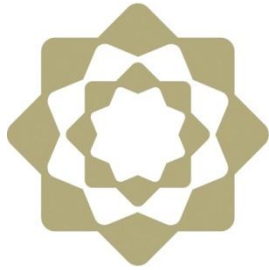


Part 2A of Form ADV: Firm Brochure

Item 1      Cover Page



# OPTIVEST

24901 DANA POINT HARBOR DRIVE  
SUITE 200

**DANA POINT, CA 92629**

**949-363-8686**

**IARD#137070**

<http://www.optivestinc.com/>

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This brochure provides information about the qualifications and business practices of Optivest, Inc. It is prepared pursuant to regulatory requirements. If you have any questions about the contents of this brochure, please contact us at the phone number or website listed above. 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. Optivest, Inc. is a registered investment adviser with the SEC under the Investment Advisers Act of 1940 (the "Advisers Act"). However, such registration does not imply a certain level of skill or training. Additional information about Optivest, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Dated: March 29, 2021**

## Item 2 Material Changes

This Form ADV, Part 2, also known as the “Brochure”, requires disclosure on distinct topics, and answers must be presented in the order of the items in the form, using the headings in the form. We urge you to carefully review all subsequent summaries of material changes, as they will contain important information about any significant changes to our advisory services, fee structure, business practices, conflicts of interest and disciplinary history.

After the initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

### **Summary of Material Changes:**

Please note that there were no “material changes” made to this Brochure since our last delivery or posting of the Brochure on the SEC’s public disclosure website; however, this Brochure does include a number of minor editorial changes and the updated information on our assets under management.

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## Item 4 Advisory Business

### INTRODUCTION

Optivest, Inc. (herein referred to as “Optivest”, “Firm,” “we,” “our,” “us”) is a Registered Investment Advisory firm registered with the US Securities and Exchange Commission (“SEC”) since March 26, 2008. We are notice filed in our home state and various other states which means we are registered to do business in those states. We conduct business in other states by claiming an exemption from registration. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide you, including this Brochure, is information you can use to evaluate us and other advisers, which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship. This Brochure provides information about our qualifications and business practices.

### OWNERSHIP

Optivest is a privately owned corporation headquartered in Dana Point, California. Leslie Calhoun, President & CEO is the only shareholder of the business.

### ADVISORY SERVICES OFFERED

We provide various types of advisory services. These advisory services are offered under two main categories: money management and family office services. There are three main family office service categories: financial and retirement planning, family wealth advisory services, and consultative and concierge services. We provide investment advice to individuals, families, limited partnerships, foundations and personal limited liability companies as well as provide advice on real estate, mortgages (trust deeds) and private business transactions. We conduct in-depth due diligence on real estate and private placements before recommending them to clients. This due diligence includes meetings with principals, review of property or business, financial and legal reviews, investment performance, reviewing past ventures in detail, talking with third party business associates, etc.

On a discretionary basis, we design, revise and reallocate custom portfolios for you. Portfolios can consist of individual stocks and bonds, options, ETFs, mutual funds or a combination of any investment vehicles. On an occasional basis, we offer recommendations on interests in partnerships, private placements, hedge funds or other alternative investments. Our advice is not limited to these types of investments.

Our service constitutes an ongoing process by which:

- Your investment objectives, constraints and preferences are identified and specified;
- Investment strategies are developed and implemented through a combination of financial assets;
- Capital market conditions and your circumstances are monitored; and
- Portfolio adjustments are made as appropriate to reflect significant changes to any or all of the above relevant variables.

We do not participate in any wrap fee programs.

### MONEY MANAGEMENT SERVICES:

Our Money Management Services include portfolio management (which can be either marketable securities or illiquid direct investments), investment supervisory services, investment advice, financial planning, regular reporting and monitoring, business exit and estate planning. Once we understand each client's unique background, financial situation and objectives, the process of creating an optimum recommendation for a portfolio allocation begins. The process continues by utilizing sophisticated forecasting tools through several different companies and resources to continually research the track records, philosophy of management and personnel history of all programs that we recommend. We perpetually evaluate the general economy, inflation, interest rates, US and foreign stock markets, broad commodity prices and real estate. We also consider both professional and amateur sentiments key indicators in market turns. This current investment discipline is balanced with the client's unique investment objectives in order to strategically arrive at his or her asset allocation. In addition, our portfolios are far more diversified than the typical stock, bond and cash allocations, many invested across multiple asset sectors.

Once the strategic asset allocation is established, the tactical portfolio construction is developed. This further refines a portfolio, diversifying and hedging to minimize volatility and stabilize returns. We will utilize balancing management styles, product and geographic diversification and financial hedges to accomplish this goal. Portfolios are stress-tested against varied potential market conditions and calibrated to target specific income and growth returns. An initial portfolio is created and continually refined as the financial markets change, new products emerge, and the client's objectives change and mature.

Optivest implements a fee structure based on the percentage of assets under management (AUM) or a flat fee; see Item 5 for more information. There is a monitoring and reporting fee for non-discretionary investments charged in accordance with the portfolio management fee schedule.

#### FAMILY OFFICE SERVICES:

Optivest provides professional Family Office Services to successful families and individuals who desire in-house, full integration of their investments, estate plans, real estate, philanthropy and lifestyle needs. These Family Office Services specifically include Financial & Retirement Planning, Family Wealth Advisory, Consultative & Concierge services. Experienced staff is available to meet with your estate planner, insurance and tax professionals as a complement to our Money Management services. The fee schedule for the Family Office Services corresponds with the service selected; fees are outlined below under the respective Family Office Services categories. Some of the below services are offered at an hourly fee between \$25 - \$500 per hour based on the complexity of the service.

#### Financial and Retirement Planning Services

We furnish financial and retirement planning services through consultations which are billed on an hourly basis (ranging between \$150 - \$500/hour) and are available to consult with those who desire assistance evaluating the impact of material changes in financial position, real estate purchases, philanthropy or other issues that significantly impact your financial position.

Additionally, we offer the implementation of the OptiWealth balance sheet aggregator and online platform designed for financial planning and wealth sustainability. This secure online platform is monitored daily offering:

- Synchronized financial organization
- Cash flow analysis
- Capture of comprehensive financial situation and statement production
- Retirement projection

If the OptiWealth platform is implemented, a minimum set-up \$3,000 fee charged. Additional complexity discovered during the plan development may necessitate the additional hourly rate between \$150-\$500 which will be discussed and agreed upon prior to development.

In addition, once a plan has been developed, Optivest will maintain the OptiWealth platform profile at the cost of an annual \$1,200 fee valid for 10 hours of support from the Optivest staff throughout the year billed on either a monthly or annual basis. If the complexity or update surpasses the provided 10 hours of support, additional hours within the calendar year may be billed at \$150-\$500 per hour.

#### Family Wealth Advisory Services

Family Wealth is more than money. Family Wealth includes resources and assets in all forms - investments, business interests and real property as well as family name, knowledge, health, values, spirituality, family unity and support of the community.

As professional fiduciaries, we specialize in educating and supporting multi-generational families toward successful management and transfer of all aspects of their wealth. We help you prepare for and maneuver through family meetings, optimizing communication as you share your legacy.

Family Wealth Advisory services are tailored to your specific needs and are offered by the advisors of Optivest at the rate of \$150 - \$500 per hour, depending on the complexity of the situation.

### Consultative and Concierge Services

If it matters to you, it matters to us. Optivest's team is ready to assist with other lifestyle issues that might impact clients and their families. Specifically, our Director of Client Services is dedicated to offering clients exclusive, personalized services through our luxury partnership alliances. We are capable of managing art collections, coordinating travel and leisure plans, appointing house managers and personal assistants - even wedding planning. Some of the services listed below are offered at an additional fee between \$25 - \$150/hour above and beyond the fees charged by outside vendors hired and/or reservations booked on behalf of the client. Fees can be waived based on the size of the account, scope of engagement or at the discretion of Optivest management.

### THIRD PARTY MANAGEMENT SERVICES

In addition to in-house Portfolio Management services, we offer access to outside Third-Party Managers ("TPMs"). If we recommend that you utilize the services of a TPM to manage a portion of your portfolio, we would recommend to you a TPM whose investment style is believed to be consistent with your financial needs, investment goals, tolerance for risk and stated investment objectives. We will be available to answer questions you have regarding your account and act as the communications conduit between you and the TPM. All TPMs we refer our clients will be properly registered with the appropriate regulator(s). The TPM is granted authority by you to manage and invest your assets.

Those who are referred to TPMs will receive full disclosure, including services rendered and fee schedules at the time of the referral by delivery of a copy of the relevant TPM's brochure or equivalent disclosure document.

The TPM may impose a minimum dollar amount of initial assets for the investment advisory services as disclosed in the management agreement. These minimums may be waived at the TPM's discretion. You will be provided the appropriate TPM's disclosure statement, in addition to the TPM's ADV Part2A Brochure and privacy policy, prior to placing the assets with the TPM. In some cases, TPM's will utilize other qualified custodians.

### ASSETS UNDER MANAGEMENT

As of December 31, 2020, Optivest had approximately \$145,844,654 of discretionary assets under management and \$132,641,154 in non-discretionary assets under management.

## Item 5 Fees and Compensation

### MONEY MANAGEMENT FEE SCHEDULES

#### Optivest Portfolios:

<u>Assets Under Management</u>	<u>Annualized Fee</u>
First \$1,000,000	1.00%
\$1,000,000 to \$5,000,000	0.75%
\$5,000,000 to \$25,000,000	0.50%
\$25,000,000 to \$50,000,000	0.45%
\$50,000,000 to \$75,000,000	0.40%
\$75,000,00 to \$100,000,000	0.35%
Over \$100,000,000	0.30%

We consider any investment/product we research, recommend and direct clients to invest in as an asset we are responsible for either management of (discretionary securities) or reporting and monitoring on (non-discretionary assets/securities). Securities are offered through Gramercy Securities, Inc. but could be purchased through other broker/dealers not affiliated with Optivest. We provide continuous and regular

supervision of all such client investments and count these investments as assets we manage. We offer to track and report on other client assets (self-managed) such as personal residences, businesses, collectibles or other assets that we did not recommend the purchase of, for full balance sheet and net worth calculation purposes, but we do not consider those assets to be under our management.

We aggregate accounts to receive breakpoints then allocate the respective fees to each appropriate account. All accounts for members of your family or related businesses will be assessed fees based on the total balance of all accounts, e.g. per household. Fees are determined based on the value of account assets under management calculated by our portfolio reporting in conjunction with the designated custodian on the average daily balance. Assets under management include assets not held at the designated custodian.

#### **Compensation Arrangements:**

Portfolio Management fees will be billed in one of two ways.

1. Fees will be directly deducted from your account at the custodian quarterly in advance from your accounts within thirty (30) days following the end of the quarter. We will send the qualified custodian written notice of the amount of the fee to be deducted from your account.

We and/or the custodian shall provide written notice/invoice documentation reasonably supporting the determination of the investment advisor fees. The custodian will send to you a quarterly account statement that shows the amount of our advisory fee, the value of your assets upon which the fee was based, and the specific manner in which the fee was calculated. We will verify that the custodian sends account statements on a quarterly basis.

Or

2. Fees will be directly invoiced quarterly within (30) days following the end of the quarter.

You should compare invoices for advisory fees to the corresponding custodian statement. Statements should be received from the custodian no less than quarterly. If statements are not received, contact us immediately.

Our fees are based on the percentages listed in the Fee Schedule on the average daily balance through the calendar quarter custodial statement. Fees for the initial quarter will be adjusted pro-rata based upon the number of calendar days in the calendar quarter that the Agreement goes into effect.

Fees are calculated by multiplying the assets under management market value by the relevant percent and dividing the resulting sum by four (4). Accounts opened in mid-quarter will be assessed at a pro-rated management fee.

#### **Other Fees Received:**

We donate 10% of all gross revenue collected by Optivest, such as: advisory fees, commissions, financial planning fees, reporting and monitoring fees, fee split revenues and referral fees to the Optivest Foundation, a non-profit 501(c)3 entity.

Optivest will receive 10% of gross revenues, considered a licensing fee from Optivest Retirement Strategies. Optivest Retirement Strategies and Optivest may have common clients.

Optivest will receive a pro-rata share of revenue generated by affiliated representatives of Optivest to be applied towards agreed upon shared office expenses.

Optivest may collect fee split or referral fees from its affiliates' companies, including but not limited to Optivest Retirement Strategies, LLC.

### **Optivest Retirement Strategies Portfolios:**

Assets Under Management	Annualized Fee
First \$1,000,000	1.00%
\$1,000,000 to \$ 5,000,000	0.75%
\$5,000,000 to \$25,000,000	0.50%
\$25,000,000 to \$50,000,000	0.45%
\$50,000,000 to \$75,000,000	0.40%
\$75,000,000 to \$100,000,000	0.35%
Over \$100,000,000	0.30%

Clients will be charged .50% on the first \$1,000,000 for written retirement plans and continued monitoring. The above fees will be paid quarterly in advance and upon deposit of any additional funds or securities in the account. The first payment shall be due upon execution of the Portfolio Management Agreement and will be based upon the opening value of Client's account. The first payment will be pro-rated in the event the Portfolio Management Agreement is executed at any time other than on the first day of a calendar quarter. Subsequent fees are determined on the first day of each calendar quarter based on the value of account assets under management calculated by Optivest reporting in conjunction with the clearing corporation as of the close of business on the last business day of the preceding quarter.

### **Additional Types of Fees or Expenses:**

Portfolio Management fees do not include cost of custodial services for individual retirement accounts for qualified retirement plans. Transaction costs are not commissions. They are clearing costs charged by the designated clearing firm on the account. In a non-wrap account, you would be charged these fees by the custodian in addition to our management fee. Additional fees may be incurred while the funds are in a money market fund or other no-load fund. These fees are charged and collected by the mutual funds and are not refundable to Client. There may be residual compensation from legacy positions.

**Termination:** You have the right to terminate the contract without penalty at any time within five (5) business days after the effective date of the contract. Either party can terminate the Management Agreement at any time and for any reason, upon thirty (30) days written notice to the other party. Upon notice of termination, we will await further instructions from you as to what steps you request to liquidate and/or transfer the portfolio and remit the proceeds. Upon instructions received, we will instruct broker/dealers, mutual fund sponsors and others to liquidate and/or transfer the portfolio and remit proceeds back to you or a designated third party. A refund of our unearned Management Fees will be made on a prorated basis from the time of termination.

### **ERISA ACCOUNTS, PROFIT SHARING, 401(k)s, SEPs**

We may also have other retirement accounts which are subject to ERISA rules and regulations. In all cases, an "eligible investment advice arrangement" or advisory agreement will be executed with the Client. We will be considered a "fiduciary advisor" and will charge fees to the retirement account.

### **THIRD PARTY MANAGEMENT PROGRAM FEE SCHEDULE**

The fees payable to these referral services depend upon the fee arrangement between you and the TPM to whom you are referred to. The basic fee schedule for these services will vary based on the TPM chosen to provide this service and can range from 1.0% to 1.5%. The fee will be based on the amount of assets managed and may be negotiable. In no event will the annual management fee exceed 3.0%. The fee will be paid according to the Management Agreement of the chosen TPM. All fees will be payable directly to the TPM to which discretionary authority is given. Complete disclosure of the amount of the fee received by us will be available in the management agreement given to you under "Solicitor Disclosure". We will not receive a commission for any transaction.

**Termination:** You can terminate the Management Agreement according to the terms disclosed in the management agreement. If fees are paid prior to service being rendered, and you terminate services, the pro-rated fees for the portion not used will be returned.



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

Performance-based fees are fees based on a share of capital gains on or capital appreciation of the assets of a client. We do not charge performance-based fees, nor do we provide side-by-side management services. We may recommend a third-party manager who does charge performance-based fees.

Performance-based fee arrangements create an incentive to recommend investments which are be riskier or more speculative than those which would be recommended under a different fee arrangement. This type of fee arrangement can also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. We have procedures in place to ensure that all clients are treated fairly and equally and to prevent this conflict from influencing the allocation of investment opportunities among our clients. For accounts that we refer to outside third party managers the net return from performance-based fee account investments has to exceed net returns offered by non-performance based fee investments or we will pull the account.

**Qualified Client:**

Only qualified investors as defined by Sec. 205-3 of the Investment Advisors Act at the time of investment who meet the required threshold are permitted to invest in investments that charge performance fees. Typically, this includes a minimum liquid net worth excluding the value of the investor's primary residence and minimum assets under management. The thresholds will be adjusted for inflation every five years with the initial rule effective date of May 22, 2012.

Key provisions of Section 205-3 are paragraph (d) which can be found at:

<https://www.law.cornell.edu/cfr/text/17/275.205-3>

The firm will assure the investor meets these thresholds prior to accepting the investor into the investment vehicle which charges performance fees.

## Item 7 Types of Clients

**Client Base:** Our customer base consists of individuals, high net worth individuals, trusts, estates, charitable organizations, foundations, corporations or other business entities, IRAs, and pension and profit-sharing plans. These are the types of clients that we service, but we may not have all these types as current clients at any one time.

**Conditions for Account Management:** We do not impose a minimum account size of assets or other conditions for starting or maintaining an account with our Firm.

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

**METHODS OF ANALYSIS & INVESTMENT STRATEGIES:**

We work with you to devise an investment strategy to meet your financial objectives. This includes:

- discussion regarding your objectives
- review of existing holdings
- ongoing analysis of funds
- advice on best direction for new investments
- updates of specific changes within the market or to particular funds
- regular monitoring of recommended investments and yearly review

The flexibility of our strategies gives us the ability to best manage investment risks in any investment market.

We use Charting, Fundamental, and Technical security analysis methods. We also conduct thorough due diligence of all outside managers' track records, management philosophy, personnel history, including verifying assets with custodians and looking for potential conflicts of interest. We monitor all investments on a regular and continuous basis.

Charting Analysis is a way of gathering and processing price and volume information of a particular security by applying mathematical equations and then plotting the resulting data onto graphs in order to predict future price movements.

Fundamental Analysis involves using real data to evaluate a security's value. We perform fundamental analysis on a security's value by looking at economic factors, such as interest rates and the overall state of the economy, information about issuers, potential changes in credit ratings, revenues, earnings, future growth, return on equity, profit margins and other data to determine underlying value and potential for future growth.

Technical Analysis involves studying supply and demand in the market to determine what direction, or trend will continue in the future by understanding the emotions in the market as opposed to its components and focuses on the effect of previous price movements. Understanding the benefits and limitations of technical analysis can give a new set of tools or skills that will enable us to be a better trader or investor.

#### RISK OF LOSS

Investing in securities involves risk of loss that clients should be prepared to bear. The advice offered by our Firm to clients is determined by the areas of expertise of the agent providing the service and the client's stated objective. Our clients are advised to notify our Firm promptly if there are ever any changes in your financial situation or investment objective or if you wish to impose any reasonable restrictions upon our management services. If you wish to impose any reasonable restrictions upon our management services, you will need to advise us in writing of any restrictions.

We do not represent, warrant or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms or insulate clients from losses due to market corrections or declines. All securities trading, whether in stocks, options, or other investment vehicles, is speculative in nature and involves substantial risk of loss that clients should be prepared to bear. Past performance is not necessarily indicative of future results. Clients should make every effort to understand the risks involved.

The Principal Risks of Investing include, but are not limited to:

**General Risks:** Your investments with us are not a deposit of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Accordingly, you can lose money by investing with us. When you sell your investments, they can be worth less than what you paid for them because the value of investments will fluctuate reflecting day-to-day changes in market conditions, interest rates and a number of other factors.

**Allocation Risk:** Our allocation of investments among different asset classes, such as equity or fixed-income assets classes, can have a more significant effect on your returns when one of these classes is performing more poorly than others.

**Market Risk:** Stock and bond markets often trade in random price patterns, and prices can fall over sustained periods of time. The value of the investments we make for you will fluctuate as the financial markets fluctuate. This could result in your account value(s) declining over short or long term periods of time.

**Focused and Concentrated Portfolio Risks:** We may invest your assets in a smaller number of securities than other broadly diversified investment strategies. Our approach is often referred to as “focused, concentrated, or non-diversified”. Accordingly, the money we manage for you can have more volatility and is often considered to have more risk than a strategy that invests in a greater number of securities because changes in the value of a single security can have a more significant effect, either negative or positive, on your overall portfolio value. To the extent we invest your assets in fewer securities, or in non-diversified funds that take a focused or concentrated approach, your assets are subject to greater risk of loss if any of those securities become permanently impaired.

**Equity Risk:** Your investments will be subjected to the risk that stock prices can fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of equity securities in your portfolio can fluctuate drastically from day to day. Individual companies can report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies can suffer a decline in response. These factors will contribute to the volatility and risk of your assets.

**Special Situation Risk:** We can invest your assets in special situations. Investments in special situations can involve greater risks when compared to other strategies due to a variety of factors.

Expected changes may not occur, or transactions can take longer than originally anticipated, resulting in lower returns than contemplated at the time of investment. Additionally, failure to anticipate changes in the circumstances affecting these types of investments can result in permanent loss of capital, where we may be unable to recoup some or all of its investment.

**Foreign Securities Risk:** We have the ability to invest in foreign securities, and, from time to time, a significant percentage of your assets can be composed of foreign investments. Foreign investments involve greater risk in comparison to domestic investments because foreign companies/securities: can have different auditing, accounting, and financial reporting standards; may not be subject to the same degree of regulation as US companies and can have less publicly available information than US companies; and are often denominated in a currency other than the US dollar.

**Currency Risk:** Your investments can be subject to currency risk. Currency fluctuations and changes in the exchange rates between foreign currencies and the US dollar could negatively affect the value of your investments in foreign securities.

**Interest Rate Risk:** Your investments are subject to interest rate risk. Interest rate risk is the risk that the value of a security will decline because of a change in general interest rates. Investments subject to interest rate risk will usually decrease in value when interest rates rise. For example, fixed-income securities with long maturities typically experience a more pronounced change in value when interest rates change.

**Credit Risk:** Your investments are subject to credit risk. An investment’s credit quality depends on its ability to pay interest on and repay its debt and other obligations.

**Small- to Medium-Capitalization Risk:** We can invest your assets in small to medium sized companies. Shares of small to medium sized companies can have more volatile share prices. Furthermore, the securities of small to medium companies often have less market liquidity and their share prices can react with more volatility to changes in the general marketplace.

**Junk Bond/High-Yield Security Risk:** We can invest your assets in Junk Bonds or High-Yield, lower rated securities. Investments in fixed-income securities that are rated below Investment grade can be subject to greater risk of loss of principal and interest than investments in higher-rated fixed-income securities. The market for high yield securities can be less liquid than the market for higher-rated securities. High-yield securities are also generally considered to be subject to greater market risk than higher-rated securities. The capacity of issuers of high-yield securities to pay interest and repay principal is more likely to weaken than is that of issuers of higher-rated securities in times of deteriorating economic conditions or rising interest rates.

**Prepayment Risk:** Your investments can be subject to prepayment risk. Prepayment risk occurs when the issuer of a security can repay principal prior to the security's maturity. Securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. In addition, the potential impact of prepayment features on the price of a security can be difficult to predict and result in greater volatility.

**Inflation Risk:** This is the risk that the value of your assets or income of your investments will be less in the future as inflation decreases the value of your money. As inflation increases, the value (purchasing power) of your assets can decline. This risk increases as we invest a greater portion of your assets in fixed-income securities with longer maturities.

**Liquidity Risk:** Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing us from selling out of these illiquid securities at an advantageous price.

## 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 our firm or the integrity of our management.

We do not have any material facts about legal or disciplinary events that are material to your evaluation of the integrity of our firm or its advisory agents to disclose. Your confidence and trust placed in us and our advisory agents is something we value and endeavor to protect.

We value and endeavor to protect the confidence and trust you place in our Firm and its advisory agents.

A full report that reflects the professional background, business practices, and conduct of our advisory agents is available through the Financial Industry Regulatory Authority's (FINRA) BrokerCheck system link at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or you may request disclosable information under BrokerCheck by calling (800) 289-9999, a toll-free hotline operated by FINRA.

You may also access a full report of our advisory agents through the IARD link at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Should you have any technical difficulties with this link, you can call 240-386-4848 for further assistance.

The information that appears on these websites is collected from individual investment adviser representatives, investment adviser firm(s), and/or securities' regulator(s) as part of the securities industry's registration and licensing process.

## Item 10 Other Financial Industry Activities and Affiliations

### AFFILIATED RELATIONSHIPS:

#### Investment Advisory Relationships:

Leslie Calhoun, President and CEO of Optivest, owns 3.125% of Sector Logic, LP, a privately owned state registered investment advisory firm. Investment advisory services including portfolio management were offered through Sector Logic, LP to clients of Optivest

Advisory agents of Optivest do recommend the services of these third-party registered investment advisors (third party money managers) who will manage client assets. Optivest does receive compensation from the third-party money managers for referring these clients to them.

**Investment Vehicle Relationships:**

Leslie Calhoun, President and CEO of Optivest receives commissions as high as 10% for Private Placement investments, which may be taken in cash or in equity interest in the endeavor, on a security recommended to an investment advisory client.

Optivest, shares in commissions of insurance and annuity products sold by Optivest Retirement Strategies, LLC, or Leon James. Optivest and Optivest Retirement Strategies, LLC can share common clients.

**UNAFFILIATED RELATIONSHIPS:**

**Broker/Dealer Relationship:**

Advisory agents of our Firm are also registered with Gramercy Securities, Inc., member FINRA/SIPC, a non-affiliated broker/dealer. In this capacity, there is a potential conflict of interest in that our advisory agents will receive normal and customary commissions, up to 9%, if clients elect to implement a securities transaction through Gramercy Securities, Inc. or purchase a load mutual fund. Furthermore, should clients elect reporting and monitoring of the security purchased on their consolidated Optivest Portfolio Report, there will be ongoing reporting and monitoring fees charged per the Optivest Wealth Management Agreement.

**Third Party Manager Referral Relationships:**

We may have various hedge fund manager and separately managed account relationships. We work closely with the various third-party managers. A conflict of interest exists due to these affiliations. Material conflicts are reviewed every month and quarter as we review performance of potentially conflicting investments. We will pull money from Managers and Hedge Funds if they underperform benchmarks over 2 quarters or immediately if performance or change in suitability warrants with no regard for lost fee sharing as evidenced by numerous occasions when we pulled client assets away from underperforming investments to investments that have no fee share or commission arrangements.

**Insurance Company/Agency Relationships:**

Advisory Agents of the Firm are also licensed insurance agents for other companies. If you elect to implement the plan or buy insurance through the Firm's advisory agents, they can receive a commission from insurance sales (including variable products), which includes life, accident, disability and fixed annuities. This presents a conflict of interest to the extent that the advisory agent recommends the purchase of an insurance product to you which results in a commission being paid to the advisory agent as an insurance agent. We have no single agreement with any agency or company, but will seek out the products of any company, agency or brokerage that can have products fitting your needs.

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

### Code of Ethics:

We have adopted a Code of Ethics Policy to prohibit conflicts of interest from personal trading by our advisory personnel and have established standards of conduct expected of our advisory personnel. We have set forth in the Code of Ethics Policy statements of general principles, required course of conduct, reporting obligations and review and enforcement of the Code of Ethics Policy. We will provide a copy of the Code of Ethics Policy to our clients or prospective clients upon written request.

### Participation or Interest in Client Transactions / Personal Trading:

Our advisory agents are also registered securities representatives of Gramercy Securities, Inc., (Member FINRA/SIPC), a registered broker/dealer. The advisory agents will receive commissions, and other compensation from Gramercy Securities, Inc. in connection with security transactions affected for the accounts the advisory agents manage for our firm.

Our advisory agents will buy or sell for themselves securities that they also recommend to you. We will transact your transactions and business before our own when similar securities are being bought or sold. In all instances, the positions would be so small as to have no impact on the pricing or performance of the security. Generally, these investments are in co-ownership of real estate or private business investments. Conflicts of interest exist when our advisory agents buy a private offering for themselves when clients want to increase their positions. We will do everything possible to mitigate these conflicts. Records of all advisory associate's proprietary trading activities are reviewed and kept by us. All personal securities transactions on behalf of our advisory agents, employees and employee-related accounts must be pre-approved where required by our policies and in compliance with our policies regarding inside and proprietary information, watch list, restricted list, holding period and other conflicts of interests

In addition, it was formerly a firm practice to recommend to you to invest in an alternative investments that are be suitable for your stated investment goals, risk temperament and investment objectives that Optivest or its advisory agents also act as the General Partner and/or Managing Member and would have some financial interest. This is not currently an active practice of the firm.

We and our advisory agents will act in a fiduciary manner, understand the prohibitions against the use of any insider information and will always act in your best interest.

## Item 12 Brokerage Practices

### Brokerage Selection:

We recommend the brokers or dealers to handle securities transactions. We utilize Charles Schwab & Co. Inc., member FINRA/SIPC, Trust Company of America, Equity Trust, Millennium Trust, Wells Fargo Advisors, Morgan Stanley Smith Barney, Fidelity NetBenefits, Vanguard, and Gramercy Securities, Inc. member FINRA/SIPC, as the broker/dealer or escrow agent for the purchase and execution of securities transactions (collectively "Custodians"). Physical custody of your accounts for both securities and funds will be maintained at a designated custodian and clearing firm. Neither the Firm nor its agents are affiliates of Schwab Institutional, Trust Company of America, Equity Trust, Morgan Stanley Smith Barney, Fidelity NetBenefits, ADP mykPlan, John Hancock or Vanguard.

Factors which we consider when recommending broker/dealers include their respective financial strength, reputation, execution, pricing, research and service. We understand and acknowledge that at all times we owe a fiduciary duty to you to obtain best execution for your transactions. We believe that our relationships with these broker/dealers help us to execute securities transactions for you in such a manner that your total cost in each transaction is as favorable as possible under prevailing market conditions. However, accounts may not obtain best execution at all times. The commissions and/or transactional fees charged by these broker/dealers to you can be higher or lower than those charged by

another broker/dealer.

It is our policy to select brokers on the basis of the best combination of cost and execution capability. Subject to its best execution obligations, we intend to use the broker/dealer to affect all or substantially all client securities transactions. We can develop other broker/dealer arrangements with other unaffiliated broker/dealer firms at our discretion.

We do not render advice to or take any actions on behalf of you with respect to any legal proceedings, including bankruptcies and shareholder litigation, to which any securities or other investments held in client accounts, or the issuers thereof, become subject, and do not initiate or pursue legal proceedings, including without limitation to shareholder litigation, on behalf of you with respect to transactions, securities or other investments held in your accounts. The right to take any actions with respect to legal proceedings, including shareholder litigation, with respect to transactions, securities or other investments held in a client account is expressly reserved to you.

#### Brokerage for Client Referrals:

Neither our Firm nor our advisory agents receive client referrals from a broker/dealer or other third party when recommending to you a broker/dealer for the execution of securities transactions.

#### Directed Brokerage:

If you want to direct us to use a particular broker/dealer to handle security transactions then you are responsible for the custodian fee arrangement. You should understand that this might prevent us from effectively negotiating brokerage compensation or obtaining the most favorable net price and execution. When directing brokerage business, you should consider whether the commission expenses, execution, clearance and settlement capabilities that you will obtain through another broker/dealer are adequately favorable in comparison to those that our Firm would otherwise obtain for you using our selected broker/dealers. We do evaluate periodically the execution performance of the brokers/dealers. We encourage you to discuss available alternatives with our advisory agents.

Neither this Firm nor our advisory agents receive any products, research or services other than those disclosed.

#### Trade Aggregation:

We do participate in IPOs or hot issues. As a matter of our fiduciary duty, we abide by the following policies and use the following procedures for trade allocations.

In the event that we have multiple accounts trading in the same securities in the same time frame of a day, it is our policy to trade blocks of securities in our master account and allocate on a pro-rata basis to each participating portfolio receiving a percentage of the executed portion of the order based on each portfolio's percentage of the original order.

We have an alternative trade policy when there are ten or fewer accounts that need to trade in the same security in one day given that the particular security is liquid. In this event, we strive to trade the shares at or near the same price in each individual account. This procedure is followed when there are time constraints that do not permit trader to add all monies or shares needed into one block and be executed in block form and allocated pro rata as described above and trades are small enough to not affect the market for that security by taking into consideration average volume, inside markets and news.

#### Soft Dollar Arrangements:

Our Custodians make available to us products and services that benefit us, but may not directly benefit our client's accounts. Some of these products and services assist us in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other

market data; facilitate payment of our fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting.

As a fiduciary, Optivest endeavors to act in its clients' best interests. While we recommend that clients maintain their assets in accounts at the Custodians, that recommendation is based in part on the benefit to us of the availability of some of the foregoing products and services, and not solely on the nature, cost or quality of custody and brokerage services provided by Custodians, which creates a potential conflict of interest. We mitigate that conflict of interest through disclosures made in this Brochure, client agreements, and in reports and conversations with clients.

### Item 13 Review of Accounts

Reviews are first performed via individual security for all securities held by clients managed by our Firm. We are looking for performance to be in line with the statements produced by outside managers, stock pricing for accuracy and cash flow and accruals on direct investments. The second step is to review each individual client report. Leslie Calhoun, President and CEO and Matt McManus, Senior Wealth Advisor and COO, review each individual client written report prior to sending the reports out. This occurs at every quarter-end and monthly for any account that requests monthly consolidated reports.

Clients are offered online access to view their portfolios through a secure login to an online account portal. Additionally, we produce and provide quarterly consolidated portfolio reports, the brokerage side accounts of which are reconciled daily by a third-party portfolio management vendor, and alternative direct investments are reconciled against statements and scheduled accruals internally on a daily basis. Quarterly consolidated portfolio reports are created for every client or monthly upon a client's request.

The monthly reports often include estimates of performance that outside managers provide us and are indicated on each report as estimates. The monthly reports are not fully reconciled due to use of estimates which is also disclosed to clients. Clients also receive statements directly from custodians, trust companies, brokerage firms and hedge fund managers on a quarterly basis, at minimum. We urge and advise clients through disclaimers to compare account statements sent by the custodians with those sent by us.

### Item 14 Client Referrals and Other Compensation

#### Client Referrals:

We receive compensation in the form of a finder's fee or other economic interests from other third-party managers, real estate brokers, insurance agents, stock or bond portfolio managers or others in connection with a recommended purchase or referral. This poses a conflict of interest and affects our ability to provide clients with unbiased advice. This compensation allows us to provide services at a lower cost to its clients than would be possible absent a finder's fee arrangement. The sharing arrangement is disclosed in writing and requires client signature acknowledging it.

On occasion we pay a finder's fee to an unrelated third party for client referrals. Such fees will only be paid to whom we have entered into a formal referral (solicitor) agreement. Such arrangements will comply with the requirements set forth pursuant to the Investment Advisers Act of 1940, and/or applicable state statutes, to the extent they apply. We also require that a referral fee disclosure statement be given to you (or prospective clients) that discloses, among other things, the amount of fee to be paid to the referring person and the fact that the payment of such referral fees has not increased the amount of the total advisory fee that a client (or prospective client) will pay.



#### Other Compensation:

Optivest receives various forms of compensation which include acquisition fees, initial fees up to 10%, ongoing management fees and carried interest. Such fees are set forth in each offering, Private Placement Memorandum and Operating Agreement. These fees are received in addition to investment advisory fees charged by us.

Our Agents are registered representatives of Gramercy Securities, Inc., Member FINRA/SIPC. In this capacity, our agents sell securities through Gramercy Securities, Inc. and receive normal and customary commissions as a result of such purchases and sales. Our agents may have licenses to sell insurance products and may receive commissions as a result. This presents a conflict of interest to the extent that the agent recommends that you invest in a security which results in a commission being paid to the agent.

We try at all times to put the interest of you first as part of our fiduciary duty. However, you should be aware that the receipt of additional compensation creates a potential conflict of interest and affect judgment when making these recommendations.

### Item 15 Custody

Under government regulations, we are deemed to have custody of your assets since you authorize us to instruct your custodian to deduct our advisory fees directly from your account. We do not maintain physical custody of your accounts nor are we authorized to hold or receive any stock, bond or other security or investment certificate or cash that is part of your account. Your funds and securities will be physically maintained with a "qualified custodian" as required under Rule 206(4)-2 under the Adviser. Account statements are sent quarterly from the custodians and you should carefully review those statements including comparison to any reports we send to you.

### Item 16 Investment Discretion

We manage client accounts on a discretionary basis, subject to the restrictions (if any) that have been provided by clients. As discretionary manager, we are fully authorized and empowered to place orders to brokers, dealers, mutual funds or other persons with respect to the purchase, sale, exchange, disposition or liquidation of any assets held in your portfolio.

We have limited authority to sell or redeem securities holdings in sufficient amounts to pay advisory fees. You may reimburse the portfolio for advisory fees paid to us.

### Item 17 Voting Client Securities

We do not have any authority to and do not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. To this end, we will instruct the Custodian to forward all proxy material directly to you. We shall forward any proxy materials we receive that pertain to the Assets in client accounts to the respective clients, or to the Advisor(s) for an employee benefit plan covered by ERISA, unless the plan's trust agreement provides otherwise. You can contact our office at 949-363-8686 for any questions about a particular solicitation.

## Item 18 Financial Information

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We do not have any financial condition that is reasonably likely to impair the ability to meet contractual commitments to you.

As a result of the current economic environment resulting from the COVID-19 pandemic, we received a Payroll Protection Program Loan, authorized by the Cares Act, that is being utilized to fund our payroll obligations. We currently foresee no further financial action needed to address our ongoing operations as a result of COVID-19 and believe that the firm and its management do not have any other financial condition likely to impair its ability to meet commitments to clients.

## Item 19 Requirements for State Registered Advisers

Not applicable; we are an SEC registered investment adviser.