



**KEEN WEALTH ADVISORS**  
*Perceptive. Personalized. Precise.*

# Keen Wealth Advisors Wrap Program

## *ADV Part 2A, Appendix 1: Wrap Fee Program Brochure*

Sponsored by:

Keen Wealth Advisors

Brochure Dated: July 19, 2021

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This brochure provides information about the qualifications and business practices of KWMG, LLC d/b/a Keen Wealth Advisors (KWA). If you have any questions about the contents of this brochure, please contact us by telephone at (913) 624-1841. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Keen Wealth Advisors also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #170293.

Please note that the use of the term "registered investment adviser" and description of Keen Wealth Advisors and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

## Item 2: Material Changes

Keen Wealth Advisors is required to advise you of any material changes to the Wrap Fee Program Brochure from our last annual update. Since our last annual update 3/23/2021, we have the following material changes to report:

### Item 4 – Service, Fees and Compensation

- Matthew Wilson is 5% owner of KWMG, LLC d/b/a Keen Wealth Advisors as of April 1, 2021 through a subsidiary, MDW Holdings, LLC.
- Matthew Wilson is the Chief Compliance Officer as of July 19, 2021.

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## Item 4: Service, Fees & Compensation

KWVG LLC, d/b/a Keen Wealth Advisors (hereafter referred to as “KWA” or “we”) is a limited liability company formed in the State of Missouri and has been in business as a registered investment adviser since 2014. The firm is owned by William T. Keen Trust (95%) through a subsidiary, KWA Holdings, LLC as of January 29, 2021 and Matthew Wilson (5%) through a subsidiary, MDW Holdings, LLC as of April 1, 2021. Matthew Wilson is the Chief Compliance Officer as of July 19, 2021.

We specialize in providing our clients with comprehensive portfolio management services as described in this wrap fee brochure.

Our wrap fee accounts are managed on an individualized basis according to the client’s investment objectives, financial goals, risk tolerance, time horizon, and other pertinent factors. A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services may include portfolio management and/or advice. The fee is not based directly upon transactions in your account.

### Our Wrap Advisory Services.

#### **Wrap Comprehensive Portfolio Management.**

Our comprehensive portfolio management service encompasses asset management as well as providing financial planning/financial consulting to clients. The majority of our clients engage KWA in this more comprehensive capacity. As a condition of this service, we will be granted discretionary trading authorization on client accounts, which enables us to manage your accounts 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.

On a limited basis, clients are able to open accounts with KWA without completing a financial plan. Accounts opened under these circumstances will be monitored in the same manner as accounts that are opened under our more comprehensive portfolio management service.

We conduct at least one, but sometimes more than one, meeting (in person if possible, otherwise via telephone conference) with clients in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, we propose an investment approach to the client.

You are responsible for notifying us of any significant changes and updates regarding your financial situation, risk tolerance or investment objectives, and whether you wish to impose or modify existing investment restrictions; however, we will attempt to contact you at least annually to discuss any changes or updates.

We may propose an investment portfolio, consisting of exchange traded funds, mutual funds, individual stocks or bonds, or other securities. Upon the client’s agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client’s portfolio. We may periodically rebalance or adjust client accounts under our management.

It is important that each client understands 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 any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

The majority of our clients will open an account under the wrap fee program. In limited circumstances, clients will be able to open accounts under the non-wrap fee program. A non-wrap account may be assessed transaction fees for the execution of trades and there is also the possibility that you will pay exchange fees in your Account on certain transactions. Non-wrap fee accounts are only offered to (1) KWA employees and their applicable family members, (2) accounts that only hold a concentrated position or nondiscretionary accounts and are not actively managed and (3) Personal Choice Retirement Accounts (PCRA) through Schwab Advisor Services. PCRA's are self-directed brokerage accounts that reside within an employer sponsored retirement plan. Certain employers allow their plan participants to move a portion of their retirement plan assets to this type of account which then can be managed by KWA.

Effective October 7, 2019, Schwab Advisor Services ("Schwab") eliminated commissions for online trades of U.S. equities, ETFs and options (subject to \$0.65 per contract fee). This means that, in most cases, when we buy and sell these types of securities, we will not have to pay any commissions to Schwab. We encourage you to review Schwab's pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately. To see what you would pay for transactions in a non-wrap account please refer to Schwab's most recent pricing schedules available at [schwab.com/aspricingguide](https://www.schwab.com/aspricingguide).

This creates a conflict of interest due to KWA no longer offering Schwab's asset-based pricing. This arrangement may incent us to trade KWA's wrap fee accounts at Schwab (the "Schwab Accounts") less than non-wrap fee accounts. Although this conflict exists, we manage the wrap fee accounts in the same manner and activity level as our non-wrap fee accounts.

### Retirement Plan Services.

KWA 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.

KWA provides the following Fiduciary Retirement Plan Consulting Services:

- Investment Policy Statement Preparation. KWA can 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. KWA 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. KWA will provide you with recommendations of investment options consistent with ERISA section 404(c).

- Investment Due Diligence Review. KWA will provide you with periodic due diligence reviews of the Plan's reports, including possible investment options and recommendations.
- Investment Monitoring. KWA 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 KWA will make recommendations to maintain or remove and replace investment options.
- Default Investment Alternative Advice. KWA 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).
- Individualized Participant Advice. Upon request, KWA will provide one-on-one advice to Plan participants regarding their individual situations.

#### Retirement Plan to Rollover IRA.

KWA and its investment adviser representatives have an economic incentive to recommend a rollover of your retirement plan account, which is a conflict of interest. KWA and its representatives can earn investment advisory fees by recommending that a client rollover his or her account at the retirement plan to an IRA. However, KWA and its investment adviser representatives will not earn investment advisory fees if a client does not rollover the funds in the retirement plan (unless a client separately retained KWA to provide advice about the retirement plan account). KWA has taken steps to help manage this conflict of interest arising from rolling over funds from an Employee Retirement Income Security Act of 1974 as amended ("ERISA") covered retirement plan to an IRA. KWA and its investment adviser representatives will (1) provide investment advice to ERISA covered retirement plan participant regarding a rollover of funds from the ERISA covered retirement plan in accordance with the fiduciary status described below, (2) not recommend investments which result in KWA receiving unreasonable compensation related to the rollover of funds from the ERISA covered retirement plan to an IRA, and (3) fully disclose compensation received by KWA and its supervised persons and any material conflicts of interest related to KWA recommending the rollover of funds from the ERISA covered retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

To the extent KWA provides investment advice to a participant in a retirement plan under ERISA regarding (1) whether to maintain investments and/or proceeds in an ERISA retirement plan, (2) rollover such investment/proceeds from the ERISA retirement plan to an individual retirement account ("Rollover IRA account"), or (3) make a distribution from the ERISA retirement plan: KWA hereby acknowledges its fiduciary obligations with regard to its investment advice about whether to maintain, rollover or distribute proceeds from those ERISA Retirement plans. As a fiduciary, with respect to our investment advice about whether to maintain, rollover or distribute proceeds from those ERISA retirement plans, KWA and its representatives will conduct business based on your investment objectives, risk tolerance, financial circumstances and needs, without regard to personal or company self-interest.

### Third-Party Money Managers.

KWA only offers asset management services through third-party money managers to clients who are currently receiving this advisory service. This service is grandfathered for these clients only.

The third-party managers are responsible for continuously monitoring client accounts and making trades in client accounts when necessary.

Under this program, we assist the client with identifying their risk tolerance and investment objectives. We are available to answer questions that clients may have regarding their account and act as the communication conduit between the client and the third-party money manager. The third-party money manager will take discretionary authority to determine the securities to be purchased and sold for your account. We do not have any trading authority with respect to your designated account managed by the third-party money manager. No guarantees can be made that a client's financial goals or objectives will be achieved by a third-party investment adviser recommended by our firm. Further, no guarantees of performance can ever be offered by our firm.

Under this program, clients may incur additional charges including but not limited to, mutual fund 12b-1 fees, surrender charges, and qualified retirement plan fees.

### Administrative Services Provided by Orion Advisor Services, LLC.

KWA has contracted with Orion Advisor Services, LLC (referred to as "Orion") to utilize its technology platforms to support data reconciliation, fee calculation and billing, research, client database maintenance, reports, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Orion will have access to client accounts, but Orion will not serve as an investment advisor to Keen Wealth Advisor clients. KWA and Orion are non-affiliated companies.

### Fees for Our Wrap Asset Management Services.

#### **Comprehensive Wrap Portfolio Management Fee Schedule.**

KWA will assess a Management Fee (the "Management Fee") to provide discretionary portfolio management services. The Management Fee is an annual fee based on a percentage of the client's assets under management, unless specifically excluded. The following is a sample fee schedule provided for illustrative purposes.

Assets Under Management	Annual Percentage of Assets Charge
\$0 to \$499,999.99	2.00%
\$500,000 to \$999,999.99	1.85%
\$1,000,000 to \$1,999,999.99	1.70%
Over \$2,000,000	1.60%

Since the exact fees and other terms may vary, they will be outlined in the Wrap Comprehensive Portfolio Management Agreement which is signed by the client and KWA. This agreement is required to be in place prior to the commencement of any portfolio management services.

Management Fees for our comprehensive portfolio and 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. Fees are calculated based on the fair market value of your account(s) as of the



last business day of the previous quarter as provided by Orion, our third-party technology platform provider, unless KWA otherwise agrees in writing. The aggregate net value of the managed account shall be determined on the basis of such asset statements as provided by Orion or by any investment vehicle utilized in the account. As such, you may see slight differences in the quarter-end market value of your account from your custodian's statement as compared to the market value of your account from Orion, due to differences in the treatment of accrued interest posting, trade date versus settlement date, and other variables. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account(s) opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of a billing period, the prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period's fee is billed.

Our fees are negotiable on a limited basis based on the complexity of the client's situation, the composition of the client's account(s) (i.e., equities versus ETF's), the potential for additional account deposits, the relationship of the client with the investment advisor representative and the total amount of assets under management for the client. Adjustments will be made for deposits and withdrawals during the quarter. These adjustments are based on debits and credits of \$50,000 or more that occur within one day.

Fees will generally be automatically deducted from your managed account on a quarterly basis. In rare cases, we will agree to directly bill clients. As part of the automatic fee deduction process, please note the following:

- You provide written authorization to the custodian permitting us to be paid directly from the managed account held by the independent custodian. We will provide the custodian with a fee notification statement;
- Our firm sends an electronic request to the custodian indicating the amount of the fee to be paid from the client's managed account;
- Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory fees paid to us;
- As required by paragraph (a)(2) of Rule 206(4)-2 under the Investment Advisers Act of 1940, if we send our own statement to our clients, we urge them to compare information provided in their statements with those from the qualified custodian in account opening notices and subsequent statements.

KWA 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 lower or higher than that charged by other investment advisers offering similar services/programs.

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.

Through investment selection and active account management, KWA attempts to minimize many of the charges that would otherwise be imposed by third parties. However, it should be known that in rare cases when these fees do occur, the management fees charged by KWA are separate and distinct from

the fees and expenses charged by investment companies. A description of these fees and expenses are available from each investment company. You may also pay holdings charges imposed by the chosen custodian for certain investments, charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees, initial or deferred sales charges, mutual fund sales loads, 12b-1 fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. Our firm does not receive a portion of these fees.

#### [Fees for Retirement Plan/ERISA Accounts.](#)

For Retirement Plan Sponsor clients, KWA will charge an annual fee that is calculated as a percentage of the value of plan assets. This fee is negotiable based upon the complexity of the plan, the size of the plan assets and the actual services requested.

For Retirement Plan Sponsors and Participants, fees are 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.

Either party may terminate services by providing written notice of termination to the other party. 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.

KWA 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 (1) offset that compensation against our stated fees, and (2) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

#### [Fees for Third-Party Money Managers.](#)

KWA no longer offers this advisory service to new clients. KWA will continue to offer third-party management services only to clients currently using this service. Third-party managers generally have account minimum requirements that will vary among third-party money managers. Account minimums are generally higher on fixed income accounts than for equity-based accounts. A complete description of the third-party money managers' services, fee schedules and account minimums will be disclosed in the third-party money managers disclosure brochure which will be provided to clients prior to or at the time an agreement for services is executed and the account is established.

The actual fee charged on wrap accounts with third-party money managers will vary depending on the manager. In other words, KWA bills the client a wrap fee, but the combined fee from the third-party manager and KWA's fee will not exceed the agreed-upon fee listed in the Wrap Fee Agreement. Under this program, clients may incur additional charges including but not limited to, mutual fund 12b-1 fees, surrender charges, and qualified retirement plan fees.

## Item 5: Account Requirements & Types of Clients

There are no minimum investment amounts or conditions required for establishing an account managed by KWA. However, all clients are required to execute an agreement for services in order to establish a client arrangement with KWA and/or the third-party money manager or the sponsor of third-party money manager platforms.

Types of clients we typically manage wrap fee accounts on behalf of include:

- Individuals and High Net Worth Individuals
- Trusts, Estates and Charitable Organizations
- Pension and Profit-Sharing Plans
- Corporations, Limited Liability Companies and/or Other Business Types

## Item 6: Portfolio Manager Selection & Evaluation

Our firm utilizes our in-house portfolio managers as well as a selection of outside portfolio managers. In-house accounts are managed by licensed investment adviser representatives (“IARs”) of our firm. Prior to becoming licensed with our firm, each IARs industry experience, licensure, outside business activities, client complaints (if any), disciplinary or regulatory history (if any) and financial well-being will be reviewed. Each IAR will then have a Form U4 and ADV Part 2B on file with our firm. Outside portfolio managers, either individually or firm-wide, are selected based on past performance, investment philosophy, market outlook, experience of associated portfolio managers and executive team, disciplinary, legal and regulatory histories of the firm and its associates, and/or whether compliance procedures are in place to address at a minimum, insider trading, conflicts of interest, and/or anti-money laundering.

We do not calculate outside portfolio manager performance.

### Advisory Business.

See Item 4 for information about our wrap fee advisory program. We offer individualized investment advice to clients utilizing our comprehensive portfolio management, asset management, and third-party management services. Additionally, we offer investment advice to clients utilizing our financial planning and/or consulting service(s). We work with each client on a one-on-one basis to determine each client’s investment objective and suitability information. We will not verify or attempt to verify any information received from a client or from outside professionals the client engages with on their own. We are authorized to rely on the information provided to us directly from the client. It is each client’s responsibility to promptly notify us if there is every any change in their financial or personal situation or investment objectives.

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. However, restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account, therefore we reserve the right to not accept any restrictions proposed by a client.

### Participation in Wrap Fee Programs.

KWA offers advisory services through our wrap fee program. A wrap fee program is defined as any advisory program where fees and expenses are bundled together allowing the account to be charged

one fee instead of individual transaction fees for investment advisory services. Whenever a fee is charged to a client for services described in this brochure (whether wrap fee or non-wrap fee), we will receive all or a portion of the fee charged.

The majority of our clients will open an account under the wrap fee program. In limited circumstances, clients will be able to open accounts under the non-wrap fee program. A non-wrap account may be assessed transaction fees for the execution of trades and there is also the possibility that you will pay exchange fees in your Account on certain transactions. Non-wrap fee accounts are only offered to (1) KWA employees and their applicable family members, (2) accounts that only hold a concentrated position or nondiscretionary accounts and are not actively managed and (3) Personal Choice Retirement Accounts (PCRA) through Schwab Advisor Services. PCRA's are self-directed brokerage accounts that reside within an employer sponsored retirement plan. Certain employers allow their plan participants to move a portion of their retirement plan assets to this type of account which then can be managed by KWA.

### Performance-Based Fees & Side-By-Side Management.

We do not charge or accept performance-based fees.

### Methods of Analysis, Investment Strategies & Risk of Loss.

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

- **Charting:** In this type of technical analysis, our firm reviews charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.
- **Momentum:** Is the rate of acceleration of a security's price or volume. In technical analysis, momentum is considered an oscillator and is used to help identify trend lines. A trend line is a line drawn from the high price to the low price, or vice versa, over a given time period. If the line is up, the trend is up and the momentum investor typically buys the stock. If the trend line is down, the trend is down and the momentum investor typically sells the stock. In this way, momentum investing is purely a technical indicator. Though the "momentum" can refer to fundamental measures of performance, such as revenue and earnings, it is most commonly used in reference to historical asset prices as a technical indicator.
- **Cyclical Analysis:** Statistical analysis of specific events occurring at a sufficient number of relatively predictable intervals that they can be forecasted into the future. Cyclical analysis asserts that cyclical forces drive price movements in the financial markets. Risks include that cycles may invert or disappear and there is no expectation that this type of analysis will pinpoint turning points, instead be used in conjunction with other methods of analysis.
- **Fundamental Analysis:** The analysis of a business's financial statements (usually to analyze the business's assets, liabilities, and earnings), health, and its competitors and markets. When analyzing a stock, futures contract, or currency using fundamental analysis there are two basic approaches one can use: bottom up analysis and top down analysis. The terms are used to distinguish such analysis from other types of investment analysis, such as quantitative and technical. Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts. There are several possible objectives: (1) to conduct a company stock valuation and predict its probable price evolution; (2) to make a projection on its business

performance; (3) to evaluate its management and make internal business decisions; (4) and/or to calculate its credit risk.; and (5) to find out the intrinsic value of the share.

When the objective of the analysis is to determine what stock to buy and at what price, there are two basic methodologies investors rely upon: (1) Fundamental analysis maintains that markets may misprice a security in the short run but that the "correct" price will eventually be reached. Profits can be made by purchasing the mispriced security and then waiting for the market to recognize its "mistake" and reprice the security.; and (2) Technical analysis maintains that all information is reflected already in the price of a security. Technical analysts analyze trends and believe that sentiment changes predate and predict trend changes. Investors' emotional responses to price movements lead to recognizable price chart patterns. Technical analysts also analyze historical trends to predict future price movement. Investors can use one or both of these different but complementary methods for stock picking. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

- **Money Flow:** Money flow is calculated by averaging the high, low and closing prices, and multiplying by the daily volume. Comparing that result with the number for the previous day tells traders whether money flow was positive or negative for the current day. Positive money flow occurs when a stock is purchased at a higher price (an uptick). Negative money flow occurs when the next trade is purchased at a lower price (a downtick). Positive money flow indicates that prices are likely to move higher, while negative money flow suggests prices are about to fall. Money flow is monitored because trading volume is typically considered to lead price, which could help identify early trading opportunities.
- **Technical Analysis:** A security analysis methodology for forecasting the direction of prices through the study of past market data, primarily price and volume. A fundamental principle of technical analysis is that a market's price reflects all relevant information, so their analysis looks at the history of a security's trading pattern rather than external drivers such as economic, fundamental and news events. Therefore, price action tends to repeat itself due to investors collectively tending toward patterned behavior – hence technical analysis focuses on identifiable trends and conditions. Technical analysts also widely use market indicators of many sorts, some of which are mathematical transformations of price, often including up and down volume, advance/decline data and other inputs. These indicators are used to help assess whether an asset is trending, and if it is, the probability of its direction and of continuation. Technicians also look for relationships between price/volume indices and market indicators. 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. Technical analysis is widely used among traders and financial professionals and is very often used by active day traders, market makers and pit traders. The risk associated with this type of analysis is that analysts use subjective judgment to decide which pattern(s) a particular instrument reflects at a given time and what the interpretation of that pattern should be.

There are risks involved in using any analysis method.

To conduct analysis, KWA gathers information from 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 We Use.

We use the following strategies when managing client accounts and/or providing investment advice, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons.

- Short-Term Purchases: Investments which are sold within a year from the purchase date.
- Long-Term Purchases: Investments which are held at least a year from the purchase date.
- Trading: Investments sold within 30 days of purchase date.

### Risk of Loss.

Clients must understand that investing in securities involves inherent and varying degrees of risk of loss associated with all types of investments. Therefore, clients should be prepared to bear investment loss including loss of original principal. While the stock market can increase and your account(s) could enjoy a gain, it is also possible that the stock market will decrease, and your account(s) could suffer a loss. Our firm is unable to represent, guarantee or imply that our services and/or methods of analysis will be able to successfully predict future results, or protect you from losses due to market corrections or declines. Past performance is not indicative of future results. Furthermore, clients should not assume that the performance of any investment or strategy will be profitable.

### Description of Material, Significant or Unusual Risks.

Our firm generally invests client cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to our Asset Management and Comprehensive Portfolio Management services, as applicable.

### Voting Client Securities.

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future.

With respect to assets managed by a third-party money manager, we will not vote the proxies associated with these assets. You will need to refer to each third-party money manager's disclosure brochure to determine whether the third-party money manager will vote proxies on your behalf. You may request a complete copy of a third-party money manager's proxy voting policies and procedures as well as information on how your proxies were voted by contacting KWA at the address or phone number indicated on page 1 of this disclosure document.

## Item 7: Client Information Provided to Portfolio Manager(s)

As stated above, KWA only offers asset management services through third-party money managers to clients who are currently receiving this advisory service. This service is grandfathered for these clients

only. Nonetheless, we are required to disclose to clients that utilize portfolio managers the information that we communicate to your portfolio manager(s), and how often or under what circumstances we provide updated information. KWA communicates with your portfolio manager(s) on a regular basis to ensure that your most current investment goals and objectives are understood by your portfolio manager(s). In most cases, we will communicate such information as part of our regular investment management duties. Nevertheless, we will also communicate information to your portfolio manager(s) when you ask us to or when market or economic conditions make it prudent to do so.

## Item 8: Client Contact with Portfolio Manager(s)

Our clients may not directly contact their portfolio manager(s) with questions or concerns. All communications must be channeled through KWA.

## Item 9: Additional Information

### Disciplinary Information.

William Keen, Managing Member, was involved in the following two disciplinary actions. Mr. Keen consented to the entry of an order by the State of Missouri Securities Division ("Missouri") that censured Mr. Keen for investing customer funds in "unsuitably aggressive investments" between 1999 and 2001. Missouri suspended Keen's securities license for fifteen days but waived the suspension provided that he comply with certain heightened supervision requirements for two years. Missouri also fined Mr. Keen \$40,000 plus the \$15,550 cost of the investigation. On May 17, 2007, the Ohio Department of Commerce Division of Securities ("Ohio") issued an order suspending Mr. Keen's securities license due to a pending investigation with the previously described action with Missouri. The order was not based on any new conduct or Ohio conduct; instead, it was based on the same series of complaints emanating from the 1999-2001 time period and already reported on Mr. Keen's CRD. Ultimately, Ohio realized its error in suspending Mr. Keen's license and the order in question was terminated. As a result, on December 28, 2007, Mr. Keen consented to the entry of an order by Ohio that lifted Mr. Keen's suspension and subjected him to one year of heightened supervision. Mr. Keen successfully completed his heightened supervision and has had no complaints in Ohio or any other state other than those stemming from the 1999-2001 time period. For additional information please search Mr. Keen's CRD #2212517 at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Financial Industry Activities & Affiliations.

#### Registered Representative.

A few of our investment advisor representatives are also registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS") member FINRA/SIPC, a securities broker-dealer. When acting in his or her separate capacity as a registered representative, your investment adviser representative may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity

as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use Purshe Kaplan Sterling Investments, Inc. and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use Purshe Kaplan Sterling Investments, Inc. Prior to effecting any such transactions, you are required to enter into a new account agreement with Purshe Kaplan Sterling Investments, Inc. The commissions charged by Purshe Kaplan Sterling Investments, Inc. may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

If you elect to have your investment adviser representative, in his or her separate capacity as a registered representative, implement the recommendations of KWA, your investment adviser representative at his or her discretion may waive or reduce the investment advisory fee charged by the amount of the commissions received as a registered representative. Any reduction of the investment advisory fee will not exceed 100% of the commission received as a registered representative.

As a result of this relationship, Purshe Kaplan Sterling Investments, Inc. may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about clients of KWA, even if a client does not establish any account through Purshe Kaplan Sterling Investments, Inc. If you would like a copy of the privacy policy of Purshe Kaplan Sterling Investments, Inc., please contact your investment adviser representative.

#### [Insurance Agent.](#)

You may work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative may sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent, may suggest that you implement recommendations of KWA by purchasing disability insurance, life insurance, annuities, or other insurance products. This receipt of commissions creates an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

#### [Code of Ethics, Participation or Interest in Client Transactions & Personal Trading.](#)

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of clients. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities. Therefore, we have in place a set of procedures to review (including a pre-clearing procedure) transactions effected by our members, officers and employees for their personal accounts.



Upon employment or affiliation and at least annually thereafter, all supervised and access persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request. Please note, no recommendations or trades will be placed in client accounts in which our firm or related persons have a material financial interest.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. Related persons of our firm may also buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts in block trades. In order to minimize these conflicts of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics. Further, our related persons will refrain from buying or selling the same securities (outside of block trades) prior to the client within the same trading day.

#### Review of Accounts.

Our firm's investment adviser representatives ("IARs") and/or Financial Planners review our clients' accounts and financial situations at least annually. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, risk tolerance, and investment policies, if applicable. We do not provide written reports to clients, unless asked to do so.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

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

#### Client Referrals & Other Compensation.

We receive a benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

#### Financial Information.

We are not required to provide financial information in this Brochure because we do not require the prepayment of more than \$1,200 in fees and six or more months in advance, and we do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

We have never been the subject of a bankruptcy proceeding.