

**Firm Brochure**

**Part 2A of Form ADV**

**Item 1 – Cover Page**

**ZIMMERMAN WEALTH ADVISORY GROUP, LLC.**

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This brochure provides information about the qualifications and business practices of Zimmerman Wealth Advisory Group, LLC. If you have any questions about the contents of this brochure, please contact us at (925) 698-3683, or by email at [Info@ZimWAGs.com](mailto:Info@ZimWAGs.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

This brochure provides information to assist a prospective client in the decision on whether (or not) to hire this firm. Prospective clients and other interested parties are encouraged to review this Brochure and supplemental information as it describes key attributes of the firm, the services provided, and the background and qualifications of the personnel.

The use of the term “Registered Investment Adviser” and the description of Zimmerman Wealth Advisory Group LLC, and/or any of our personnel as “Registered” does not imply a certain level of skill or training.

Additional information about Zimmerman Wealth Advisory Group LLC is available on the SEC’s website at <https://adviserinfo.sec.gov/>

**March 2021**

## **Item 2 - Material Changes**

### **Annual Update**

The Material Changes section of this brochure will be updated when material changes occur since the prior release of the Firm Brochure, or no less frequently than annually even if no material events have occurred since the prior release.

### **Material Changes since the Last Update**

There have been no material changes since the prior annual filing for Zimmerman Wealth Advisory Group, LLC, a dba of Integrated Advisors Network LLC.

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact the Chief Compliance Officer Soth Chin by telephone at: (855) 729-4222 or by email at [schin@integratedadvisorsnetwork.com](mailto:schin@integratedadvisorsnetwork.com)

### **Item 3 - Table of Contents**

Item 1 – Cover Page .....	i
Item 2 - Material Changes.....	2
Item 3 - Table of Contents .....	3
Item 4 - Advisory Business .....	4
Item 5 - Fees and Compensation.....	9
Item 6 - Performance Fees .....	13
Item 7 - Types of Clients .....	13
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....	13
Item 9 – Disciplinary Information.....	16
Item 10 - Other Financial Industry Activities and Affiliations .....	16
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	17
Item 12 - Brokerage Practices .....	17
Item 13 - Review of Accounts .....	20
Item 14 - Client Referrals and Other Compensation .....	20
Item 15 - Custody.....	20
Item 16 - Investment Discretion .....	21
Item 17 - Voting Client Securities.....	21
Item 18 - Financial Information.....	22
Business Continuity Plan .....	22
Information Security Program .....	22
Privacy Practices .....	22

## Item 4 - Advisory Business

### Firm Description

Zimmerman Wealth Advisory Group, LLC, is a dba of the registered entity Integrated Advisors Network LLC, and collectively known hereinafter as “the Adviser” or “ZWAG LLC”. Integrated Advisors Network, LLC. was founded in 2015 and is an SEC registered investment adviser.

The Adviser is a Registered Investment Advisory firm offering comprehensive financial planning and investment advisory services primarily to high net worth individuals, individuals, and their respective families. The Adviser may also occasionally provide services to foundations, endowments, small businesses, and non-profit organizations. Services are offered on a “fee-only” compensation schedule, meaning that compensation for **all** of our work done for clients comes exclusively from our clients in the form of fixed, flat, hourly, or on a percentage of assets under management.

The Adviser does not participate in wrap fee programs, nor does it sell any annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or any other commissioned products. The Adviser is not affiliated with any entities that sell financial products or securities. No commissions in any form are accepted. The Adviser does not receive any compensation for the use of certain financial instruments in client portfolios. The Adviser does not receive (or pay) any compensation for introductions to (or from) outside professionals or service providers. The Adviser does not act as a custodian of client assets and the client always maintains asset control.

The Adviser has discretion over client accounts to select securities and to place trades for clients under a limited power of attorney (LPOA). An LPOA allows the Adviser access to client accounts for the purposes of managing, maintaining, and rebalancing client portfolios, but does not permit the Adviser to withdraw funds for any purpose other than the payment of fees to the Adviser for services provided.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Any conflicts of interest arising out of the Adviser’s or its associated persons are disclosed in this brochure.

#### ***Principal Owners of Integrated Advisors Network LLC are as follows:***

Mixed Colors LLC owns 43%; Michael Young owns 40% and Linda Pix owns 17% of the equity securities of the firm.

#### ***Principal Owners of Zimmerman Wealth Advisory Group LLC are as follows:***

Geoffrey Zimmerman is an Investment Advisor Representatives of Integrated Advisors Network LLC and is the Principal and sole owner of ZWAG LLC. All advisory services are offered through Integrated Advisors Network LLC.

### Types of Advisory Services

The Adviser provides Financial Planning services, Investment Supervisory services (also known as asset management services), and Consulting services which are more fully described below in Types of Services.

As of February 28, 2021, Integrated Advisors Network collectively managed approximately \$2,500,000,000 in assets on a discretionary basis and \$215,000,000 on a non-discretionary basis.

### Tailored Relationships

Clients have their own unique goals, considerations, and circumstances. These are discussed during a discovery process through conversation, questionnaires, surveys, and correspondence. The Investment Adviser Representative documents this information in our client relationship management system. The information is used in the financial planning process, and in the creation of an Investment Policy Statement. Clients are encouraged and expected to have a significant degree of participation in the process so that the work done by the

Adviser and any advice, recommendations, investment preferences or restrictions are appropriately tailored for the client.

## **Assignment of Investment Management Agreements**

Agreements may not be assigned without client consent.

## **Types of Services**

### *Investment Management*

Discretionary Investment Management services begin with the creation of a personal Investment Policy Statement (“IPS”). The purpose of the IPS is to have a mutual understanding between the client and the Adviser of the objectives for the client’s portfolio. To gain this understanding, we will discuss, review and evaluate each client’s prior investment history; their family composition and background; the client’s risk profile; the parameters under which the Adviser has discretion to act without client preapproval; the client’s current and anticipated tax bracket; any preferences or restrictions on security selection by the Adviser, and other material factors. These topics will be covered through personal discussions, correspondence, and risk questionnaires. If the client elects to engage in financial planning, then analysis from the plan will be considered in the creation of the IPS. We will use this information to design an investment portfolio tailored to our client. The design will include recommended levels of exposure to distinct segments of the financial markets (a.k.a. an “asset allocation”). The IPS will specify the types of securities that may be used (or specifically excluded) from the portfolio. The IPS will outline the roles and responsibilities of the Adviser and of the client.

We will not recommend or use non-public securities, derivatives, or commodity contracts for client portfolios. In situations where client already own these types of securities or acquire them of their own volition, we will generally advise the client to hold these securities outside of the managed portfolio as we will not conduct ongoing research or evaluate the viability or desirability of these instruments. We will generally avoid the use of annuities in client portfolios. If a client has an existing annuity contract, we may take into consideration the value of the annuity and the allocation of funds within the annuity in evaluating the client’s overall portfolio.

We will not utilize leverage or margin as a portfolio strategy. Clients may choose to enable a margin feature on their brokerage accounts for the rare circumstances such as when the client needs to have access to funds prior to the settlement of trades. The margin feature may help reduce the risk of a mismatch in settlement dates on the sale of one security and simultaneous purchase of another. We will generally not use options as a portfolio strategy except in the rare instance where a client has a concentrated position in a single security and wishes us to utilize covered call writing as part of a planned diversification and income generating strategy.

As part of the portfolio review process, we will assess the client’s existing investments and portfolio structure in comparison to the parameters and recommendations in the IPS. During this review, we will consider the unrealized gains (or losses) for investments held outside of tax-sheltered accounts. We will review the location of the current holdings in relation to the tax characteristics and type of account holding the investments. We will also review the risk characteristics of the current investments relative to the time frame in which they are needed and the type of account holding the investments. Based on our assessment, we will work with the client to develop a plan to transition their current portfolio to the recommended implementation in the IPS

During the review process, we will review the custodians that the client currently uses. Our preferred custodians are Charles Schwab & Co (“Schwab”) and Fidelity. If a client does not already have accounts with Schwab or Fidelity we will assist the client in establishing like-titled accounts there and arranging the transfer of existing accounts as needed. Under certain circumstances, clients may not be allowed to establish accounts at Schwab or Fidelity (due to the nature of their work or other circumstances). Under these circumstances will work with the client to find alternate solutions. These alternate solutions may involve using a different custodian (e.g., T.D Ameritrade, etc) or the use of account aggregation services (e.g., ByAllAccounts or similar)

Once the IPS is created and approved by the client and the Adviser investment operations will commence. Subject to the terms of the IPS, ZWAG LLC will assume the responsibility for the selection, the purchase (or sale) and

the ongoing monitoring and evaluation of publicly traded securities in a client's portfolio, subject to the conditions and restrictions outlined in the client's Investment Policy Statement (IPS). Trades are initiated at the timing and the discretion of the Adviser. While the Adviser will generally initiate trades without prior consultation with the client, the Adviser may consult with the client prior to placing trades under certain circumstances (e.g., the sale of a security would generate a significant realized capital gain). ZWAG LLC will manage the client's individually tailored investment portfolio, and provide continuous advice regarding the investment of their funds, based on each client's distinct needs.

Fees for Investment Management services will be based on a percentage of assets under management according to the schedule and description in Item 5 of this brochure (Fees & Compensation). Please refer to this section for more detailed information. While there is no minimum account size for ZWAG LLC's Investment Management services, our standard minimum quarterly fee is \$1,000. Fees are negotiable, including the minimum quarterly fee. Client fee schedules will be subject to periodic review in relation to the amount of time devoted to serving the client. Fees will be deducted directly from client accounts after the end of each calendar quarter. In circumstances where deducting fees directly from client accounts is not feasible or available, the client may arrange for fees to be paid from an account where we can directly deduct fees. In rare circumstances, we may arrange for the client to pay fees via a check or by electronic funds transfer, though this practice is strongly discouraged when there are other viable options available.

ZWAG LLC will continuously monitor the client's portfolio holdings and its overall asset allocation strategy. Financial planning services, periodic reviews of the portfolio strategy, holdings, results, and alignment with client goals are included as part of the Investment Management service.

### *Investment Review Services*

Investment Review services provide a consultative assessment of a client's existing investment portfolio for individuals, endowments, businesses, and non-profit organizations. The assessment will include a review of the risk and return profile of invested mutual funds, ETFs, individual stocks and bonds, retirement plans and overall asset allocation. There is no minimum account size for ZWAG LLC's Investment Review services. (Please see Item 5 - Fees & Compensation, of this brochure for further information on fees about this service.

### *Financial Planning Services*

ZWAG LLC provides Financial Planning services on a variety of topics. Financial planning is a holistic and comprehensive evaluation of a client's current and future financial state by using currently known variables to forecast future cash flows, asset values, and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, a wide variety of questions, information, and analysis are considered. We will examine projections of the client's current trajectory and examine how changes, modifications or alternate strategies may affect the entire financial and life situation of the client.

Clients who engage in this service, either as part of an Investment Management engagement or as a standalone service will receive written or electronic reports consisting of a detailed financial plan and recommendations designed to help the client achieve their stated financial goals and objectives. There is no minimum account size for ZWAG LLC's Financial Planning services. These services are offered as a 'fee-only' service and can be done as a project for a fixed fee, or on an hourly schedule for addressing specific questions or situations. Please refer to Item 5 of this brochure (Fees & Compensation) for further information on fees for this service.

In general, the Financial Plan will address any or all of the following areas of concern. The client and Advisor Representative will work together to select the specific areas to cover. These areas may include, but are not limited to, the following:

- *Current Financial Position, Cash Flow & Debt Management* - We will create a net worth statement to help us understand our client's current resources and the current structure of their personal balance sheet. We will examine the amount of liquid versus illiquid assets; the current allocation to tax deferred accounts

versus accounts that may be more easily accessed; the amount of debt, the cost to service the existing debt, and other factors. We will conduct a review of a client's current and projected income and expenses to determine their current surplus or deficit along with how these surpluses or deficits might affect the client's future net worth. We will offer advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed a client's income. If debt reduction is a goal for the client or if debt reduction is otherwise desirable we will offer advice which debts to pay off first based on factors such as the interest rate of the debt, potential income tax ramifications, and the impact on the client's liquid versus illiquid assets. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

- *Financial Goals* - We will help clients identify financial goals, identify what actions may be needed to achieve the stated goals and develop a plan to reach them. We will identify what a client plans to accomplish, what resources are required to achieve the goal, how much time will be needed to reach the goal, and how much should be budgeted for the goal. In the event that the client's current and projected resources might fall short of their stated goals, we will work with the client to prioritize their goals and/or modify their goals to help improve the chances of achieving the high priority goals.
- *Investment Analysis* - This may involve developing an asset allocation strategy to meet a client's financial goals and risk tolerance, providing information on investment vehicles and strategies. If a client has equity compensation instruments (stock options, restricted stock, stock appreciation rights, etc) we will review and advise on these instruments as part of our service. For clients choosing to engage ZWAG for investment management services, we will prepare an investment policy statement during this phase of the planning, if there is not already one in place. If the client is already an investment management client, we will review the existing IPS in relation to the desired risk/reward profile from the financial plan and update the existing IPS if necessary.
- *Retirement Planning* - Our retirement planning services typically include projections of the likelihood of achieving financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than desired results, we may make recommendations, including those that may affect the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments, or prioritizing retirement over other goals. If a client is near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to alter spending during retirement years adversely.
- *Risk Management* - A risk management review includes an analysis of client exposure to major risks that could have a significant adverse impact on their financial picture (such as premature death, disability, property and casualty losses, or the need for long-term care planning). Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring"). In situations where a client needs and desires additional insurance, we will work with the client and their existing professionals to find and implement appropriate solutions. In situations where a client does not have an existing professional, we may provide the client with contact information for insurance agents or brokers who specialize in the appropriate area of expertise if the client wishes to hire someone for such purposes.
- *Tax Planning Strategies* - Advice may include ways to minimize current and future income taxes as a part of an overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with the consideration that there is always a possibility of future changes to federal, state, or local tax laws and rates that may impact a client's situation. ZWAG LLC recommends that clients consult with a qualified tax professional before initiating any tax planning strategy. We will coordinate and work with the client's existing tax professional as desired by the client, and make ourselves available to participate in meetings with the client's professional team. In situations where a client does not have an existing

professional, we may provide clients with contact information for accountants or attorneys who specialize in this area if they wish to hire someone for such purposes.

- *Estate Planning Services* – Our estate planning services typically include an interactive discussion with the client about their estate planning goals. Topics may include client objectives related to the management of the client's estate in situations involving the incapacity or the death of the client and (if applicable) their spouse. We will seek to understand the client's wishes related to the disposition of their estate to beneficiaries, charities, and the potential to incur estate taxes. We will seek to gain an understanding of whom the client wishes to name for the various roles in the estate plan – executor, trustee, powers of attorney for finance and health care, primary and contingent beneficiaries, etc. During the estate review process we will examine the client's existing documents (if applicable) in relation to the client's stated goals and objectives. If we believe that there is misalignment between the client's current plan and their stated goals, we will refer the client to their attorney for more specific advice and action. In situations where a client does not have existing documents and/or does not have an existing professional, we may provide clients with contact information for attorneys who specialize in this area if they wish to hire someone for such purposes.

### *Consulting Services*

ZWAG LLC may provide consulting services on an hourly basis for projects tangential to or outside the areas noted above. Examples may include research projects, single-issue or narrow focus planning advice, expert witness testimony, client education consultations, and a variety of other topics that may fall within the Adviser's area of expertise. These services will be billed at an hourly rate described more fully in section 5 (Fees & Compensation).

### *Educational Seminars & Speaking Engagements*

ZWAG LLC may provide seminars on an "as announced" basis for groups seeking general advice on investments and other areas of personal finance. The content of these seminars will vary depending upon the needs of the attendees. These seminars are purely educational and do not involve the sale of any investment products. Information presented will not be based on any individual's person's need, nor does ZWAG LLC provide individualized investment advice to attendees during these seminars. ZWAG LLC may provide this service at no charge, or for a fee. Fees for seminars and speaking engagements may be charged either to participants, through a pre-determined ticket price, or to a sponsoring company via a flat fee.

### *ERISA Account Advice*

ZWAG LLC provides investment advice to advisory clients that are employee benefit plans or other retirement accounts (i.e., IRAs) for a level fee. Advisory services for this category of assets are affected by the Department of Labor ("DOL") Fiduciary Rule. As such, we are considered fiduciaries under the Employee Retirement Income and Securities Act ("ERISA") and regulations under the Internal Revenue Code of 1986 (the "Code"), which requires that we abide by the Impartial Conduct Standards, as defined by ERISA. To comply with these standards, our firm and our investment advisor representatives provide advice that is in our clients' best interest and charge no more than reasonable compensation [within the meaning of ERISA Section 408(b)(2) and Internal Revenue Code Section 4975(d)(2)]. We make no misleading statements about investment transactions, compensation, conflicts of interest, or any other matters related to investment decisions.

By our business practices outlined above, we believe ourselves to be a 'Level Fee Fiduciary' under the DOL's Rule. As a Level-Fee Fiduciary, we maintain a non-variable compensation structure that is based on either a fixed percentage of the value of assets or a set fee that does not vary with the particular investment recommended, as opposed to a commission or other transaction-based fee. As a "Level Fee Fiduciary," while we are held to the DOL fiduciary standards of care, we are subject to fewer disclosures and reporting requirements than advisors operating under a different business model.



### *Employee Benefit Plan Services*

ZWAG LLC may also provide advisory services to participant-directed employee retirement benefit plans. ZWAG LLC will analyze such plan's current investment platform, and assist the plan in creating an investment policy statement defining the types of investments to be offered, and restrictions that may be imposed. ZWAG LLC will recommend investment options it believes will best achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles. We will also recommend changes in the plan's investment vehicles as may be appropriate from time to time and will review the plan's investment vehicles and investment policy as necessary.

### *WRAP Program*

ZWAG LLC does not sponsor nor provides investment management services to a wrap program. ZWAG LLC does not use wrap programs in client portfolios.

### **Termination of Agreements**

A Client may terminate any of the aforementioned agreements at any time by notifying the Adviser in writing. Clients shall be charged pro rata for services provided through to the date of termination. If the client made an advance payment, the Adviser will refund any unearned portion of the advance payment.

The Adviser may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, the Adviser will refund any unearned portion of the advance payment.

The Adviser reserves the right to terminate any engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in the Adviser's judgment, to providing proper financial advice.

## **Item 5 - Fees and Compensation**

### **Investment Management**

#### *Investment Management Services Fee Calculations*

Advisory Fees charged are based on a percentage of the client's assets under management and are established on a client-by-client basis. The specific ways ZWAG LLC charges its fees are established in each client's written Investment Advisory Contract. Generally, clients will be invoiced in arrears at the end of each calendar quarter based upon the average daily value of their assets under management (market value based on independent third-party sources, or fair market value in the absence of market value) during the calendar quarter.

Investment Management service fees are based on assets under management ("AUM") and will be calculated at the annualized rates reflected below, and charged quarterly. The standard Investment Management services annual fee will be charged as a percentage of assets under management, according to the tiered schedule below:

\$ -	to	\$ 1,000,000.00	1.00%
\$ 1,000,000.01	to	\$ 2,500,000.00	0.75%
\$ 2,500,000.01	to	\$ 5,000,000.00	0.50%
\$ 5,000,000.01	to	\$ 7,500,000.00	0.25%
\$ 7,500,000.01	to	\$ 10,000,000.00	0.10%
\$ 10,000,000.01	and	over	0.00%

The fee schedule operates as a tiered schedule, meaning that fees are charged at the level indicated for the assets in each range. For example, a client who enlists ZWAG LLC to manage a portfolio of \$2,600,000 would pay us 1% of the first \$1 million, 0.75% of the next \$1.5 million and 0.50% on the remaining \$100,000. Our standard minimum quarterly fee is \$1,000. Investment Management service fees (including the minimum quarterly fee) are negotiable.

New accounts are charged a prorated fee for the remainder of the quarter in which investment operations begin as determined by the date of the first trade in client accounts under management. In most circumstances, this will occur after the date the IPS is signed and the date that client accounts are fully or partially funded.

#### Investment Management Services Fee Billing

ZWAG LLC's clients agree to pay an asset-based fee (advisory fee) calculated according to the tiered Fee Schedule above, calculated on the average daily balance of assets under management during the quarterly billing period. ZWAG LLC will request authority from the client to receive its quarterly payment advisory fees directly from the client's account held at their independent qualified Custodian.

The client's independent qualified Custodian will maintain actual custody of their assets. While ZWAG LLC requires its clients to authorize it to deduct fees from their account(s) held by their Custodian, clients must provide ZWAG LLC with written limited authorization to allow the Investment Adviser to withdraw management fees from their account. Clients may elect to have their quarterly fees charged to either one account or split between their other accounts. Under rare circumstances, clients may be given the option to pay fees directly to the Adviser via check or by electronic funds transfer.

Advisors fees are due and will be debited (if not paid by check), from the client's Custodial account(s), in the first month following the end of the quarter (January, April, July, October). Clients will receive Custodial statements showing ZWAG LLC's advisory fees being debited from their account.

To bill an account, ZWAG LLC will:

- Obtain written authorization from the client, permitting ZWAG LLC to be paid directly from the client's account, held by their Custodian.
- Send the client an invoice specifying and itemizing any fees assessed, while concurrently sending a copy of the client's invoice details to their Custodian. *(Note: For many Custodians, the invoice information will be presented in the form of a data sheet reflecting client invoice details, an uploaded to deduct fees, not a copy of the actual invoice the client received.)*
- Instruct the Custodian to send the client statements at least quarterly, to the email or postal mailing address the client provided to the Custodian, showing all disbursements for the account, including the amounts of any assessed Advisory fees.

#### *Investment Management Account Terminations*

A client Investment Advisory Agreement ("Advisory Agreement") may be cancelled at any time, by either party, for any reason upon receipt of 10 days written notice. Upon termination of any account at any time after the required 10-day notice, a pro-rated invoice for services provided through termination date will be sent to the client. The client has the right to terminate their Advisory Agreement without penalty within five (5) business days after executing their Advisory Agreement.

Effective with the date of termination, ZWAG LLC shall refrain, without liability or obligation, from taking any further action in a client's account(s). From the date of termination, ZWAG LLC will cease to be entitled to

receive fees. Cancellation will be subject to any changes related to the settlement of transactions in progress. Any unearned pre-paid fees will be refunded to the client on a pro-rata basis, based on the date of termination.

#### *Employee Benefit Plan Services Fees*

Note: Employee Benefit Retirement Plan Services annual fees are charged as a percentage of assets within the plan, according to the above-quoted fees for Investment Management Services fees, for ongoing management of assets. For a review of plans that does not include management of assets, a negotiable fixed fee will be charged.

#### Employee Benefit Plan Services Fee Billing

Employee Benefit Plan Services Billing follows the same procedures as “*Investment Management Account Billing*,” above for management of assets. Please refer to that section, for billing specifics. For an Investment Review of an Employee Benefit Plan, a negotiable fixed fee applies.

#### *Investment Review Fees*

Investment Reviews will generally be offered on a fixed fee basis. Fees are negotiable and must be paid by electronic funds transfer or by check at the end of the service; cash is not accepted.

#### Investment Review Fee Billing

Clients will receive an invoice for Investment Review fees due upon the delivery of the financial plan and a review of results with the client. Payment is due within 30 days of invoice receipt; cash is not accepted.

#### *Financial Planning Fees*

Financial Planning will generally be offered on a fixed fee basis. This will usually be in the form of a fixed fee for a defined engagement. Clients who wish to initiate and maintain an ongoing financial planning advisory relationship with ZWAG LLC but do not wish to engage in discretionary investment management may be given the option to engage us on an annual retainer with fees billed each calendar quarter. Fees are negotiable and must be paid by electronic funds transfer or by check; cash is not accepted.

#### Financial Planning Fee Billing

If a Financial Planning fixed fee program is chosen, clients will be asked to pay an initial retainer fee equal to \$1,000 or 25% of the project fee, whichever is greater. Clients will receive invoices for the remaining fee outstanding in three equal installments in 3-month intervals until all fees have been paid or until the work is completed. Once the financial plan is complete, delivered, and reviewed with the client, the client will receive an invoice for the remainder of any outstanding fees. Fees for this service may be paid by electronic funds transfer or check. Fees are negotiable and are payable within 30 days of invoice receipt.

If a client chooses to engage ZWAG LLC for investment management services after initiating a financial planning engagement, ZWAG LLC may choose to waive some or all of the unpaid financial planning fees as of the onset of the Investment Management engagement.

If a client prefers to engage ZWAG LLC for an ongoing financial planning relationship and pay an annual retainer, the client will be asked to pay an initial start up fee of up to one quarter (25%) of the annualized fee at the beginning of the relationship and will be subsequently invoiced at three month intervals for one quarter (25%) of the annualized retainer. If the client chooses to discontinue services mid quarter, the client will be refunded the

prorated portion of the fee that was paid but not yet earned. Fees for this service must be paid by electronic funds transfer, credit card or by check; cash is not accepted.

### *Consultation Fees*

Fees for hourly consulting work will be billed at a rate of \$300 per hour, unless otherwise described in the engagement letter. There is a three (3) hour minimum for consulting work.

### Consultation Fee Billing

Clients will receive a monthly invoice for hourly consulting fees. Fees for consulting services may be paid by electronic funds transfer or check. Fees are negotiable and are payable within 30 days of invoice receipt.

### **Other Fees**

The client will likely incur additional fees from brokerages, custodians, administrators and other service providers, as appropriate. These fees are incurred as a result of managing a client account and are charged by the service provider. The amount and nature of these fees is based on the service provider's fee schedule(s) at the provider's sole discretion. These fees are separate and distinct from any fees charged by the Adviser.

The Adviser's services are charged on a fee-only basis and no associated persons shall earn compensation based on a securities transaction (i.e. commission) including asset-based sales charges or service fees from the sale of mutual funds. The Adviser or the sub-advisors selected by the Adviser may include mutual funds, variable annuity products, ETFs, and other managed products or partnerships in clients' portfolios. Clients may be charged for the services by the providers/managers of these products in addition to the management fee paid to the Adviser.

Fees and expenses for mutual funds, annuity products, ETFs, other managed products or partnerships are described in each mutual fund's, ETF's, or underlying annuity fund's prospectus or in the offering memorandums of a partnership. These fees will generally include a management fee, other fund expenses and a possible distribution fee. No-load or load waived mutual funds may be used in client portfolios so there would be no initial or deferred sales charges; however, if a fund that imposes sales charges is selected, a client may pay an initial or deferred sales charge to the fund's sponsor. A client could invest in a mutual fund or variable annuity or investment partnership directly, without the services of the Adviser. Accordingly, the client should review both the fees charged by the funds and the applicable program fee charged by the Advisor to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

If it is determined that a client portfolio shall contain corporate debt or other types of over the counter securities, the client may pay a mark-up or mark-down or a "spread" to the broker or dealer on the other side of the transaction that is built into the purchase price of the security.

In some rare cases there may be fees charged which are a result of brokered trading activity by associated personnel of the Adviser that is outside of the constructs of the Adviser's investment advisory portfolios and are thus not included in the management fee. These trades are generally at the request of the client the fees may vary in size depending on the nature of the client's requests. In the rare circumstances where this activity is requested or necessary, the Adviser does not receive any portion of these fees.

The Adviser does not offer any proprietary investment products and does not intend to do so.

### **Conflict of Interest between Different Fee Structures**

The Adviser offers several different services detailed in this brochure that compensate the Adviser differently depending on the service selected. There is a conflict of interest for the Adviser and its associated personnel to

recommend the services that offer a higher level of compensation to the Firm through either higher management fees or reduced administrative expenses. The Adviser mitigates this conflict through its procedures to review client accounts relative to the client or investors personal financial situation to ensure the investment management service provided is appropriate. Further, the Adviser is committed to its obligation to ensure associated persons adhere to the Firm's Code of Ethics and to ensure that the Firm and its associated persons fulfill their fiduciary duty to clients or investors.

## **Item 6 - Performance Fees**

ZWAG LLC does not charge fees or receive compensation that is based on a share of the capital gains or capital appreciation of managed securities. These types of fees are frequently a characteristic of 'hedge' funds. In the unlikely event the Adviser was to employ these types of investments that do charge a performance fee, the Adviser does not participate in these fees. For these investments, refer to their offering or private placement memorandum for an explanation and amounts of the performance fees.

## **Item 7 - Types of Clients**

### **Description**

ZWAG LLC provides services primarily to high net worth individuals their families, as well as to individuals and their families. ZWAG may occasionally provide services to institutions, foundations and endowments, businesses, and non-profit organizations. Client relationships vary in scope and length of service.

### **Account Minimums**

There is no minimum account size for ZWAG LLC's fee-only Investment Management, Financial Planning, or Investment Review services. ZWAG LLC will charge investment management clients a minimum annual fee as described in section 5 (Fees and Compensation) and as documented in the Investment Management engagement letter. Fees may be negotiated. There are no ongoing contribution requirements for client accounts.

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

### **Methods of Analysis**

Security analysis methods may include charting, fundamental analysis, technical analysis and cyclical analysis. The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

### **Market, Security and Regulatory Risks**

Any investment with the Adviser involves significant risk, including the potential for complete loss of capital and conflicts of interest. All investment programs have certain risks that are borne by the investor, which are described below:

#### **Market Risks:**

Competition. The securities industry and the varied strategies and techniques to be engaged in by the Adviser are extremely competitive and each involves a degree of risk. The Adviser will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Market Volatility. Security prices, particularly equity prices can fall rapidly in response to developments affecting a specific company, or industry. Changing economic, political or market conditions can materially and adversely affect pricing in the equity, fixed income, real estate, currency, and other financial markets.

ZWAG LLC's Investment Activities. The Adviser's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Adviser. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Adviser to realize profits.

Material Non-Public Information. By reason of their responsibilities in connection with other activities of the Adviser and/or its affiliates, certain principals or employees of the Adviser and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Adviser will not be free to act upon any such information. Due to these restrictions, the Adviser may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Accuracy of Public Information. The Adviser selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Adviser by the issuers or through sources other than the issuers. Although the Adviser evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Investments in Undervalued Securities. The Adviser may invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Adviser's investments may not adequately compensate for the business and financial risks assumed.

Small Companies. The Adviser may invest a portion of its assets in small and/or unseasoned companies with small market capitalization. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations.

Hedging Transactions. Investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, other derivatives, and other investment techniques are commonly utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. The Adviser is not obligated to establish hedges for portfolio positions and may not do so.

Market or Interest Rate Risk. The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If the Adviser holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Adviser's performance; however, if the Adviser has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Adviser.

**Fixed Income Call Option Risk.** Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to “call” all or part of the issue before the bond’s maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Adviser is exposed to reinvestment rate risk – the Adviser will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

**Inflation Risk.** Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if the Adviser purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the Adviser is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security.

**Investments in Non-U.S. Investments.** From time to time, the Adviser may invest and trade a portion of its assets in non-U.S. securities and other assets (through ADRs and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.
- Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.
- Foreign securities and other assets often trade in currencies other than the U.S. dollar, and the Adviser may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect the Adviser’s net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of the Adviser’s investments to decline. Some foreign currencies are particularly volatile. Foreign governments may intervene in the currency markets, causing a decline in value or liquidity of the Adviser’s foreign currency holdings. If the Adviser enters into forward foreign currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if the Adviser enters forward contracts for the purpose of increasing return, it may sustain losses.
- Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

## **Regulatory Risks:**

**Strategy Restrictions.** Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Adviser may engage. Such institutions, including entities subject to ERISA, should consult their own advisors, counsel and accountants to determine what restrictions may apply and whether an investment in the Adviser is appropriate.

**Trading Limitations.** For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the Adviser

to loss. Also, such a suspension could render it impossible for the Adviser to liquidate positions and thereby expose the Adviser to potential losses.

**Conflicts of Interest:** In the administration of client accounts, portfolios and financial reporting, the Adviser faces inherent conflicts of interest which are described in this brochure. Generally, the Adviser mitigates these conflicts through its Code of Ethics which provides that the client's interest is always held above that of the Firm and its associated persons.

**Supervision of Trading Operations.** The Adviser, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and client objectives. Despite the Adviser's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in portfolio accounts.

### **Security Specific Risks:**

**Liquidity:** Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid. Securities traded over the counter or that do not have a ready market or are thinly traded are less liquid and may face material discounts in price level in a liquidation situation.

**Currency:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

**Lack of Registration:** Funds or LP interests have neither been registered under the Securities Act nor under the securities or "blue sky" laws of any state and, therefore, are subject to transfer restrictions.

**Withdrawal of Capital:** The ability to withdraw funds from the funds or LP interests is usually restricted in accordance with the withdrawal provisions contained in an Offering Memorandum. In addition, substantial withdrawals by investors within a short period of time could require a fund to liquidate securities positions and other investments more rapidly than would otherwise be desirable, possibly reducing the value of the fund's assets and/or disrupting the fund's investment strategy.

## **Item 9 – Disciplinary Information**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

### **Financial Affiliations**

#### *Volunteer Work*

Mr. Zimmerman does participate in the following non-compensated, investment-related volunteer work:



**Name of Outside Business or Organization:** East Bay Regional Parks Foundation Board

**Title:** Director, Board of Directors – Chairman, Planned Giving Committee – Member, Finance Committee

**Start Date:** 09/2018 - present

**Hours Devoted to OBA Monthly:** 5 hours during trading hrs. / 5 hours during non-trading hrs.

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

### **Code of Ethics**

The Adviser has adopted a Code of Ethics which establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings quarterly to the Adviser's Compliance Officer, and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Adviser's Compliance Officer. Each supervised person of the Adviser receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during that year. Clients and prospective clients may obtain a copy of the Adviser's Code of Ethics by contacting the Compliance Officer of the Adviser.

### **Participation or Interest in Client Transactions**

Under the Adviser's Code of Ethics, the Adviser and its managers, members, officers and employees may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. If an issue is purchased or sold for clients and any of the Adviser, managers, members, officers and employees on the same day purchase or sell the same security, either the clients and the Adviser, managers, members, officers or employees shall receive or pay the same price or the clients shall receive a more favorable price. The Adviser and its managers, members, officers and employee may also buy or sell specific securities for their own accounts based on personal investment considerations, which the Adviser does not deem appropriate to buy or sell for clients.

### **Personal Trading**

The Chief Compliance Officer of the Adviser is Sharon Goldberg. She reviews all employee trades each quarter (except for her own trading activity that is reviewed by another principal or officer of the Firm). The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

## **Item 12 - Brokerage Practices**

### **Brokerage/Custodian Selection and Soft Dollars**

The Adviser has the authority over the selection of the broker/custodian to be used and the commission rates to be paid without obtaining specific client consent. The Adviser may recommend brokerage firms as qualified

custodians and for trade execution. The Adviser does not receive fees or commissions from any of these arrangements.

In selecting brokers or dealers to execute transactions, Advisor will seek to achieve the best execution possible but this does not require it to solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Advisor is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (i.e., "soft dollars") provided by the broker which are included in the commission rate. Research and related services furnished by brokers may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; statistical and pricing services, as well as discussions with research personnel, along with hardware, software, data bases and other technical and telecommunication services and equipment utilized in the investment management process. It is the policy and practice of the Adviser to strive for the best price and execution for costs and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities Exchange Act of 1934, as amended. Nevertheless, it is understood that the Adviser may pay compensation on a transaction in excess of the amount of compensation that another broker or dealer may charge so long as it is in compliance with Section 28(e), and the Adviser makes no warranty or representation regarding compensation paid on transactions. In negotiating mark-ups or mark-downs, the Adviser will take into account the financial stability and reputation of brokerage firms and the brokerage and research services provided by such brokers, although the client may not, in any particular instance, be the sole direct or indirect beneficiary of the research services provided. The Adviser has no obligation to deal with any broker or group of brokers in executing transactions in portfolio securities.

### **Research and Other Benefits**

The Adviser may receive certain benefits from recommended broker-dealer/custodians. These benefits do not depend on the amount of transactions we direct to the broker-dealer/custodian. These benefits may include: A dedicated trading desk that services our clients, a dedicated service group and an account services manager dedicated to our accounts, access to a real time order matching system, ability to block client trades, electronic download of trades, balances and positions in the broker- dealer/custodian's portfolio management software, access to an electronic interface with broker- dealer/custodian's software, duplicate and batched client statements, confirmations and year-end summaries, and the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements.)

### **Order Aggregation**

The Adviser may purchase and/or sell the same security for many accounts, even though each Client account is individually managed. When possible, the Adviser may also aggregate the same transaction in the same securities for many Clients for whom the Adviser has discretion to direct brokerage. Clients in aggregated transactions each receive the same price per unit, although they may pay differing brokerage commissions depending upon the nature of their directed brokerage arrangement, if any.

If more than one price is paid for securities in an aggregated transaction, each client in the aggregated transaction will receive the average price paid for the block of securities in the same aggregated transaction for the day. If the Adviser is unable to fill an aggregated transaction completely, but receives a partial fill of the aggregated transaction, the Adviser will allocate the filled portion of the transaction to clients based on an equitable rotational system as follows:

- The Adviser must ensure that adequate and full disclosure of its allocation and bunching practices has been made prior to the transaction.
- All clients/investors, accounts or funds participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rata basis.
- Aggregate transactions must not be executed unless the intended and resultant aggregation is consistent with its duty to seek best execution and any terms found in the Adviser's written agreements.

- Aggregated orders filled in their entirety shall be allocated among clients/investors, accounts or funds in accordance with an allocation statement created prior to the execution of the transaction(s); partially filled orders shall be allocated pro-rata based on the allocation statement and the variance from the modeled allocation of a security. Where this method prescribes an odd-lot that is less than 100 shares for an account, the allocation will be rounded up to a whole lot. Client/investor funds held collectively for the purpose of completing the transaction may not be held in this commingled manner for any longer than is practical to settle the transaction.
- Each client/investor, account or fund that participates in an aggregated order will participate at the average share price for all the Adviser's transactions in that security on a given business day, with transaction costs shared pro-rata based on each client/investor's, account's or fund's participation in the transaction.
- Investments resulting from any aggregated order must be consistent with the specific investment objective(s) of each client/investor, account or fund as detailed in any written agreements. No additional compensation shall result from the proposed allocation. No Client/investor, account or fund will be favored over any other Client/investor, account or fund as a result of the allocation.
- Pre-allocation statement(s) specifying the participating Client/investor accounts and the proposed method to allocate the order among the clients/investors, accounts or funds are required prior to any allocated order. Basis for establishing pre-allocations may include pro-rata of account assets to assets for the specific strategy, executing broker and variance from modeled position holding as factors. Should the actual allocation differ from the allocation statement, such trade may only be settled with the approval of the CCO or another appropriately qualified and authorized principal of the Adviser.

In cases where the Client has negotiated the commission-rate directly with the broker, the Adviser will not be able to obtain more favorable commission rates based on an aggregated trade. In such cases, the Client will be precluded from receiving the benefit of any, possible commission discounts that might otherwise be available as a result of the aggregated trade.

### **Directing Brokerage for Client Referrals**

The Adviser and its associated persons do not receive client referrals from broker dealers or third parties as consideration for selecting or recommending brokers for client accounts.

### **Directed Brokerage**

The Adviser allows clients to direct brokerage but the Adviser does not require clients to direct brokerage. In the event that a client directs the Adviser to use a particular broker or dealer, the Adviser may not be authorized under those circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct the Adviser to use a particular broker or dealer and other clients who do not direct the Adviser to use a particular broker or dealer which may result in higher trading expenses to the client who directs brokerage. The Adviser may place orders for transactions in certain securities initially only for those accounts which are held in custody at banks or at brokerage firms that permit the Adviser to place trades for accounts held in custody at that firm with other brokerage firms. Therefore, accounts held in custody at firms which do not permit the Adviser to place transactions with other brokerage firms may not be able to participate in the initial transaction and may not be able to participate in the same gains or losses as other Clients whose accounts are not so restricted. In cases where trading or investment restrictions are placed on a Client's account, the Adviser may be precluded from aggregating that Client's transaction with other accounts which may result in less favorable security prices and/or higher transaction costs.

## **Item 13 - Review of Accounts**

### **Periodic Reviews**

Account reviewers are members of the firm, CCO and its registered Investment Adviser Representatives who review accounts not less than once a year. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client. Client accounts are reviewed by the Investment Adviser Representative responsible for the account and the CCO also performs random reviews.

### **Review Triggers**

Accounts are reviewed quarterly or more frequently when market conditions dictate. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's financial or personal situation.

### **Regular Reports**

Clients receive periodic reports on at least a quarterly basis. The written reports may include account valuation, performance stated in dollars and as a percent, net worth statement, portfolio statement, and a summary of objectives and progress towards meeting those objectives. Clients receive statements of account positions no less than quarterly from the account custodian.

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

### **Incoming Client Referrals**

The Adviser receives client referrals, which may come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

### **Solicitor Referrals**

The Adviser has not entered into agreements where it solicits clients and refers them to third party investment advisers. If the Adviser were to enter into this type of arrangement, the adviser would only refer clients to investment advisers that are registered with the Securities and Exchange Commission (SEC) or with the applicable state(s). Under a solicitor's agreement, the Adviser is required to present a disclosure to all prospects and clients, which details the compensation to the Adviser, and other general terms of the relationship between the third party and the Adviser. The Adviser has clients and prospects sign this disclosure and return it to the third party adviser. The agreement between the Adviser and the third party adviser(s) may be terminated by either party's written notice.

### **Referrals to Third Parties**

The Adviser does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## **Item 15 - Custody**

### **Custody Policy**

The Adviser does not accept or permit the Firm or its associated persons from obtaining custody of client assets including cash, securities, acting as trustee, provide bill paying service, have password access to control account activity or any other form of controlling client assets. All checks or wire transfer to fund client accounts are required to be made out to/sent to the account custodian.

The Advisor is generally considered to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") in which

the Advisor may have some discretion in transferring the funds on behalf of the client. These SLOAs have been put in place upon the client's written request and signature. For instance, the amount or timing of the transfers may not be on the SLOA submitted to the custodian; however, at a future date, a client will contact the Advisor requesting that the adviser submit instructions to the custodian to remit a specific dollar amount from the account to the designated third-party (both of which are identified in the SLOA that is on file). The Advisor meets the seven conditions the SEC has set forth that are intended to protect client assets in such situations.

### **Account Statements**

All assets are held at qualified custodians and the custodians provide account statements not less than quarterly to clients at their address of record. Clients should carefully review such statements for any discrepancies or inaccuracies.

### **Performance Reports**

Pursuant to recent amendments to Rule 206(4) under the Investment Advisers Act of 1940, the Securities and Exchange Commission now requires advisers to urge clients to compare the information set forth in their statement from the Adviser with the statements received directly from the custodian to ensure accuracy of all account transactions.

## **Item 16 - Investment Discretion**

The Adviser contracts for limited discretionary authority to transact portfolio securities accounts on behalf of clients. Discretionary authority is granted either by the Adviser's investment management agreement and/or by a separate limited power of attorney where such document is required. The Adviser has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. The Advisers discretionary authority regarding investments may however be subject to certain limitations. These limitations are recognized as the restrictions and prohibitions placed by the Client on transactions in certain types of business or industries. All such restrictions are to be agreed upon in writing at the account's inception.

The Adviser will consult with the client where discretion is not obtained prior to each trade in order to obtain client approval for the transaction(s).

The client authorizes the discretion to select the custodian to be used and the commission rates paid to the Adviser. The Adviser does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

## **Item 17 - Voting Client Securities**

The Adviser will not vote nor advise clients how to vote proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. The Adviser does not give any advice or take any action with respect to the voting of these proxies. For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. The Adviser promptly passes along any proxy voting information to the clients or their representatives.

## **Item 18 - Financial Information**

The Adviser does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. The Adviser meets all net capital requirements that it is subject to and the Adviser has not been the subject of a bankruptcy petition in the last 10 years.

The Adviser is not required to provide a balance sheet as it does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## **Business Continuity Plan**

The Adviser has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

### **Disasters**

The Business Continuity Plan covers natural disasters such as snowstorms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

### **Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

### **Summary of Business Continuity Plan**

A summary of the business continuity plan is available upon request to the Chief Compliance Officer at 855-729-4222, x703 or email [sgoldberg@integratedadvisorsnetwork.com](mailto:sgoldberg@integratedadvisorsnetwork.com).

## **Information Security Program**

### **Information Security**

The Adviser maintains an information security program to reduce the risk that your personal and confidential information may be breached.

## **Privacy Practices**

### **Privacy Policy**

Below is a summary of the Adviser's Privacy Policy regarding client personal information.

#### ***The Adviser:***

- a) Collects non-public personal information about its clients from the following sources:
  - Information received from clients on applications or other forms;
  - Information about clients' transactions with the Adviser, its affiliates and others;
  - Information received from our correspondent clearing broker with respect to client accounts;

- Medical information submitted as part of an insurance application for a traditional life or variable life policy; and
  - Information received from service bureaus or other third parties.
- b) The Adviser will not share such information with any affiliated or nonaffiliated third party except:
- When necessary to complete a transaction in a customer account, such as with the clearing firm or account custodians;
  - When required to maintain or service a customer account;
  - To resolve customer disputes or inquiries;
  - With persons acting in a fiduciary or representative capacity on behalf of the customer;
  - With rating agencies, persons assessing compliance with industry standards, or to the attorneys, accountants and auditors of the firm;
  - In connection with a sale or merger of The Adviser's business;
  - To protect against or prevent actual or potential fraud, identity theft, unauthorized transactions, claims or other liability;
  - To comply with federal, state or local laws, rules and other applicable legal requirements;
  - In connection with a written agreement to provide investment management or advisory services when the information is released for the sole purpose of providing the products or services covered by the agreement;
  - In any circumstances with the customer's instruction or consent.
- c) Restricts access to confidential client information to individuals who are authorized to have access to confidential client information and need to know that information to provide services to clients.
- d) Maintains physical, electronic and procedural security measures that comply with applicable state and federal regulations to safeguard confidential client information.

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