

# DISCLOSURE BROCHURE

## Accelerated Wealth Advisors LLC

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This Brochure provides information about the qualifications and business practices of Accelerated Wealth Advisors LLC. Being registered as an investment advisor does not imply a certain level of skill or training. If you have any questions about the contents of this Brochure, please contact us at 719-466-5631. 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 Accelerated Wealth Advisors LLC (CRD #170022) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**March 16, 2021**

## **Item 2: Material Changes**

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### **Annual Update**

This item discusses only specific material changes that are made to the Brochure since the Firm's last annual update. It will also reference the date of the last annual update of the brochure which was updated February 2, 2021. The Firm has added new investment strategies.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year, which is December 31. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

### **Full Brochure Available**

Whenever you would like to receive a complete copy of the Brochure, please contact us by telephone at 719-466-5631.

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## **Item 4: Advisory Business**

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### **Firm Description**

Accelerated Wealth Advisors LLC (“we,” or the “Firm”) initially became registered as a State registered investment advisor on September 18, 2014. However, the Firm is now currently registered with the United States Securities and Exchange Commission (“SEC”) effective November 10, 2016 and is a notice filer in the states in which the Firm conducts business.

The Firm’s registration as an investment advisor does not imply any level of skill or training. The oral and written communications the Firm provides to you, including this Brochure, are intended to be used to evaluate the Firm against other investment advisors in connection with your decision to hire the Firm or to continue to maintain a business relationship with the Firm. This Brochure provides information about our qualifications and business practices.

### **Ownership**

Accelerated Wealth Advisors LLC was formed as a limited liability company on October 31, 2013 and is headquartered in Colorado Springs, Colorado. Arche Media is the sole member of the firm. Maj Trust is the majority owner of Arche Media. Maj Trust is an irrevocable trust established by Bill and Nathalie Walton for estate planning purposes whose trustee is Premier Trust.

### **Types of Advisory Services**

The Firm offers both discretionary and non-discretionary investment advice to our clients as further described below.

The Firm may also offer financial planning services to its clients. These services will be provided on an hourly, flat fee or no-fee basis. This fee, if any, will be agreed upon in writing between the client(s) and the Firm. As such, the client should refer to the specific agreement between themselves and the Firm.

The Firm also offers services to individuals who intend to affect an IRS Section 1031 Exchange. Specifically, the Firm will offer beneficial interests in Delaware Statutory Trusts (“DST”) as provided through RCX Capital Group, LLC, member FINRA, on an advisory basis (“Alternative Investments”). The Firm has entered into an agreement with RCX Capital Group, LLC on or about effective October 18, 2018.

The Firm will also assist clients in replacing an existing 401(k) plan or creating a new 401(k) plan as part of their financial plan and to provide 401(k) Planning Services which will include services such as vendor selection, investment options available, benefits and features appropriate for the Plan, and additional services as determined necessary.

The Firm also does comprehensive Roth plans for clients. These plans include Roth contribution planning and Roth conversion planning. Roth contribution planning is complicated due to the complexities in the tax code, income limitations, contribution limits, etc. We help clients max

out Roth IRAs, taking into consideration their income, marital status, etc. (There are different methods required based on these factors.) We help clients utilize to the fullest extent possible any available Roth 401(k) options. This includes reviewing their 401(k) Summary Plan Description(s) and explaining to them the available options they have in their 401(k) plan. Roth conversion planning involves looking at the clients' income each year and doing a strategic Roth conversion (or not) based on where their income falls in the respective tax brackets. For example, if someone has room left in the 22% tax bracket, we will do a Roth conversion on that amount. For example, if a client changed employers and switched jobs. This means his pay resets to first-year pay, plus if any training occurred for months which is lower pay than previous. So his/her income was very low this year, so we did a Roth conversion. Also, if a client retires at 65 and wants to convert to Roth before they get to 70 1/2 to avoid RMDs. Our projections for Roth conversion plans usually take place over 5-7 years.

## **TYPES OF INVESTMENTS**

Our investment recommendations are not limited to any specific product or service offered by an investment advisor. We may provide advice and guidance on any financial product deemed appropriate as a means to address a client's individual needs, goals and objectives. We do not offer or participate in any wrap fee programs.

## **PORTFOLIO MANAGEMENT SERVICES**

The Firm provides investment advisory services on both a discretionary and a non-discretionary basis. The Firm's advisory program is designed to provide you with the appropriate asset allocation, diversification and risk characteristics consistent with your investment objectives and prudent investment advice.

On a discretionary basis, the Firm designs, revises and reallocates custom portfolios for its clients. The investments in the Firm's discretionary portfolios are determined based upon the relevant client's investment objectives, risk tolerance, net worth, net income, age, investment time horizon, tax situation and other various suitability factors.

On a non-discretionary basis, the Firm may provide investment advisory services to its clients relative to investment products individuals or entities may own or use in the future such as life/annuity products, individual employer-sponsored retirement plans, 529 plans, private investment funds or other products that may not be held by your primary custodian. In providing non-discretionary services, the Firm will recommend either the allocation of client assets among the various investment options that are available within the product or the specific private investment vehicles, as applicable. Client non-discretionary assets are maintained and custodied with the relevant insurance company, custodian or administrator designated by the specific product.

The Firm currently offers the following proprietary model portfolios:

**AWP Efficient** is an equity and bond investment strategy that seeks long-term capital gains by remaining invested in equities during long-term bull markets. The strategy uses a proprietary trend signal to determine the amount to be allocated to equities along with a constant allocation

to bonds. The goal is to have exposure to the growth qualities of equities in a tax efficient way while taking less risk than passive strategies.

**AWP Foundation** is a risk-managed equity and bond investment strategy that seeks to rotate into the world's strongest broad stock and bond markets based upon proprietary trend and momentum signals. The goal is to have exposure to the growth qualities of equities with less risk and volatility than passive strategies.

**AWP Adaptive 10** is a risk-managed equity and bond investment strategy that seeks to rotate into the world's strongest stock and bond markets based upon proprietary trend and momentum signals. It maintains a constant allocation to bonds as a diversifier and uses hedging techniques in bear markets to protect capital. The goal is to provide exposure to the growth qualities of equities with less risk and volatility than passive strategies. This strategy is no longer accepting new investors.

**AWP Adaptive 15** is a risk-managed equity and bond investment strategy that seeks to rotate into the world's strongest stock and bond markets based upon proprietary trend and momentum signals. It is fully invested and selects stock sectors in bull markets to take advantage of momentum and employs hedging techniques in bear markets to protect capital. The goal is to provide exposure to the growth qualities of equities with less risk and volatility than passive strategies.

**AWP Adaptive 25** is a risk-managed equity and bond investment strategy that seeks to rotate into the world's strongest stock and bond markets based upon proprietary trend and momentum signals. It is fully invested and leveraged in bull markets to take advantage of momentum and employs inverse investments to profit from bear markets. The goal is to provide exposure to the growth qualities of equities with less risk and volatility than passive strategies. This strategy is no longer accepting new investors.

**AWP Adaptive Index** is a quantitative strategy that seeks to provide absolute returns through risk-managed exposure to the US stock market. The goal is to capture market gains during persistent uptrends and to provide protection during bear markets by adapting the allocation to a broad index of US stocks based on our proprietary market condition model.

**AWP All Asset** is a risk-managed all asset investment strategy that seeks to rotate into the world's strongest markets based upon proprietary trend and momentum signals. The exposure to non-correlated asset classes such as equities, bonds, real estate and cash, provides the opportunity for consistent growth in all market conditions. The goal is to provide exposure to the growth qualities of a wide range of asset classes with less risk and volatility than passive strategies.

**Hedged Strategic Growth** strategy seeks capital appreciation from worldwide equity markets. The goal is to create long-term growth through strategic allocations to known market factors and global themes while maintaining a defensive tactical overlay to reduce losses in falling markets. The strategy holds a basket of global growth stocks that are positioned to benefit from technical innovation and the evolving world economy.

**Lifetime Income** is a strategy that allocates to a variety of income-producing asset classes and diverse holdings to capture dividends and interest. The AWA Investment Committee manages the allocation of the funds based on the outlook for each asset class. The goal is to provide consistent income over time. This strategy is no longer accepting new investors.

**Lifetime Income Foundation** is a strategy that identifies undervalued companies and selects the securities from across the company's capital structure which may contribute best to the strategy's yield, appreciation and downside protection. The goal is to produce consistent income and total returns with balanced upside potential and protection from loss. This strategy is no longer accepting new investors.

**Passive Asset Allocation (PAA) USA** strategies seek to match the performance of the MSCI USA Index and the US Aggregate Bond Index in the allocation percentages listed below. The goal is to capture 100% of the underlying market beta of the USA equity and bond markets by investing in the index components. The equity holdings are a basket of large and mid-cap stocks that represent both value and growth styles. The bond holdings cover most US traded investment grade bonds.

PAA USA 100 (100% MSCI USA Index)

PAA USA 80-20 (80% MSCI USA Index / 20% US Aggregate Bond Index)

PAA USA 60-40 (60% MSCI USA Index / 40% US Aggregate Bond Index)

PAA USA 40-60 (40% MSCI USA Index / 60% US Aggregate Bond Index)

**Passive Asset Allocation (PAA) World** strategies seek to match the performance of the MSCI World Index and a blend of both US and world bond markets in the allocation percentages listed below. The goal is to capture 100% of the underlying market beta of the world equity and bond markets by investing in the index components. The equity holdings are a basket of large and mid-cap stocks that represent both value and growth styles. The bond holdings cover most world traded investment grade bonds.

PAA World 100 (100% MSCI World Index)

PAA World 80-20 (80% MSCI World Index / 20% blend of US and world bond markets)

PAA World 60-40 (60% MSCI World Index / 40% blend of US and world bond markets)

PAA World 40-60 (40% MSCI World Index / 60% blend of US and world bond markets)

**Strategic Growth** strategy seeks capital appreciation from worldwide equity markets. The goal is to create long-term growth through strategic allocations to known market factors and global themes. The strategy holds a basket of global growth stocks that are positioned to benefit from technical innovation and the evolving world economy.

Current non-proprietary portfolio strategy:

**Adaptive Blend** combines multiple non-correlated adaptive investment strategies to create a diversified all asset growth portfolio. The methodologies of each of the underlying components operate individually in an effort to compliment each other. The goal of the strategy is to produce absolute returns over time in a wide range of investment and economic environments.

**Core Equity Overlay - The Firm no longer offers this strategy. There are no longer any clients invested in this strategy.**

**Newfound Research – Resilient US Equity, U.S. Factor Defensive Equity**

Resilient US Equity is designed to provide exposure to the US stock market while providing additional upside participation in strong markets and protection in down markets. The strategy uses three strategic investment sleeves to address various market environments. Each of the sleeves is equally allocated towards trend equity, a strong stock market environment, and a market crash scenario. The underlying options contracts are used to capture outsized gains and to provide protection from large sudden downside market movements.

**Newfound Research – Multi-Asset Income** enables investors to access both traditional and non-traditional income-generating asset classes and strategies while protecting the capital base. The goal of the strategy is to harvest yield from high-income asset classes while avoiding significant negative price trends.

**Peak Capital Management – Dynamic Risk Hedged U.S. Growth** is designed to provide long-term capital appreciation through an investment primarily in U.S. equities and Treasuries. The Index is quantitatively designed using a risk-budgeting methodology. In general, roughly 95% of total risk is allocated equally across five equity factors - size, value, quality, momentum, and volatility. The remaining 5% of total risk is allocated to long-duration Treasuries. The dollar weights are rebalanced monthly to match the desired risk budget. If correlations rise or overall volatility exceeds certain thresholds, the Index can incorporate a short position to large-cap U.S. equities and cash to help ensure diversification and limit overall volatility. The result is an Index that can potentially provide attractive risk-adjusted returns over multiple market cycles.

**Peak Capital Management – Dynamic Risk Hedged Global Growth** is designed to provide long-term capital appreciation through an investment primarily in U.S. equities and Treasuries. The Index is quantitatively designed using a risk-budgeting methodology. In general, roughly 95% of total risk is allocated equally across five equity factors - size, value, quality, momentum and volatility - and international equity markets. The remaining 5% of total risk is allocated to long duration Treasuries. The dollar weights are rebalanced monthly to match the desired risk budget. If correlations rise or overall volatility exceeds certain thresholds, the Index can incorporate a short position to large-cap U.S. equities and cash to help ensure diversification and limit overall volatility. The result is an Index that can potentially provide attractive risk-adjusted returns over multiple market cycles.

**Rational/ReSolve – Adaptive Asset Allocation Fund** invests in futures contracts and occasionally in exchange-traded funds to gain dynamic exposure to global market opportunities across country equity indexes, fixed income, tradeable real estate, currencies, and commodities. Portfolios are formed using proprietary quantitative innovations to systematically emphasize global assets with strong and persistent trend and momentum characteristics while maximizing diversification and minimizing total portfolio volatility.

As portfolio weights and estimates of volatility and correlations change through time, the Fund will increase and decrease the gross exposure in an effort to maintain its target level of 12% annualized portfolio volatility.



**Target 3, 4, 5** - Target Ladder Portfolios use a combination of maturity date ETF, to provide a ladder style of investing with targeted income as the primary goal. The models can adjust credit quality and duration within three different preset parameters in order to provide the investor with a certain amount of income.

Target 3 – Can fluctuate between 0% and 30% high yield bonds to provide the targeted income

Target 4 – Can fluctuate between 30% and 70% high yield bonds to provide the targeted income

Target 5 – Can fluctuate between 70% and 100% high yield bonds to provide the targeted income

**Lincoln Financial Group – Lincoln Level Advantage Advisory** is a fee-based indexed variable annuity designed to provide growth opportunities via participation in equity index-tracking investments with levels of contracted downside protection. The annuity is designed to bring a balance of protection, growth potential, and tax-advantaged lifetime income in a single diversified strategy. It offers flexible options that can be used to fit a client's risk profile and investing approach.

**Dimensional Funds – Dimensional Wealth Models** offer a suite of diversified investment portfolios that provide predetermined asset allocation solutions for a wide range of client needs. The models reflect Dimensional's latest research on factor investing, portfolio design and efficient trading strategies. The portfolios include various combinations of equities and fixed income. Equity holdings include the US, international and emerging market equities, and global real estate. The fixed income portion of the models includes various durations and credit quality instruments from both the US and around the globe.

Dimensional Funds Core Wealth Model 0-100 (0% Equity / 100% Fixed Income)

Dimensional Funds Core Wealth Model 20-80 (20% Equity / 80% Fixed Income)

Dimensional Funds Core Wealth Model 40-60 (40% Equity / 60% Fixed Income)

Dimensional Funds Core Wealth Model 60-40 (60% Equity / 40% Fixed Income)

Dimensional Funds Core Wealth Model 80-20 (80% Equity / 20% Fixed Income)

Dimensional Funds Core Wealth Model 100-0 (100% Equity / 0% Fixed Income)

Dimensional Funds Tax Sensitive Wealth Model 0-100 (0% Equity/100% Fixed Income)

Dimensional Funds Tax Sensitive Wealth Model 20-80 (20% Equity/80% Fixed Income)

Dimensional Funds Tax Sensitive Wealth Model 40-60 (40% Equity/60% Fixed Income)

Dimensional Funds Tax Sensitive Wealth Model 60-40 (60% Equity/40% Fixed Income)

Dimensional Funds Tax Sensitive Wealth Model 80-20 (80% Equity/20% Fixed Income)

Dimensional Funds Tax Sensitive Wealth Model 100-0 (100% Equity/0% Fixed Income)

**Defined Outcome Portfolios** – These portfolio strategies seek to offer investors exposure to a benchmark index, to a cap, with downside buffer levels of 9%, 15%, or 30%, over an outcome period of approximately one year, at which point each ETF in the strategy will reset. The result is an efficient product suite that provides exposure up to a cap to various stock market indices with downside buffers to protect against losses. The strategy has an indefinite holding period, providing structured returns on a point-to-point basis, resetting annually. Additionally, there is an ability to capture outsized gain during the interim period to potentially increase annual performance beyond the original cap.

### **Client Tailored Services and Client Imposed Restrictions**

The goals and objectives for each client are documented in the Firm's client files. Investment strategies are created that reflect the client's stated goals and objective. Clients may impose reasonable restrictions on investing in certain securities or types of securities.

Advisory agreements between the Firm and its clients may not be assigned without prior written client consent.

### **Client Assets under Management**

As of December 31, 2019, we have approximately \$269,277,006 in client assets under management, \$169,586,336 on a discretionary basis and \$99,690,670 on a non-discretionary basis.

## Item 5: Fees and Compensation

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### Method of Compensation and Fee Schedule

#### DISCRETIONARY AND NON-DISCRETIONARY PORTFOLIO MANAGEMENT PROGRAM FEE SCHEDULE

The annual Investment Advisory fee payable to the Firm is one percent (1.0%) of assets under management or advisement and up to one percent (1.0%) of assets under management or advisement payable to the Investment Advisor Representative. The total annual advisory fee will not exceed two percent (2.0%) of assets under management or advisement. However, the Firm may, in its sole discretion, negotiate a lower advisory fee based upon certain criteria (*e.g.*, market value of portfolio under management, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention, pro bono activities, character of services provided, *etc.*). Other strategies offered by the Firm including 1031 Exchanges-DST Transactions, Roth planning services and the 401k advisory services may have a different fee schedule associated with the strategy.

The annual fee is exclusive of and in addition to brokerage commissions, transaction fees and other related costs and expenses that may be incurred in client accounts and that are payable to third parties. The Firm does not, however, receive any portion of these commissions, fees or costs. The Firm will not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client.

Clients will provide written authorization for the deduction of the Firm's advisory fees directly from their brokerage accounts upon execution of the Client Services Agreement with the Firm. Fees will be directly deducted from the client's account at the custodian quarterly in arrears based on the average daily market value of assets in the Account managed by AWA during the previous quarter and will be one-fourth (1/4) of the total advisory fees. The Client will be notified of this fee when they receive their next scheduled account statement. A Client may ask for additional information about their fee calculation at any time. In the event of termination of the Account, the client may be invoiced directly for the amount of fees for the days service was provided in the final quarter and payment is expected in a timely manner.

The quarterly fee will be one-fourth (1/4) of the total fee for non-discretionary, limited partnership, alternative investments based upon the total market value of the investment as reported to AWA by the Sponsor that states the market value of each investment as determined from the annual audited financials. This value will be effective October 1st of every year and this updated value of the investment (either increase in value or decrease in value) will be used in calculating the applicable fees. For any investment(s) received outside of the annual market value adjustment, the average daily market value of the purchase price will be considered the market value until the next valuation date occurs.

The quarterly fee for all other non-discretionary alternative investments will be based upon the total market value of the investment, as reported to AWA by the Sponsor, on the last day of the

month and will be one-twelfth (1/12) of the annualized fee. The fee will be assessed monthly and charged quarterly.

For client assets that are not held in a discretionary account managed by the Firm, the advisory fees will either be deducted from the discretionary account managed by the Firm or paid out of the non-discretionary account at the client's direction, unless otherwise agreed between the Firm and the client.

Accounts opened or closed within a given quarter are charged a pro-rata share at the end of that quarter, based upon the number of days the account was open during the quarter divided by the number of days in the calendar year.

The custodian will send to each client a monthly account statement that shows the full amount of the portfolio management fee. The Firm will verify that the custodian sends account statements to its clients no less frequently than quarterly.

You should compare the Firm's invoice for advisory fees to the corresponding custodian statement. Statements should be received from the relevant custodian monthly, but no less frequently than quarterly if your account had no activity. If you do not receive your account statement from the custodian, contact the Firm immediately.

The Firm does not typically aggregate related accounts in the same household to meet account minimums. The firm may, in its discretion, aggregate related accounts in investments held at an affiliated sponsor in order to meet the sponsors' account minimum.

## **TERMINATION**

If you did not receive this Brochure at least 48 hours prior to entering into a written advisory agreement with the Firm, you have the right to terminate the Client Services Agreement without penalty within five (5) business days after entering into the agreement. Thereafter, either you or the Firm may terminate the Client Services Agreement at any time and for any reason, upon no less than thirty (30) calendar days' advanced written notice to the other party.

## **Additional Client Fees Charged**

Clients should be aware that the portfolio management fees paid to the Firm for investment advisory services are separate and distinct from the fees and expenses charged by the investment products that the Firm may utilize in the discretionary accounts or recommend for the non-discretionary accounts, including without limitation mutual funds, insurance products for which affiliated persons have not received commission payments, private investment vehicles and other investment alternatives (the additional fees and expenses to which the client will be subject for these investment products are described in the relevant products' offering or sales documents). These additional fees may include management fees, incentive compensation and other internal expenses. Further, there may be transaction charges involved with purchase or sale of securities. The Firm does not share in any portion of the brokerage fees/transaction charges imposed by the custodian holding client funds or securities. You should review all fees and expenses incurred in connection with holding the various investment products the Firm

utilizes or recommends and the Firm's advisory fees and any other fees and expenses to fully understand the total amount of fees and expenses to be paid by you. Lower fees for comparable services may be available from other sources.

### **Prepayment of Client Fees**

The Firm charges the portfolio management fee quarterly in arrears.

### **External Compensation for the Sale of Securities to Clients**

Investment Advisory Representatives ("IARs") of the Firm are also licensed insurance agents for Accelerated Wealth, LLC, an affiliated insurance company. If you elect to implement the plan or buy insurance through the Firm's IARs, they may receive a commission from insurance sales, which includes life, accident and disability insurance and fixed annuities. These commissions are in addition to the regular portfolio management fees charged. We do not offset portfolio management fees for clients who are also insurance clients of our affiliated company. This presents a conflict of interest and financial incentive to the extent that an IAR recommends the purchase of an insurance product to you, which results in a commission being paid to the IAR as an insurance agent as well as the regular portfolio management fee. This conflict is mitigated by the fact that the Firm, as well as the IARs, have a fiduciary responsibility to place the best interest of the client first and will act in accordance with that responsibility.

You are under no obligation to purchase insurance products through our affiliated company. Clients have the option to purchase investment products that are recommended by our IARs through other brokers or agents not affiliated with the Firm. It is our fiduciary duty as an investment advisor to provide advice and investment recommendations that are in the best interest for our client and to put our clients' interests ahead of our own.

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

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### **Sharing of Capital Gains**

The Firm does not receive any form of incentive compensation or participate in the capital gains or capital appreciation in client accounts. However, the managers of one or more of the third-party investment vehicles that the Firm may recommend to its non-discretionary accounts may be compensated in this manner. You should make sure you understand the terms of any such compensation before accepting the Firm's recommendation.

## Item 7: Types of Clients

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### Description

Our customer base may consist of individuals, corporations and other business entities. These are the types of clients that we are prepared to service, but we may not have all of these types as current clients.

### Account Minimums

Products offered do require an account minimum. Accounts opened below the minimum are subject to approval and will be considered on a case-by-case basis. However, due to the trading costs and fees, it is recommended that AWP portfolios be funded at the minimum of \$100,000 and for the AWP Foundation at the minimum of \$50,000 as accounts opened below the minimum may have a lesser return due to increased expenses. For all other model portfolios, please refer to the following for the account minimums for each model portfolio.

Adaptive Asset Allocation	\$1,000
Adaptive Blend	\$75,000
AWP Adaptive 15	\$25,000
AWP Efficient	\$10,000
AWP Foundation	\$25,000
DRH Global Growth	\$25,000
DRH US Growth	\$25,000
Hedged Strategic Growth	\$25,000
Multi Asset Income	\$25,000
PAA USA 100	\$2,500
PAA USA 80	\$2,500
PAA USA 60	\$2,500
PAA USA 40	\$2,500
PAA World 100	\$2,500
PAA World 80	\$2,500
PAA World 60	\$2,500
PAA World 40	\$2,500
Strategic Growth	\$25,000
US Factor Defensive Equity	\$25,000
Target 3	\$25,000
Target 4	\$25,000
Target 5	\$25,000

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

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### **Methods of Analysis**

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

- discussion regarding your investment 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; and
- regular monitoring of recommended investments and yearly review

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

We offer proprietary investment strategies based upon internal and external research and analysis. The strategies are quantitative models that use tactical asset allocation to determine appropriate investment allocations based upon current market conditions.

We make asset allocation and investment policy decisions based on the above-noted elements and any other reasonable requirements you may prescribe. We will discuss with you how, in our best judgment, to meet your objectives while at the same time seeking a prudent level of risk exposure.

The advice offered by our Firm to clients is determined by the areas of expertise of the IAR providing the service and the client's stated objective. You should notify us promptly if there are ever any changes in your financial situation or investment objective. If you wish to impose any reasonable restrictions upon our management services, you will need to advise us in writing of any such restrictions. Refer to Exhibit A of your Client Services Agreement or other written notice to the Firm.

### **Investment Strategy**

Each client completes an initial review questionnaire that documents their investment objectives, assets and desired investment strategy. The investment strategy for a specific client is based upon the investment objectives stated by the client during consultations. The client may change these investment objectives at any time.

### **Security Specific Material Risks**

- General Risks: Investments with us are not a deposit with a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Accordingly, you may lose money by investing with us. When investments are sold, they may be worth less than initial amount paid 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:** Allocation of investments among different asset classes, such as equity or fixed-income assets classes, may have a more significant effect on 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 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:** Investing your assets in a smaller number of securities than other broadly diversified investment strategies. This approach is often referred to as “focused, concentrated, or non-diversified”. Accordingly, the money managed may experience 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 may have a more significant effect, either negative or positive, on your overall portfolio value. To the extent, we invest assets in fewer securities, or invest in non-diversified funds that take a focused or concentrated approach, these assets are subject to greater risk of loss if any of those securities become permanently impaired. You may place a restriction on this type of portfolio construction at any time during your relationship with us.
- **Equity Risk:** Investments will be subjected to the risk that stock prices may fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of equity securities in any portfolio may fluctuate drastically from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors will contribute to the volatility and risk of your assets.
- **Special Situation Risk:** Investing your assets in special situations. Investments that may involve greater risks when compared to other strategies due to a variety of factors. Expected changes may not occur, or transactions may 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 may result in permanent loss of capital, where you may be unable to recoup some or all of its investment.
- **Foreign Securities Risk:** A percentage of your assets may be composed of foreign investments. Foreign investments involve greater risk in comparison to domestic investments because foreign companies/securities: may have different auditing, accounting, and financial reporting standards; may not be subject to the same degree of regulation as U.S. companies, and may have less publicly available information than U.S. companies; and are often denominated in a currency other than the U.S. dollar. As with any type of security you may place limits on the percentage of foreign assets you wish to hold or may restrict this asset class altogether, however you must be aware that under investing in these assets may add additional risks to your portfolio.
- **Currency Risk:** Investments may be subject to currency risk. Currency fluctuations and changes in the exchange rates between foreign currencies and the U.S. dollar could negatively affect the value of your investments in foreign securities.
- **Interest Rate Risk:** 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, specifically when rates rise losses are greater.

- **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:** Investing assets in small to medium sized companies. Shares of small to medium sized companies may 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:** Investing 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 may 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:** Investments may 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 assets or income will be worth less in the future because 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 have light trading volume and can be difficult to trade, possibly preventing us from selling out of these illiquid securities at an advantageous price.
- **Use of Independent Managers:** We may recommend the use of independent investment managers. In these situations, we continue to do ongoing due diligence of such managers, but such recommendations rely to a great extent on the investment managers' ability to successfully implement their investment strategies. In addition, we may not have the ability to supervise these independent investment managers on a day-to-day basis.
- **Use of Private Investment Funds:** We may recommend that certain clients invest in privately placed collective investment vehicles (*e.g.*, hedge funds, private equity funds, *etc.*). The investment managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments, which may be traded, and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in

investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

- **External Strategy Implementation Risk:** Accelerated Wealth Advisors, LLC has entered into agreements with third party money management firms to run their strategies for our clients. Our results may differ from what is reported by those external managers due to the timing of our trade execution and potential differences between the version of the strategy we have licensed versus what the manager runs internally. As a result, performance may differ from the performance of the strategies as reported by those external managers.
- **Indexed Annuity Risk:** Fixed annuities are long-term investment vehicles. Early withdrawal may result in tax liability, penalties and/or surrender charges. These charges may result in a loss of bonus, indexed interest and fixed interest, and a partial loss of your principal. Bonus Annuities may include annuitization requirements, lower capped returns, or other restrictions that are not included in similar annuities that don't offer a premium bonus feature. Riders are available at an additional cost and are subject to conditions, restrictions and limitations and benefits are generally not available as lump sum payout. Guarantees, if any, are backed by the financial strength and claims-paying ability of the issuing insurance company. Please review the disclosures of the specific insurance company illustration provided for any insurance product being proposed or recommended.

## **Item 9: Disciplinary Information**

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### **Criminal or Civil Actions**

Neither the Firm nor its management have been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

Bill Walton and Chris Abeyta, founders of Accelerated Wealth (“AW”) and control persons of ASI Capital LLC offered investments to their clients created by ASI Capital LLC between 2012-2014. At the time, Walton and Abeyta, working with ASI Capital’s attorneys believed that the notes were properly being offered and met all legal and securities requirements. At the conclusion of a regulatory inquiry by Colorado Department of Securities, they alleged that the method used to offer these promissory notes was done incorrectly. On April 4, 2017, Bill Walton and Chris Abeyta, settled the inquiry by entering into a Stipulation for Consent Order and Consent Order with the Colorado Division of Securities (the “Division”) to avoid the cost and uncertainty of litigation and in the best interest of the clients. This settlement does not involve any admission of wrongdoing by the parties, however, does include certain monetary and non-monetary provisions.

It is important to note that this settlement agreement is not related to and has had no bearing on the performance of the promissory notes issued from 2012-2014. Additionally, this agreement has not affected the ability of the fund to meet its current or future obligations. Since 2015 all securities have been offered under Accelerated Wealth Advisors (“AWA”), a Registered Investment Advisor with the SEC and state of Colorado.

Mr. Walton and AW agreed to pay \$50,000 to the Securities Commissioner. Mr. Walton and his wholly owned affiliate, Walton Financial, LLC, also agreed to pay \$150,000 to the Securities Commissioner.

Mr. Abeyta and AW agreed to pay \$50,000 to the Securities Commissioner. Mr. Abeyta and his wholly owned affiliate, High Trust Financial, LLC, also agreed to pay \$150,000 to the Securities Commissioner.

This Consent Order concludes the inquiry by the Staff of the Colorado Division of Securities into this matter and is not intended to subject any of the parties to any disqualification under the laws of the United States, including, without limitation, any disqualification from relying upon the state or federal registration exemptions or safe harbor provisions.

This Order also does not disqualify any of the parties from any business that they are permitted to perform under the Colorado securities laws.

### **Self-Regulatory Organization Enforcement Proceedings**

Neither the Firm nor its management have been involved in legal or disciplinary events related to past or present investment clients.

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

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### **Broker-Dealer or Representative Registration**

William Duffy is a registered representative with Emerson Equity, LLC, a broker-dealer and member FINRA. There are no other employees registered or affiliated with a broker-dealer.

### **Futures or Commodity Registration**

Neither the Firm nor its employees are registered or have an application pending to register as a futures commission merchant, commodity pool operator or commodity-trading advisor.

### **Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

IARs of the Firm are also owners and/or licensed insurance agents for Accelerated Wealth, LLC, an affiliated insurance company. If you elect to implement the plan or buy insurance through the Firm's IARs, they will receive a commission from insurance sales, which includes life, accident and disability insurance and fixed annuities. This presents a conflict of interest and financial incentive to the extent that the IAR recommends the purchase of an insurance product to you, which results in a commission being paid to the IAR as an insurance agent. This conflict is mitigated by the fact that the Firm, as well as the IARs, have a fiduciary responsibility to place the best interest of the client first and will act in accordance with that responsibility. You are under no obligation to purchase insurance products through our affiliated company. Clients have the option to purchase investment products that are recommended by our IARs through other brokers or agents not affiliated with the Firm. It is our fiduciary duty as an investment advisor to provide advice and investment recommendations that are in the best interest for our client and to put our clients' interests ahead of our own.

Bill Walton, the CEO of the Firm, and Chris Abeyta, an IAR of the Firm, have an indirect financial interest in ASI Healthcare Capital Partners GP, LLC. ASI Capital, LLC is affiliated with a manager of several pooled investment vehicles, the interests of which are privately offered pursuant to Regulation D of the Securities Act of 1933, as amended. ASI Healthcare Capital Partners GP, LLC is the general partner of the ASI Healthcare Capital Partners I, LP Fund. A conflict of interest exists to the extent that the Firm's IARs may recommend an investment in one or more private investment funds managed by an affiliate of ASI Capital, LLC and or the fund in which ASI Healthcare Capital Partners GP, LLC is the general partner of due to Mr. Walton's and Mr. Abeyta's affiliation therewith. This conflict is mitigated by the fact that Mr. Walton and Mr. Abeyta, as well as the Firm, have a fiduciary responsibility to place the best interest of the client first and will act in accordance with that responsibility. In any matter requiring Mr. Walton's or Mr. Abeyta's vote, and in which any Accelerated Wealth client holds an investment, outside counsel or CCO of Accelerated Wealth will render an opinion as to whether there is a possible conflict of interest and in the event of a conflict, whether actual or perceived, Mr. Walton and Mr. Abeyta will abstain from voting and submit the subject matter and notice of their abstention to the CCO of Accelerated Wealth.

IARs of the Firm have and may continue to have direct or indirect ownership interest in investments that they recommend to their clients. In addition, IARs of the Firm have and may

continue to have direct or indirect ownership in underlying assets or portfolio companies of investments that they recommend to their clients. This conflict is mitigated by the fact that the Firm, as well as the IARs, have a fiduciary responsibility to place the best interest of the client first and will act in accordance with that responsibility.

The Firm will seek to ensure that any such recommendations are provided on a fully disclosed basis and only when aligned with the client's best interest.

### **Selection of Other Advisors of Managers and How This Advisor is Compensated for Those Selections**

The Firm does not recommend or select other advisors for its clients.

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

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### **Code of Ethics Description**

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

### **Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

Associated persons of the Firm may invest and/or have a financial interest in products, programs and private alternative investments that the Firm recommends to clients. This creates a conflict of interest as a client investment in certain investments could result in financial benefits to one or more of the Firm's associated persons. The Firm addresses these potential conflicts of interest by not utilizing these products, programs and private alternative investments in discretionary account, by making full disclosure of such relationships to the relevant client(s) prior to making any recommendation and by adhering to written investment policies and strategies in recommending investments.

For more information, refer to Item 14 of this Brochure.

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

IARs of the Firm may buy or sell for themselves securities that they may also recommend to you. These investment products will be bought and sold on the same basis as your managed accounts. In all instances, the Firm believes the positions would be so small that they would have no impact on the pricing or performance of the security. We will do everything possible to mitigate these conflicts and put the interest of our clients first. Records of all IAR's proprietary trading activities are reviewed and maintained by the Firm. We and our IARs will act in a fiduciary manner, understand the prohibitions against the use of any insider information and will always act in your best interest. We have established policies and procedures on compliance with insider trading that are distributed to all associated persons and employees of the Firm. The procedures include provisions for defining "insider" material, monitoring associated persons and employee securities accounts, restricting access to affiliates sensitive material and restrictions on trading.

## Item 12: Brokerage Practices

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### Factors Used to Select Broker-Dealers for Client Transactions

For our discretionary Portfolio Management services, the Firm is granted sole discretionary authority over your account(s) to determine the securities to be bought or sold, their amounts, and the broker to be used, without specific consultation with you as deemed to be in your best interest and to achieve your stated investment objectives.

The Firm does not maintain custody of your assets. Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We require that our clients use Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian for their managed accounts. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we require that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you. [If you do not wish to place your assets with Schwab, then we cannot manage your account.] Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account.

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab’s business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts while others help us manage and grow our business. Here is a more detailed description of Schwab’s support services:

Services that Benefit You. Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or some substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);



- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

Factors considered by us in selecting brokers are: (i) execution capabilities, (ii) commission rates, (iii) responsiveness and financial responsibility and (iv) other services that will help us or our sub-advisors to provide investment supervisory services to our clients.

We understand and acknowledge that at all times we have a duty to you to seek best execution for your securities transactions.

### **Brokerage for Client Referrals**

Neither the Firm nor our IARs 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**

We do not permit clients to direct brokerage away from our listed broker/dealer(s). Some advisory firms do not require the use of a particular broker and may allow clients to direct brokerage.

### **Research and other Soft Dollar Benefits**

Trades may be done with brokers that are selected on the basis of research products or services provided to the Firm. These may be allocated proportionately to the benefit of all clients and are not necessarily used exclusively by the account for which the transaction was made. These types of products and services under SEC Rules are also known as "soft dollars" and may include software and technology that provide access to client account data; trade confirmations and account statements; facilitate trade execution and asset allocation of multiple client accounts; provide research, valuations, and general market data; assist in the payment of our

fee from the client account; and assist with other back-office functions. Brokers may also provide publications, consulting, information technology, practice management conferences and marketing and regulatory compliance. You are not directly charged for these services and the information received will be used to benefit all clients of the Firm. The Firm does not currently have any soft dollar arrangements.

### **Aggregating Securities Transactions for Client Accounts**

The Firm provides investment management services to various clients. The Firm may, in its sole discretion, aggregate purchases or sales of any security, instrument or obligation effected for multiple client accounts. Although such trade aggregations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they will be affected only when we believe that to do so will be in the best interest of the affected accounts. When transactions are aggregated, (a) the actual prices applicable to the aggregated transaction will be averaged, and each client account participating in the aggregated transaction will be deemed to have purchased or sold its share of the security, instrument or obligation involved at that average price and (b) all transaction costs incurred in effecting the aggregated transaction, except to the extent that certain broker-dealers that also furnish custody services may impose minimum transaction charges applicable to some of the participating accounts. When such concurrent aggregation occurs, the objective will be to allocate executions in a manner that is deemed equitable to the accounts involved.

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

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### **Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Account reviews will be provided on no less than on an annual basis or by request by the client. Reviews may be warranted more frequently due to tax law changes, market changes, market conditions or changes in personal circumstances. Reviews initiated by you may be for personal objectives or for any reason you so desire. The accounts are reviewed for including, but not limited to, continued suitability, comfort level, risk tolerance relative to returns and appropriateness. The reviews will be conducted by the IAR assigned to your account.

### **Content of Client Provided Reports and Frequency**

Written statements, confirmations and/or performance reports are furnished monthly or quarterly from various financial services institutions/firms with which you transact business. These firms may include, and are not limited to, brokerages, investment companies, insurance companies, trust companies, independent investment advisors, banks and credit unions. You will receive account statements from these entities and not the Firm. The monthly account statements from the custodian indicate activity, previous portfolio balances, current portfolio balances, and account summary. We will also provide you a quarterly written statement of assets under management. Clients are urged to compare all account statements and other reports provided by us and outside custodians.

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

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### **Economic Benefits Provided to the Firm from External Sources and Conflicts of Interest**

The Firm may provide recommendations, investment advice and due diligence about certain alternative investments for those clients who represent they are accredited investors and who otherwise meet certain investor standards. (To qualify as an accredited investor, an individual must have a net worth, not including your primary residence in excess of \$1 million; or have an income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year.) The Firm will review the information relating to such investment - such as marketing materials, audit reports, balance sheets, offering memorandum, subscription agreement, historical records and access opportunities and risks for investment now and for the years ahead. The Firm may also request and review due diligence questionnaires, interview the investment manager and/or make a site visit. In making particular investment recommendation, the Firm will consider the client's time horizon and the investment's investment performance over an extended period of time. Due diligence will continue throughout the duration of the investment. Firm personnel will meet with each client that invests in an alternative investment vehicle at least on an annual basis for the duration of the investment.

Additionally, product sponsors and other companies may also reimburse up to 100% of the cost of due diligence, training and education/joint marketing meetings for the Firms' advisors, as permitted by industry rules. It is important to know that although the product sponsors contribute these funds to AWA and may have greater access to AWA's advisors, the reimbursement or additional compensation does not result in a higher advisory fee charged to the Firm's clients. The payment of this additional compensation to AWA by these product sponsors may pose a financial incentive to promote certain products over other products, although we do not believe that these arrangements compromise the service the advisor provides to the client.

### **Advisory Firm Payments for Client Referrals**

We have arrangements with individuals to introduce prospective clients to us. The individuals (called Solicitors or Referring Partners) are paid a fee that is based on the advisory fee that you pay and are properly registered as solicitors and follow the requirements and rules set forth by the respective state jurisdictions. If you are introduced to us through a Solicitor or a Referring Partner, we will provide you with a separate written disclosure statement indicating that a referral fee is being paid to an individual who is unaffiliated with the Firm. It should be noted that the payment of this referral fee does not increase the fee paid over the Firm's maximum fee as outlined elsewhere in this brochure.

## Item 15: Custody

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### Account Statements

Under applicable regulations, we are deemed to have constructive custody of your assets since you may authorize us to instruct your custodian to deduct our advisory fees directly from your account (details are also available in Item 5-Fees and Compensation) and that the Firm utilizes standing letters of authority ("SLOA"). We obtain written authorization from client's that fees are to be deducted. We also provide a written notice/invoice to the client and custodian detailing the fee calculation and the time frame covering our fee. We do not maintain actual 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 under the Firm's discretionary management will be physically maintained at all times with a "qualified custodian" as required under Rule 206(4)-2 under the Investment Adviser Act. Account statements are sent directly to clients from their respective custodian. Clients should carefully review those statements and compare them to any reports or statements provided by us.

## **Item 16: Investment Discretion**

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### **Discretionary Authority for Trading**

Each client will execute a Client Services Agreement in which you will grant us sole and absolute discretion in the management of the portion of your portfolio participating in the Firm's discretionary asset management program as outlined therein except with respect to payment of the Firm's portfolio management fees. In the exercise of this authority, we are fully authorized and empowered to place orders to brokers, dealers, mutual funds, or other persons with respect to the purchase, sale, exchange, or liquidation of any assets held in your portfolio. For the non-discretionary accounts, such as ASI products, the Firm will secure client permission prior to effecting securities transactions for the client in the client's broker-dealer account(s). When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions of the clients for which we advise. Investment guidelines and restrictions must be provided to us in writing.

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

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### **Proxy Votes**

Absent specific instructions, we will vote proxies for securities held in client accounts. Clients retain the responsibility for providing direction on corporate actions for any and all securities maintained in client portfolios. You can contact our office at 719-466-5631 for any questions about this or any other matter.

## **Item 18: Financial Information**

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### **Balance Sheet**

A balance sheet is not required to be provided because we do not serve as a custodian for client funds or securities, and we do not require prepayment of fees of more than \$500 per client and six months or more in advance.

### **Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

We have no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

### **Bankruptcy Petitions during the Past Ten Years**

We have no bankruptcy petitions to disclose.