an investment in the underlying securities. The effectiveness of purchasing or selling stock index options as a hedging technique depends upon the extent to which price movements in the portion of the Accounts' hedged correlate with price movements of the stock index selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular security, whether an Account realizes a gain or loss will depend upon movements in the level of security prices in securities markets generally rather than movements in the price of a particular security.

***Uncovered Risks:*** We may employ various risk-reduction techniques designed to minimize the risk of loss in Accounts. Nonetheless, substantial risk remains that such techniques will not always be possible to implement and when possible, will not always be effective in limiting losses. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the value of such positions decline, but utilize other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedge transactions also limit the opportunity for gain if the value of a portfolio position should increase. Moreover, it may not be possible for us to hedge against a fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at a price sufficient to protect from the decline in value of the portfolio position anticipated as a result of such a fluctuation. The success of the hedging transactions will be subject to the ability to correctly predict market fluctuations and movements. Therefore, while we may enter into such transactions to seek to reduce risks, unanticipated market movements and fluctuations may result in a poorer overall performance for the Accounts Portfolio than if we had not engaged in any such hedging transactions. Finally, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary.

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### ***Mutual Fund and/or ETF Analysis***

We look at the experience and track record of the manager of the mutual fund or ETF in attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also monitor the funds or ETFs in attempt to determine if they are continuing to follow their stated investment strategy. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would-be material to your evaluation of RIA Wealth Advisors or the integrity of RIA Wealth Advisors' management. RIA Wealth Advisors has no information which is applicable to this Item.

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

#### ***Clarity Financial, LLC dba RIA Advisors***

Connie Mack Jr. Manager, James D. Ratliff, Manager and Lance E. Roberts, Manager are also owners of Clarity Financial, LLC ("Clarity"), an affiliated, SEC-registered investment adviser. RIA Wealth Advisors and Clarity share Supervised Persons and, with respect to certain Supervised Persons, also share office space. Clarity may enter into a sub-advisory or back office operations agreement with RIA Wealth Advisors to meet their client's specific investment needs. In these circumstances, the client with whom an Adviser has executed the investment management agreement will typically require that the Adviser remain fully responsible for the Account from a legal and contractual perspective. No additional fees are charged for RIA Wealth Advisors' services except as disclosed in the investment management agreement.

#### ***Alora Consulting, LLC***

RIA Wealth Advisors is affiliated by common ownership with a firm that offers insurance products. Alora Consulting, LLC ("Alora") offers general lines of Life, Health, Accident, Property, and Casualty Insurance. Certain investment adviser representatives of RIA Wealth Advisors are also insurance agents with Alora. To the extent insurance products are purchased thorough our investment adviser representatives by clients, our investment adviser representatives will be paid a commission. This creates a conflict of interest as there is an incentive for investment adviser representatives to recommend insurance products based on the compensation received, rather than

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on the client's needs. Notwithstanding such conflict of interest, RIA Wealth Advisors manages this conflict of interest by monitoring the suitability of such insurance products as a portion of the client's investment needs, by utilizing insurance products only where it is in the client's best interest, and after consultation with the client regarding the insurance products, which consultation includes the disclosure of such potential conflicts in accordance with our fiduciary duty as the client's adviser.

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

RIA Wealth Advisors has a Code of Ethics for our investment professionals. The Code of Ethics emphasizes the obligations of our Firm and its employees to act in the best interests of our clients in providing investment advice. The Code of Ethics also specifies conduct prohibited by RIA Wealth Advisors. Violations of the Code of Ethics are cause for disciplinary action. A full and complete copy of the Code of Ethics will be provided to our clients and to prospective clients on their request.

RIA Wealth Advisors will not normally participate in client transactions. The investments that we recommend will normally be:

- Mutual funds or ETF's operated by unrelated fund managers.
- Widely traded equities or bonds.
- Money market funds.
- Other broadly traded investments in which RIA Wealth Advisors or its affiliates have no financial interest.

Recommending that a client invest in an entity that an RIA Wealth Advisors employee has a material (more than 1%) interest will be absolutely prohibited. There can be rare circumstances in which a cross agency trade happens (this is where one customer buys or sells a security that another customer owns or is acquiring); however, any cross-agency trades will be executed by the clearing firm or other custodial entity and take place at prevailing market prices. RIA Wealth Advisors are limited in any potential cross agency trading involving customer securities.

RIA Wealth Advisors employee trading is monitored and recorded. Our Code of Ethics prohibits trading ahead of a customer order or using any other scheme to obtain a better price on securities than the price a customer would pay when we have a customer ratification of an order in hand.

## **Item 12 – Brokerage Practices**

### ***General***

RIA Wealth Advisors, Inc. recommends the establishment of an investment account with Charles Schwab & Co., Inc. ("Schwab") for its portfolio management clients. Schwab is an independent and unaffiliated broker-dealer who acts as the custodian for client portfolio assets. RIA Wealth

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Advisors' recommends Schwab based on its ability to provide and extensive selection of no-load mutual funds, the efficient reporting of client transactions, and/or the value provided from the combination of commission cost and execution capability. RIA Wealth Advisors' commission schedule with Schwab for its client accounts is lower than the commission schedule offered by Schwab to its retail clients. However, this fee schedule may be higher than those available from other brokers for similar services. To the extent that RIA Wealth Advisors or its employees maintain accounts at Schwab, they realize the benefits of this favorable commission structure and execution capabilities.

### ***Client Directed***

Clients may instruct us to direct all or a portion of the securities transactions for its account to a specified broker or dealer. We will treat the client direction as a decision by the client to retain the discretion that otherwise would have in selecting a broker-dealer to effect transactions and in negotiating transaction fees generally for the client's account. The client who directs us to use a specific broker may pay higher or lower transaction fees such as commissions, commission equivalents, mark-ups, mark-downs, dealer spreads, credits or otherwise, and may receive less or more favorable execution services than if the client did not direct transactions to a particular broker.

Any instruction or limitation relating to the selection of broker-dealers must be in writing. Because client-directed trades often cannot be aggregated with non-directed trades, such designations may adversely affect RIA Wealth Advisors' ability to obtain volume discounts on aggregated orders or to obtain best price and execution by effecting certain transactions directly with the market maker.

### ***Trade Aggregation***

When RIA Wealth Advisors trades the same security in more than one client account, we generally attempt to batch or bunch the trades in order to create a block transaction. Generally, buying and selling in blocks helps create trading efficiencies, prompt attention and desired price execution. We will place all or substantially all transactions to purchase or sell common stocks with the client's "directed" broker, when applicable. (See the discussion entitled, "*Directed Brokerage*") Whenever possible, we will attempt to batch or aggregate trades for clients who use the same directed brokers in order to create a "block transaction." The commission amount and per share commission rate will differ between our clients with directed brokerage relationships due to the dollar value and the size (number of shares) of the trade for each account, and the total relationship between the client and their broker. Because each client differs in portfolio size, investment objective, equity exposure and the extent of the relationship with their broker, we do not negotiate commission discounts on the block transaction itself.

### ***Soft Dollar Arrangements***

RIA Wealth Advisors subscribes to certain electronic information services offered by Schwab. The primary services to which the Firm subscribes are the capability to: (1) direct Schwab via electronic means to purchase and sell securities in client accounts; (2) electronically produce copies of

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Schwab forms and applications; receive copies of client trade confirmations via electronic means; (3) receive via electronic means certain account status reports; (4) download daily account transactions for all client accounts via electronic means that is acceptable to RIA Wealth Advisors' portfolio management software; (5) download the daily closing prices of all security positions held in client accounts via electronic means in a format that is acceptable to RIA Wealth Advisors' portfolio management software. Schwab charges a quarterly fee for these services. However, for RIA Wealth Advisors clients these fees are waived by Schwab.

The waiver of fees for electronic information services is available to all investment advisors that meet certain criteria. Neither the commission schedule negotiated between RIA Wealth Advisors and Schwab on behalf of clients of the Firm, nor the level of commissions generated in client accounts at Schwab are a factor in Schwab's election to waive its fees. However, a conflict of interest may exist since a condition of the fee waiver is that aggregate accounts at Schwab for which RIA Wealth Advisors provides Investment Advisory Services must have a certain combined minimum value.

Schwab may also provide RIA Wealth Advisors with information and consulting services intended to help RIA Wealth Advisors manage and further develop its business enterprise. These services may include educational conferences and events, information technology consulting, regulatory compliance publications and mock regulatory inspections and internal control reviews by an independent third party. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to RIA Wealth Advisors. The availability to RIA Wealth Advisors of the foregoing products and services is not contingent upon RIA Wealth Advisors committing to Schwab any specific amount of business (assets in custody or trading).

For accounts of RIA Wealth Advisors' clients maintained at Schwab, Schwab will not charge the client separately for custody but will receive compensation from RIA Wealth Advisors clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab.

## **Item 13 – Review of Accounts**

### ***Account Review***

Connie Mack Jr., or his designee, will review all accounts on a quarterly basis and compare each investment on a transaction basis to ensure that each transaction is: (i) suitable to the respective client's investment objectives; (ii) meets that client's quality standards; and (iii) to make sure that their investment objectives are still pertinent to the managed account arrangement. More frequent reviews can be triggered by material changes in variables such as the client's individual circumstances or the market economic or political environment.

### ***Reports***

The clients receive brokerage transaction confirmations and monthly statements from the custodian of the account.

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## ***Trade Errors***

In the event of a trade error in your account, our policy is to attempt to correct trading errors as soon as they are discovered; however, the Firm will not be responsible for execution or trading errors committed by the brokers with which it transacts, unless such errors resulted from RIA Wealth Advisors' negligence, fraud or willful misconduct. Notwithstanding the above, based on the circumstances, corrective actions generally include:

- canceling the trade
- adjusting an allocation and/or
- reimbursement to the account

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

### ***Client Referrals***

RIA Wealth Advisors does not utilize or pay third party solicitors for the referral of advisory clients to us.

### ***Other Compensation - Affiliated Insurance Company***

To the extent insurance products are offered to advisory clients of RIA Wealth Advisors, the supervised persons will be paid a commission by the insurance company who issues the policy. This creates a conflict of interest as there is an incentive for them to recommend insurance products based on the compensation received, rather than on the client's needs. Notwithstanding such conflict of interest, RIA Wealth Advisors addresses its fiduciary duty by utilizing insurance products only where it is the best interest of clients, and after consultation with the client.

## **Item 15 – Custody**

### ***Statements***

You should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains your investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements that we or your money manager may provide to you, if any. Our statements vary from custodial statements based on accounting procedures and reporting formats.

### ***Custody Overview***

#### ***Custody Rule***

The Custody Rule provides that it is a fraudulent, deceptive or manipulative act, practice or course of business within the meaning of Section 206(4) of the Advisers Act for an investment adviser that is registered or required to be registered under the Advisers Act to have custody of client funds or securities unless they are maintained in accordance with the requirements of the rule. In this regard, where an investment adviser has custody of client funds or securities, it must

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obtain a surprise examination of client assets by an independent public accountant registered with the Public Company Accounting Oversight Board. (“PCAOB”).

***General***

RIA Wealth Advisors does not maintain physical custody of client assets. Rather, all client cash and securities that are managed by us are held by a qualified custodian.

***Invoicing***

RIA Wealth Advisors is deemed to have custody of the funds and securities as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee. However, a surprise examination is not required because RIA Wealth Advisors has written authorization from each client to deduct advisory fees from the account held with the qualified custodian and each time a fee is directly deducted from a client account, we concurrently: (i). sends the qualified custodian an invoice or statement of the amount of the fee to be deducted from the client’s account; and (ii). sends the client an invoice or statement itemizing the fee.

***Standing Letters of Authority***

RIA Wealth Advisors has been deemed to have inadvertent custody as a result of your providing us with Standing Letters of Authorization (“SLOA(s)”) to withdraw funds from your portfolio account to pay third parties. Notwithstanding that, a surprise examination is not required as we are relying on the conditions set forth in the No-Action letter issued by the Securities and Exchange Commission on February 21, 2017. Pursuant to the conditions set forth in the No-Action Letter, RIA Wealth Advisors confirms that (1) you provide an instruction to the qualified custodian, in writing, that includes the your signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed; (2) you authorize us, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time; (3) Schwab performs appropriate verification of the instruction, such as a signature review or other method to verify the your authorization, and Schwab provides a transfer of funds notice to you promptly after each transfer; (4) you have the ability to terminate or change the instruction to Schwab; (5) we have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the your instruction; (6) we maintain records showing that the third party is not a related party of RIA Wealth Advisors or located at the same address as RIA Wealth Advisors; and (7) Schwab sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

**Item 16 – Investment Discretion**

***Discretionary Authority***

We receive discretionary authority from you at the outset of an advisory relationship. That discretionary authority allows us to make determinations regarding the securities that are to be bought and sold, as well as the quantities of such securities.

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### ***Documentation of Discretion***

Discretionary authority is provided in our contract with each client. Additionally, we maintain a Limited Power of Attorney for all our discretionary accounts for the purpose of directing and or effecting investments, for the direct payment of fees and or the payment of commissions, custodial fees and or other charges incurred by the managed account.

### ***Discretionary Management***

In all cases, however, such our discretion is to be exercised in a manner consistent with the stated investment objectives for the particular account. Thus, when selecting securities and determining amounts, we observe the investment policies, limitations and restrictions of the clients for which it advises. Additionally, in many cases, the discretion is subject to mutually agreed upon investment guidelines relative to the client's portfolio. Investment guidelines and restrictions must be provided to RIA Wealth Advisors in writing.

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

As a matter of our policy and practice, RIA Wealth Advisors does not have any authority to and does not vote proxies on behalf of advisory clients. Client's retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

### **Item 19 – Requirements for State-Registered Advisers**

This Item 19 is not applicable to Federally registered investment advisers.