

**Item 1. Cover Page**



3478 BUSKIRK AVENUE, SUITE 333  
PLEASANT HILL, CA 94523

FIRM BROCHURE

FIRM CONTACT: GERALD G. GUINTU, CHIEF COMPLIANCE OFFICER

March 1, 2021

This Form ADV Part 2A ("Firm Brochure") provides information about the qualifications and business practices of Ronald Joseph Wagner dba Wagner Loftin Investment Services. If you have any questions about the contents of this brochure, please contact by telephone at (925) 930- 7176 or email at [GGuintu@wlisinvest.com](mailto:GGuintu@wlisinvest.com). 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 Wagner, Loftin Investment Services also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) .

Please note that the use of the term "registered investment adviser" and description of Wagner, Loftin Investment Services 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**

**Wagner, Loftin Investment Services** is required to advise you of any material changes to our Firm Brochure from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Since our last annual amendment on March 1, 2020 there are no material changes to report about our Brochure.

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#### **Item 4. Advisory Business**

We specialize in the following types of services: VISION2020 Wealth Management Platform-Advisor Managed Portfolios, Premier Advisory services, Private Portfolio Manager, and Retirement Plan Consulting Services. We manage \$309,541,759 on a discretionary basis and \$11,688,148 on a non-discretionary basis as of December 31, 2020. Our firm is a sole proprietorship, formed in the State of California. Our firm has been in business as an investment adviser since 1993 and is owned 100% by Ronald J. Wagner.

#### **Description of the Types of Advisory Services We Offer**

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##### **VISION2020 Wealth Management Platform – Advisor Managed Portfolios**

The Wealth Management Platform – Advisor Managed Portfolios Program (“Advisor Managed Portfolios”) provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing, LLC (“Pershing”).

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools and based on your responses to a risk tolerance questionnaire (“Questionnaire”) and discussions that we have together regarding, among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you. This portfolio may consist of mutual funds, exchange traded funds, equities, options, debt securities, variable life, variable annuity sub-accounts (certain restrictions may apply) and other investments.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

##### **VISION2020 WEALTH MANAGEMENT PLATFORM – MODEL PORTFOLIOS PROGRAM**

The Wealth Management Platform - Model Portfolios Program (“Model Program”) offers you managed asset allocation models (“Asset Allocation Models”) of mutual funds, exchange traded funds (“ETFs”), or a combination thereof, diversified across various investment styles and strategies. The Asset Allocation Models are constructed by managers (“Program Managers”) such as BlackRock Investment Management, LLC, Vanguard Advisers, Inc, and Portfolio Management Consultants (PMC).

Based upon your risk tolerance, the Model Program utilizes a system that selects a specific Asset Allocation Model. After the Asset Allocation Model is chosen, we, with the assistance of the Model Program sponsor, will open a Model Program account. Your assets will be invested in the specific investments contained within the recommended Asset Allocation Model. You have the opportunity to place reasonable restrictions on investments held within the Model Program account.

For further Model Program details, including a full list of Program Managers, please see the Model Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in the Model Program. Please read it thoroughly before investing.

### **Premier Advisory Services**

Premier Advisory Services are no longer being offered. There may be legacy clients that have assets managed under this program. Migration of these accounts will take place when in clients' best interest.

### **Tailoring of Advisory Services**

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We offer individualized investment advice to clients utilizing the following services offered by our firm: VISION2020 Wealth Management Platform, Premier Advisory Services and Private Portfolio Manager.

We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. In the rare instance that we would allow restrictions, it would be limited to the following services: VISION2020 Wealth Management Platform, Premier Advisory Services, and Private Portfolio Manager.

### **Participation in Wrap Fee Programs**

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We do not offer wrap fee programs; however, we may place client assets in a program offered by SagePoint Financial, Inc.

## **Item 5. Fees and Compensation**

We are required to describe our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you. Our fees are negotiable.

### **VISION2020 Wealth Management Platform – Advisor Managed Portfolios Program**

We offer Advisor Managed Portfolios with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly account fee described below for advisory services, you may also pay separate per-trade transaction charges.

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. If you terminate your account, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary Model Program fees may apply. Please see the Model Program Brochure for further details.

**Our Model Program account fee schedule is as follows:**

**Transaction Charge Account:** Annualized advisory fee as a percentage of assets in the account is as follows:

<b><u>Account Size</u></b>	<b><u>Max. Client Fee</u></b>	<b><u>Max. Admin Fee</u></b>
Above \$50,000	1.25%	0.25%

The above percentages are annualized advisory fee as a percentage of assets in the account. Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter.

### **VISION2020 WEALTH MANAGEMENT PLATFORM – MODEL PORTFOLIOS PROGRAM**

We offer the Model Program as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions. We offer Model Portfolios limited to securities negotiated with SagePoint Financial, Inc to not have a transaction charge as an alternative for clients with smaller account balances.

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. The maximum fee is 1.25% of the annualized account balance. Your account fees are negotiable and will be debited from your account by our custodian. If you terminate your participation in this program, you will be entitled to a pro rata refund of any prepaid quarterly fees based upon the number of days remaining in the quarter after the date upon which the notice of termination is received.

### **Deduction of Advisory Fees from Your Account**

Fees will be automatically deducted from your managed account. We do not offer direct billing as an option to our clients. As part of this process, please note the following:

- a) Your independent custodian sends statements at least quarterly to you showing all disbursements for your account, including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms;
- c) If we send a copy of our invoice to you, we send a copy of our invoice to the independent custodian at the same time we send the invoice to you which includes a legend that urges the client to compare information provided in their statements with those from the qualified custodian.

### **Other Types of Fees and Expenses**

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: 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 and other fund expenses).

### **Termination and Refunds**

We charge our advisory fees quarterly in advance. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

### **Commissionable Securities Sales**

We sell securities for a commission. In order to sell securities for a commission, our supervised persons are registered representatives of SagePoint Financial, Inc. member FINRA/SIPC. Our supervised persons will receive compensation for the sale of securities or other investment products,

including distribution or service (“trail”) fees from the sale of mutual funds. You should be aware that the practice of accepting commissions for the sale of securities:

1. Presents a conflict of interest and gives our firm and/or our supervised persons an incentive to recommend investment products based on the compensation received, rather than on your needs. We generally address commissionable sales conflicts that arise when explaining to clients that commissionable securities sales creates an incentive to recommend products based on the compensation we and/or our supervised persons may earn and/or when recommending commissionable mutual funds, explaining that “no-load” funds are also available.
2. In no way prohibits you from purchasing investment products recommended by us through other brokers or agents which are not affiliated with us.

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

We do not charge performance fees to our clients.

#### **Item 7. Types of Clients and Account Requirements**

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;

Our requirements for opening and maintaining accounts or otherwise engaging us:

- We require a minimum account balance of \$100,000 for our services. Generally, this minimum account balance requirement is not negotiable and would be required throughout the course of the client’s relationship with our firm.

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

Methods of Analysis:

- Charting;
- Fundamental;
- Technical.

Investment Strategies we use:

- Long term purchases (securities held at least a year);
- Short term purchases (securities sold within a year);
- Option writing, including covered options, uncovered options or spreading strategies.

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

We generally invest client’s cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client’s cash balances through relatively low-risk conservative investments. 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 services, as applicable.

### **Item 9. Disciplinary Information**

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

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

Our firm's associated persons are registered representatives of SagePoint Financial, Inc., a diversified financial services company engaged in the sale of specialized investment products. Our firm and its associated persons may recommend securities or insurance products offered by SagePoint Financial, Inc. If our firm's client purchases these products through us, our firm and/or its associated persons will receive the normal commissions. Thus a conflict exists between my interest and those of our advisory clients. Our client is under no obligation to purchase products we recommend, or to purchase products either through us or through SagePoint Financial, Inc. unless done in conjunction with an investment management program(s).

Our firm's associated persons are licensed as insurance agents and securities salespersons, and in the business of selling insurance and securities products. Our firm is principally in the Investment Management and Asset allocation services business.

Our firm's associated persons hold ownership interest in Advisor Group which directly controls SagePoint Financial, Inc. This can create a conflict of interest as we maybe incentivized to direct transaction or assets to broker dealers we stand to benefit from, in addition to our advisory fees.

### **Item 11. Code of Ethics, Participation or Interest in Client Transactions and 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 any client. 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, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.



the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised 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 all 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.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Likewise, related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

#### **Item 12. Brokerage Practices**

As described in Item 10, our Advisory Representatives are also Registered Representatives of SagePoint, a FINRA registered broker-dealer. In order to meet its FINRA supervisory obligations, SagePoint requires that all investment advisory activities that we conduct be processed through SagePoint's clearing relationships with Pershing LLC ("Pershing"). As a result, we do not have the discretion to choose the broker-dealer or commission rates to be paid. However, we do believe that Pershing's blend of execution services, commission and transaction costs as well as professionalism will allow us to seek best execution and competitive prices.

We may aggregate your orders with those of other clients in a bunched trade or trades when securities are purchased or sold. For each account that we include in the bunched trade, we must reasonably believe that the bunched order is consistent with our duty to seek best execution and may benefit you and each client participating in the aggregated order. The average price per share of each bunched trade is allocated to each account that participates in the bunched trade. Accounts that participate in the same bunched trade are charged transaction costs, if applicable, in accordance with their advisory contracts.

If a bunched order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation. Partial fills will be allocated in a way that does not consistently advantage or disadvantage particular client accounts and are generally filled pro-rata among participating accounts.

#### **Item 13. Review of Accounts or Financial Plans**

We review accounts on at least an annual basis for our clients subscribing to our services. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Financial Advisors or Portfolio Managers will conduct reviews.

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.

We do not provide written reports to clients, unless asked to do so. Annual reviews are conducted with each advisory client to confirm suitability information and current portfolio allocations. If we are unable to reach a client, we will send out a notice confirming that the account is being managed according to the suitability information and risk tolerance currently on file, with instructions to contact us should there be any changes.

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

As discussed previously, all our Advisory Representatives are Registered Representatives of SagePoint. This arrangement requires us to offer you advisory services and programs sponsored or approved by SagePoint. SagePoint sets limits on how much we can charge you for these advisory services. Some advisory programs have higher fee limits than others. As such, there may be an incentive for us to recommend to you advisory services or programs with higher limits. In addition, SagePoint may charge us certain usage fees and expenses to use their advisory programs which may decrease the amount of money we make when offering investment advice to you. Therefore, there may be an incentive to provide you with advisory programs and services that may be cheaper for us to use but not as suitable to your needs as other advisory programs that SagePoint sponsors which may be more expensive for us to use.

In addition, SagePoint offers our Advisory Representatives educational, training and incentive programs for those Advisory Representatives that meet certain sales production goals. There may be an incentive for us to manage your account in ways that assist us in meeting these production goals even if such strategies may not always be suitable for your account.

When we offer you a Wrap Account, the fee for transactions executed in your account are included in your quarterly account fee. However, SagePoint will still assess the transaction charges to us. This may influence us to charge you a higher quarterly account fee than we would otherwise charge you in an effort to recoup from you the transaction charges SagePoint charges us. We may also have incentive to trade your account less often to lessen our transaction fees or to trade your account with certain securities where SagePoint reduces or eliminates the transaction charges (such as the Focus Elite and FundVest Programs mentioned below) to us even if such trading strategies may not always be suitable for your account.

Our Advisory Representatives participate in the Focus Elite and FundVest Programs, provided by SagePoint. In these programs, transaction charges for purchasing securities that participate in these programs may be reduced or waived. This may provide us with incentive to invest your account in these securities over securities that do not participate in these programs to reduce our transaction costs even if such investments may not always be suitable for your account.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

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.

### **Item 15. Custody**

We do not have custody of client funds or securities. All of our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodian, [Reference]:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's 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.
- The client authorizes the investment adviser, 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.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has 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 client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

### **Item 16. Investment Discretion**

We may manage your accounts on a discretionary basis upon obtaining your consent. Your consent is typically granted and evidenced in the client agreement that you sign with us. We define discretion as: the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds.

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

We do not have the authority to vote proxies solicited by, or with respect to, the issuers of securities held in your account. Typically, proxy materials will be forwarded to you by our custodian. We will forward proxy materials that we may receive to you. Please contact us at any time with questions you may have regarding proxy solicitations.

### **Item 18. 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.
- We do not take custody of client funds or securities.
- 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.