

**Dakota Wealth, LLC**  
**(aka Dakota Wealth Management)**

**Form ADV Part 2A**  
**Investment Adviser Brochure**

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This brochure provides information about the qualifications and business practices of Dakota Wealth, LLC. If you have any questions about the contents of this Brochure, please contact Kayla M. Berg, Chief Compliance Officer at (561) 257-1873 or [kberg@dakotawm.com](mailto:kberg@dakotawm.com).

Additional information about Dakota Wealth, LLC also is available on the SEC's website at <https://adviserinfo.sec.gov/Firm/297987>. 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.

We are a registered investment adviser. Please note that use of the term "registered investment advisor" and a description of the Firm and/or our employees as "registered" does not imply a certain level of skill or training. For more information on the qualifications of the Firm and our employees who advise you, we encourage you to review this Brochure and the Brochure Supplement(s).

## **Item 2: Summary of Material Changes**

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### **Material Changes**

Since the filing of our Annual Amendment on March 30, 2020, Dakota Wealth, LLC has the following material changes to report:

- Effective April 2021, Kayla M. Berg became the Chief Compliance Officer
- A number of our employees are also Investment Advisor Representatives of another Investment Adviser. Please see Item 10: Financial Industry Affiliations for more information; and
- We offer outsourced front, middle, and back-office services to one registered investment adviser. For more information, please see Item 4: Advisory Business.

### **Full Brochure Available**

Dakota Wealth, LLC's Form ADV may be requested at any time, without charge by contacting Kayla M. Berg, Chief Compliance Officer at (561) 257-1873 or [kberg@dakotawm.com](mailto:kberg@dakotawm.com).

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## **Item 4: Advisory Business**

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Dakota Wealth, LLC (the “Firm,” “Dakota,” “we,” “us,” or “our”) is an investment advisor registered with the SEC under the Investment Advisers Act of 1940, as amended. The Firm is a limited liability company formed in the State of Florida. Dakota is a wholly owned and controlled subsidiary of Dakota Wealth Management, LLC, a Florida limited liability company. Dakota Wealth Management, LLC is owned by several members.

As explained more fully in this brochure we provide investment management and financial planning services to our clients. We provide individuals, high net worth individuals, trusts, foundations, retirement plans, charitable organizations, insurance companies and business enterprises with a wide array of wealth planning and investment advisory services.

In some circumstances, investment advisory services may be provided by third-party managers. These relationships are summarized in Item 4, in the section “Referrals to Third-Party Money Managers”. Information about any third-party providing advisory services may be obtained by requesting a brochure and related supplements directly from the third-party manager.

### **Investment Management Services**

As part of our investment management service, we create individual investment portfolios, which may consist of individual stocks, bonds, mutual funds, exchange traded funds (“ETFs”), options and other public and private securities or investments. Each client’s portfolio is tailored to an individual investment strategy and to specific goals and objectives and may include some or all of the previously mentioned securities. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and, as necessary, we rebalance the portfolio based upon the client’s needs and stated goals and objectives. We customarily exercise discretion over the investment of the portfolio, or, in limited cases, a portfolio may be maintained on a nondiscretionary basis.

Our investment approach utilizes a process that includes the inputs of valuation and fundamental analysis, along with a rules-based overlay incorporating technical analysis that helps inform our decision making. We then apply this process in the form of different types of investment offerings: equities, fixed income, ETFs, asset allocation and options. The equity method is a rules-based portfolio that typically holds between ten to thirty individual equity securities. From time to time, the number of securities may fluctuate. If the client requests fixed income be a part of their portfolio, then either individual bonds or fixed income ETFs will be used to accommodate that portion of the client’s asset allocation. The ETF method is a rules-based allocated portfolio primarily utilizing ETFs across several asset classes including equity, and fixed income. For certain clients, both investment methods may be deployed in a portfolio. Additionally, we utilize both actively and passively managed mutual funds in an asset allocation framework to provide client portfolios with a diversified exposure to the broader capital markets. In certain circumstances, we provide investment management services using option writing, as disclosed in Item 8.

At no time will we accept or maintain custody of a client's funds or securities, except for the limited authority as outlined in Item 15 - Custody. All client assets will be managed within their designated account[s] at the Custodian, pursuant to the wealth management agreement. Please see Item 12 – Brokerage Practices.

### **Financial Planning and Consulting Services**

We provide a variety of financial planning and consulting services to individuals, families and other clients based upon an analysis of the client's current situation, goals, and objectives. Generally, our financial planning services involve the preparation of a financial plan or a less formal financial consultation. Our plan or consultation may encompass one or more of the following: investment planning; retirement planning; estate planning; charitable planning; education planning; corporate and personal tax planning; cost segregation study; corporate structure; real estate analysis; mortgage/debt analysis; insurance analysis; lines of credit evaluation; and business and personal financial planning. Our written financial plans or consultations usually include general recommendations for a course of activity and may include specific actions to be taken by the clients. For example, we may advise clients to begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings rates, or establish education or charitable giving programs.

- For financial planning engagements, we may provide our clients with a written summary of their financial situation, including our observations and recommendations. We may also refer clients to an accountant, attorney, or other specialist, as necessary, for non-advisory related services.
- For consulting engagements, which are less formal than our planning services, we may provide our clients with a written summary of our observations and recommendations, including financial advice about assets or accounts that are not managed by us, i.e., 401(k) accounts. For financial consulting engagements, we have no obligation to instruct any broker or custodian to take any action in furtherance of any advice we provide.

### **Investment Consulting Services**

For certain clients we also provide investment consulting services, which include consulting on or monitoring of the clients' outside investments. When mutually agreed upon with the client separate fees may be charged for these outside assets.

### **Services to Retirement Plans**

We also provide investment services to company profit sharing, 401(k) and 403(b) plans. Depending upon the plan's platform and third-party administrator, our services may be discretionary, nondiscretionary, or a hybrid. For example, for some plans we manage, we decide the mutual funds available to the participants and help the participants allocate among those funds. Ultimately the participant in the plan decides the final allocation for themselves, and either the participant or we will deploy the allocation, depending on the structure of the plan we do not have any affiliation with third-party administrators, accounting fiduciaries, tax

advisors, nor overall administration of these plans. However, we do assist the clients in setting up qualified plans and provide assistance between the third-party administrator and client, when needed, as the investment manager to the plan.

### **Referrals to Third-Party Money Managers**

We may refer clients to third-party money managers, instead of directly providing investment advisory services. As part of this process, we assist clients in identifying appropriate third-party managers using information about a client's financial situation, investment objectives and goals, and any desired investment restrictions. For clients who use third-party managers, we do not offer advice on any specific securities or other investments; investment advice and trading of securities is provided by or through the designated third-party manager.

We periodically review the reports third-party managers provide to our clients, but no less often than annually. We contact our clients from time to time to review their current financial situation and objectives, we communicate with the third-party managers as warranted, and we assist our clients with the evaluation of the services provided by the managers. Our clients are expected to notify us of any changes in their financial situation and investment objectives and to provide us with any other information that might affect the management of their accounts. We expect our clients to provide similar information to the third-party manager.

### **Tailored Services- Individual Advice; Restrictions on Investing**

All of our advice is based on an assessment of each client's individual needs, which we identify at the onset of each relationship using, as appropriate, reviews of existing investments and financial status, and other means. We review each client's individual investments and investment profile at least annually. When a client's investment profile or needs change and we have notice or receive additional information, we modify our advice, as appropriate.

If we manage a client's portfolio, we permit a client to impose restrictions on the types of investments that are acquired or held when, and only if, specifically stated within the Investment Management Agreement (IMA). These restrictions must be reasonable and practicable and permit us to manage the account without undue difficulty. If we do not directly manage a client's portfolio, such as when a third-party manager is designated, individually imposed restrictions on investments are generally not permitted.

### **Fiduciary Statement**

Our Firm and our employees are fiduciaries who must take into consideration the best interests of our clients. We will act with competence, dignity, integrity, and in an ethical manner, when dealing with clients. We will use reasonable care and exercise independent professional judgement when conducting investment analysis, making investment recommendations, trading, promoting our services, and engaging in other professional activities.

As a fiduciary, we have the obligation to deal fairly with our clients. We have the following responsibilities when working with a client:

- To render impartial advice;
- To make appropriate recommendations based on the client's needs, financial circumstances, and investment objectives;
- To exercise a high degree of care and diligence to ensure that information is presented in an accurate manner and not in a way to mislead;
- To have reasonable basis, information, and understanding of the facts in order to provide appropriate recommendations and representations;
- Disclose any material conflict of interest in writing; and
- Treat clients fairly and equitably.

### **Wrap Fee Programs**

A Wrap Fee Program is an investment advisory program that “wraps” or “bundles” services, and fees including investment management, transaction or commissions, custodial and other fees. We do not participate in any Wrap Fee Programs.

### **Regulatory Assets Under Management**

As of December 31, 2020, we managed \$1,420,248,857 in assets; \$1,418,995,059 on a discretionary basis, and \$1,253,798 on a non-discretionary basis.

Our discretionary assets include 401(k) plans where we have chosen the investments and designed portfolios within the plan. We are authorized to change investments and portfolios at our discretion. However, the plan participants make the specific decision on the investments.

### **Assets Under Advisement**

We receive fees on a negotiated basis for advising certain clients on their overall portfolio allocation and separate account managers who are hired by the client. Under these arrangements, the client has the sole authority and is exclusively responsible for implementing all recommendations. These Clients' assets under advisement do not meet the definition of “Regulatory Assets Under Management” and are not included in the figures above. In addition, we provide outsourced investment advisory services for other investment advisers. These assets also do not meet the definition of “Regulatory Assets Under Management.” The total amount of Assets Under Advisement referenced above are approximately \$1,159,809,000.

## **Item 5: Fees and Compensation**

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This Item describes the fees we charge for our advisory services, including the fees charged by third-party money managers, and how our fees are calculated and paid.

### **Investment Management Fees**

For Investment Management services we typically charge fees based on a percentage of your assets under management, as follows:

1.00% on the first \$2 Million  
0.90% on the next \$3 million  
Negotiable on assets above \$5 million

Fees are billed on a quarterly basis, payable in advance, based on the value of the account on the last business day of the previous quarter.

Fees for accounts that are maintained for less than a full billing period will be prorated. Fees that are collected in advance will be prorated and returned, without interest, if an account is terminated before the billing period ends.

In limited circumstances, and for legacy clients only, we may bill in arrears. We no longer offer this option to existing clients that are billed in advance, nor to new clients of the Firm.

Our Investment Management fees are negotiable under appropriate circumstances. When we negotiate fees, we may consider factors such as the totality of our relationship with the client, the potential for future business, complexity of the investment strategy, and the degree to which we provide discretionary asset management.

We may also charge fees when providing a customized option service to our clients. This service may be separately elected, and may include the writing of covered calls, the use of put or call strategies such as spreads or combinations, purchasing protective puts, selling puts, or other strategies. The option service is billed on a quarterly basis, in advance. The annual rate is generally between 0.25% and 0.50%.

### **Financial Planning and Consulting Fees**

For Financial Planning and Consulting services, we charge an hourly or flat fee. The total estimated fee, as well as the actual fee, is based upon the scope and complexity of the engagement. Our hourly fees range between \$200 to \$700. Our flat fees range between \$1,000 to \$15,000.

### **Investment Consulting Fees**

We charge a mutually agreed upon fee for these outside assets.



**Services to Retirement Plans Fees**

For services to retirement plans we charge fees based on a percentage of assets under management, typically 0.25% to 1.00%. However, in some instances the fee charged to these clients is negotiable.

**Fees Charged by Third-Party Money Managers**

Third-party money managers establish and maintain their own separate billing processes and procedures which we do not control. Information about the billing practices of the third-party money managers may be found in their separate written disclosure documents.

**General Information on Compensation and Other Fees**

In certain circumstances, fees, account minimums and payment terms are negotiable depending on client's unique situation – such as the size of the aggregate related party portfolio size, family holdings, low-cost basis securities, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges or fees imposed by custodians, brokers, third-party investment managers, and other fees such as, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee.

Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

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

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“Performance-based fees” are fees based on the capital gains or capital appreciation in an account. We do not charge performance-based fees. “Side-by-side management” refers to the practice of managing both accounts that are charged a performance-based fee and accounts that are charged other types of fees, such as asset-based fees and hourly fees. Because we do not charge performance-based fees, we do not engage in side-by-side management.

## Item 7: Types of Clients

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We provide services to the following types of clients:

- Individuals
- High net worth individuals;
- Trusts and foundations;
- Retirement plans;
- Charitable organizations;
- Insurance Companies; and
- Business enterprises, including corporations, limited liability companies, and partnerships.

We typically require a client to have a minimum of \$1 million in investable assets. However, under certain circumstances, and at our discretion, this minimum requirement may be waived.

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

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### **Methods of Analysis**

Under Item 4, we outlined our investment philosophy and investment strategy. The rules-based equity portfolio utilizes fundamental, qualitative, and technical factors as well as sector and style diversification when populating a portfolio while the ETF allocation is founded in broad asset allocation and diversification combined with a tactical component that includes factor, momentum and sector opportunities. On occasion, options strategies may be employed. When utilized, these option strategies are generally used as a supplement to other investment designs with the intent to provide additional income or mitigate risk and volatility. Strategies can vary depending on client's needs and objectives. Commonly, use of options will be for income generation, including covered calls and occasionally selling puts. Purchase of calls or puts may also be used, either for the prospects of capturing upside or mitigating a portion of downside risk. We may recommend, where appropriate, that a client establish a margin account with the client's custodian. When options strategies are utilized, use of margin may be a pre-requisite. Below is general information about the analysis and strategies that may be used by our advisors and the risk of loss associated with various types of investments.

**Charting:** When using charting, we review the long and short-term charts and relative strength of market sectors and a particular security's recent activity in an attempt to identify how the market may be moving up or down, to predict when or how long the trend may last, and to estimate when that trend might reverse.

**Fundamental Analysis:** Fundamental analysis is used to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the security is underpriced (indicating it may be an opportunistic time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements, which may present a potential risk since the price of a security may move up or down with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis:** Using technical analysis, we analyze past market movements and use the analysis to recognize recurring patterns of investor behavior and to attempt to predict future price movement. Technical analysis does not consider the intrinsic value of a security, which may present a risk since a well-managed or financially sound company may underperform regardless of market movement.

**Cyclical Analysis:** Cyclical analysis is used to measure the movement of a particular stock against the overall market in an attempt to predict the price movement of the security.

## **Investment Strategies**

We may use any or all of the following strategies to manage accounts, provided that the strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, time horizons, investment restrictions, and other considerations.

**Long-Term and Short-Term Purchases:** We may purchase securities to hold for a relatively long time (typically for more than one year). Risks associated with a long-term purchase strategy include not taking advantage of short-term gains that could be profitable to a client or that a security may decline sharply in value before we make the decision to sell. We may also purchase securities with the intent of selling them within a relatively short time (typically one year or less). We do this in an attempt to take advantage of conditions that we believe are not being properly priced in the market.

**Margin Transactions:** We may purchase stocks with money borrowed from the client's brokerage account. This allows the purchase of more stock than could be purchased with available cash and to purchase stock without selling other holdings. Margin transactions include a risk that any loss could be magnified or that a margin call could occur if the securities pledged to collateralize the margin loans decline in value.

### **Option Writing:**

For those portfolios where it is suitable and appropriate, and when a client has requested option trading within their portfolio, we will provide an option strategy solution appropriate to a client's needs and objectives. We may use equity or index options in complement to a client's existing investment strategy when and if appropriate or requested to do so. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative because it derives its value from an underlying asset.

Two principal types of options are calls and puts:

A call gives the client the right to buy an asset at a certain price within a specific period of time. The Firm may buy a call for a client if it has determined that the stock may increase substantially before the option expires.

A put gives the client the right to sell an asset at a certain price within a specific period of time. The Firm may buy a put for a client if it has determined that the price of the stock may fall before the option expires.

We may use options to speculate on or hedge against the possibility of a sharp price swing. We may also use options to hedge against an anticipated decline of the underlying security or index which the client account is broadly exposed to. In other words, we may use an option purchase with the intent to limit the potential downside of a security in a client's portfolio.

We may use "covered calls", in which we sell an option on security a client owns. In this strategy, the client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price.

We may use a "spread strategy", in which we purchase one or more option contracts and sell a further strike price (for example, a put option that a client buys, and a put option that the client sells) for the same underlying security. This effectively reduces the overall cost of the strategy but will create a cap on the amount of gain realized.

### **Risk of Loss**

Our investment strategies could lose money over short or long periods of time. There are no assurances that our investment strategies will succeed, and we cannot guarantee that we will achieve the investment objectives established by a client, or that any client will receive a return on investment. Our investment decisions and recommendations consider both the prospect for return and the risk of loss. In considering the risk of loss, we contemplate both the probability of loss and the potential magnitude of any loss. Some of the risks associated with our strategies and analysis are summarized below. It is not possible to list all risks associated with each class of securities or assets or each market sector.

**All investing involves a risk of loss that clients should be prepared to bear, including the risk that the entire amount invested may be lost.**

**Capital Risk:** Capital risk is one of the most basic, fundamental risks of investing; it is the risk that an investor may lose 100 percent of their money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

**Credit Risk:** Credit risk can be a factor in situations where an investment's performance relies on a borrower's repayment of borrowed funds. With credit risk, an investor can experience a loss or unfavorable performance if a borrower does not repay the borrowed funds as expected or required. Investment holdings that involve forms of indebtedness (i.e., borrowed funds) are subject to credit risk.

**Currency Risk:** Fluctuations in the value of the currency in which an investment is denominated may affect the value of the investment and thus, the investment may be worth more or less in the future. All currency is subject to swings in valuation and thus, regardless of the currency denomination of any particular investment owned, currency risk is a realistic risk measure.

**Derivatives Risk:** Investments in derivatives involve risks associated with the securities or other assets underlying the derivatives, as well as risks that are different or greater than the risks affecting the underlying assets. Risk unassociated with the underlying assets include the inability or unwillingness of the counterparty to perform its obligations, inability or delay in selling or closing positions, and difficulties in valuation.

**Debt Obligations:** In addition to the risks generally applicable to an investment in securities, an investment in debt obligations and instruments may be further subject to some unique risks:

- If debt obligations are downgraded by ratings agencies, go into default or if management, legislation, or other action reduces the issuer's ability to pay principal and interest when due, the value of debt obligations may decline. Because the ability to pay principal and interest when due is typically less certain for an issuer of lower-rated or unrated obligations (including "junk" or "high yield" bonds), when compared to an issuer of higher-rated obligations, lower-rated and unrated obligations are generally more vulnerable to default, ratings downgrades, and liquidity risk.
- Political risk may adversely affect governmental issues, in addition to risks associated with the economy and similar factors.
- When interest rates increase, the value of interest-bearing investments may decline. This effect is typically more pronounced for intermediate and long-term obligations and for mortgage and other asset-backed securities.
- When interest rates decrease, current income may decline.
- Decreases in interest rates may result in the prepayment of debt obligations and may result in reinvestment at lower rates.

**Economic Risk:** The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

**ETF Risk:** In addition to the investment risks generally applicable to all securities, investment in an exchange-traded fund, or ETF, may involve unique risks:

- ETF shareholders are liable for taxes on fund-level capital gains; ETFs are required by law to distribute capital gains in the event securities are sold for a profit that cannot be offset by a corresponding loss.
- ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. Certain market inefficiencies may cause the shares to trade at a premium or discount to NAV.
- An ETF redeems shares that are aggregated as creation units (usually 20,000 shares or more). If a liquid secondary market ceases to exist, shares may not be sold (redeemed), or the value of the shares may decline.

**Financial Risk:** Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

**Foreign Investment Risk:** Investments in the securities of foreign issuers may involve risks including adverse fluctuations in currency exchange rates, political instability, confiscations, taxes or restrictions on currency exchange, liquidity risk, and reduced legal protection. These risks may be more pronounced for investments in developing or emerging countries.

**Higher Trading Costs:** For any investment instrument or strategy that involves active or frequent trading, an investor may experience larger than usual transaction-related costs. Higher transaction-related costs can negatively affect overall investment performance.

**Inflation Risk:** Inflation risk involves the concern that in the future, investments or proceeds from investments will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely be worth less than today.

**Interest Rate Risk:** Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

**Legal/Regulatory Risk:** Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

**Liquidity Risk:** Due to a lack of demand or other factors, there may be no market for particular investments. In that event, sales may not occur, or sales may be made at less than desired prices.



**Management Risk:** Client accounts are actively managed portfolios, the value of which may decrease if we pursue unsuccessful investment strategies or fail to correctly identify risks affecting the broad economy or specific issues owned by the accounts.

**Market and Economic Risk:** An account's value may decline due to changes in general economic and market conditions. The value of a security may change in response to developments affecting entire economies, markets or industries, including changes in interest rates, political and legal developments, and general market volatility.

**Master Limited Partnerships (MLPs) Risks:** MLPs are collective investment vehicles publicly traded on national securities exchanges. MLPs invest primarily in companies in the energy sector, natural resource production and mineral refinement. MLPs are subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation, and interest rate fluctuations, among other such factors. In addition, MLPs operate as pass-through tax entities, meaning that investors may be liable for their pro rata share of the partnership's items of gain and loss, regardless of the types of accounts where the interests are held.

**Operational Risk:** Operational risk can be experienced when an issuer of an investment product is unable to carry out the business it has planned to execute. Operational risk can be experienced as a result of human failure, operational inefficiencies, system failures, or the failure of other processes critical to the business operations of the issuer or counter party to the investment.

**Past Performance:** Charting and technical analysis are often used interchangeably. Technical analysis generally attempts to forecast an investment's future potential by analyzing its past performance and other related statistics. In particular, technical analysis often times involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer thereof.

**Real Estate and Real Estate Investment Trusts (REITs) Risks:** We may recommend an investment in, or allocate assets among, various real estate investment trusts ("REITs"), the shares of which may be publicly traded or privately placed. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold concentrations of investments tied to commercial and/or residential developments, which inherently subject investors to risk associated with a downturn in the real estate market. Real estate investments concentrated in particular geographic regions that experience volatility may experience fluctuations in value. Mortgage related holdings may give rise to additional concerns related to interest rates, inflation, liquidity, and counterparty risk.

**Risks Affecting Specific Issuers:** The value of an equity security or debt obligation may decline in response to developments affecting the issuer of the security or obligation, even if the overall industry or economy is unaffected, such as management issues, corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.

**Smaller Company Risk:** Investments in smaller companies may involve additional risks attributable to limited product lines, limited access to markets and financial resources, greater vulnerability to competition and changes in markets, lack of management depth, increased volatility in share price, and possible difficulties in valuing or selling the investments.

**Strategy Risk:** There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate their ability to maintain any investment being considered in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

## **Item 9: Disciplinary Information**

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We are required to disclose legal or disciplinary events that would be material to a client's evaluation of our ability to provide investment advisory services. Neither Dakota, nor our investment advisor representatives while employed with Dakota, have been involved in any legal or disciplinary events.

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

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Neither the Firm nor any of our employees have any affiliation with any Broker/Dealer, future commission merchant, commodity pool operator, commodity trading advisor or person of the foregoing entities.

### **Outsourced Investment Adviser Services**

Dakota may provide outsourced front, middle, and back-office services to other registered investment adviser. Services offered or provided to these firms are tailored to meet the needs and objectives of that firm. Services include:

- Investment model administration
- Account administration, billing and reconciliation
- Account aggregation and reporting
- Client account reporting
- Business management reporting
- Technology services
- Compliance services

We are paid on a negotiated basis, based on the scope and sophistication of services needed. Fees are not tied, in any way, to the level of trading activity in any Client account.

### **Tax Preparation**

We prepare a limited and highly selective number of tax returns for individuals, trusts, estates, small partnerships, and corporations. Clients are advised that these services are separate and distinct from the advisory services offered by us and compensation is distinct and separate from Investment Management and Financial Planning services. Clients are not obligated to engage us for these services in order to maintain an advisory relationship with the Advisor.

### **Attorney**

Peter J. Raimondi, George M. Locarno, and Katelyn Ainsworth, are attorneys and from time to time, may provide legal services to clients through our affiliated law firm, GML Associates, in Boston, Massachusetts. Peter, George, and Katelyn may also provide legal services to others, through GML Associates, who may become clients of the Firm subsequent to legal engagement.

### **Accountant**

George M. Locarno and Katelyn Ainsworth are both Certified Public Accountants.

### **Other Investment Managers**

We are under common control with Dakoré Wealth Management, LLC, an Investment Adviser located in Akron, Ohio. Carina S. Diamond, Peter N. Augustin, and Patrick G. Hahn are also Investment Advisor Representatives of that Firm.

We mitigate this conflict of interest by conducting an ongoing analysis of our services (and associated fees) and comparing them to the services offered (and associated fees) of Dakoré Wealth Management, LLC. Such reviews are intended to ensure that clients have been offered the services appropriate to them at a competitive cost. You are under no obligation to use our services, or the services of Dakoré Wealth Management, LLC , and such services could be obtained elsewhere at a lower cost.

We may recommend the selection of other investment managers for our clients and, as a result, we may receive compensation from these investment managers for managing client accounts, as disclosed in Item 5.

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

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### **Code of Ethics**

We have a duty to exercise our authority and responsibility for the benefit of our clients, to place the interests of our clients first, and to refrain from having outside interests that conflict with the interests of our clients. We and our employees avoid any circumstances that might adversely affect, or appear to affect, our duty of loyalty. We have adopted a Code of Ethics (the Code); the Code's key provisions include:

- Statement of general principles;
- Policy on and reporting of personal securities transactions;
- A prohibition on insider trading;
- Restrictions on the acceptance of significant gifts;
- Procedures to detect and deter misconduct and violations; and
- Requirement to maintain confidentiality of client information.

Our employees must acknowledge the terms of the Code at least annually. Any individual not in compliance with the Code may be subject to termination. We will provide a copy of our Code by contacting Kayla M. Berg, Chief Compliance Officer at (561) 257-1873 or [kberg@dakotawm.com](mailto:kberg@dakotawm.com).

### **Personal Trading Practices**

Both the Firm and our employees may invest in the same securities at the same time as the securities we recommend to our clients. Since we are not a market maker for any security, we do not consider this practice to conflict with the interests of our clients.

### **Principal/Agency Cross Trades**

We do not affect any principal or agency cross securities transactions for client accounts. We also do not cross trades between client accounts.

## **Item 12: Brokerage Practices**

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### **Research and Other Soft Dollar Benefits**

Currently, Dakota receives research and other products or services, other than execution, from custodians, in connection with client securities transactions (soft dollar benefits). All Dakota Wealth clients benefit from our soft dollar arrangements.

By utilizing soft dollar arrangements to obtain research or other products and services, Dakota receives a benefit because we don't have to produce or pay for the entire cost of research, products or services otherwise received. This practice could present a potential conflict of interest, as Dakota has the incentive to select or recommend a custodian based on its interest in receiving the research or other products or services. Regardless of any soft dollar arrangements we may have in place, clients do not experience any difference in the dollar amount of transaction fees charged by the custodian.

Dakota's soft dollar policy is to:

- Examine soft dollar arrangements for research products and services that assist in our investment decision-making process;
- Make a good faith determination of the total value of the research product or service in relation to the transaction fees paid;
- Maintain soft dollar arrangements for those research products and services that assist us in the investment decision-making process; and
- Review, at least annually, the effectiveness of our soft dollar arrangements.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker/dealers.

### **Directed Brokerage**

While not routine, the client may direct us to use a certain custodian to execute some or all transactions for the client. This brokerage direction must be requested by the client in writing. In that case, the client will negotiate terms and arrangements for the account with that custodian, and we will not seek better execution services or prices from other custodians or be able to "batch" client transactions for execution through other custodians with orders for other accounts managed by us. By directing brokerage, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Not all advisers require or allow their clients to direct brokerage. Subject to its duty of best execution, we may decline a client's request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

If the client requests us to arrange for the execution of securities brokerage transactions for the client's account, we shall direct such transactions through custodians that we reasonably

believe will provide best execution. We shall periodically and systematically review its policies and procedures regarding recommending custodians to its client in light of its duty to obtain best execution.

### **Trade Aggregation**

Orders for the same security entered on behalf of more than one client may be aggregated (i.e., blocked or bunched), subject to the aggregation being in the best interests of all participating clients. If an order is filled at different prices during the day, the prices are typically averaged for the day, so that all participating accounts could receive the same price. If an order has not been filled completely, so that there are not enough shares to allocate among all the clients equally, shares will be allocated in good faith, based on the following considerations: amount of cash in the account; existing asset allocation and industry exposure; risk profile; and type of security. If partial execution is attained at the end of a trading day, we generally will allocate shares on a pro rata basis but may fill small orders entirely before applying the pro rata allocation. All clients participating in an aggregated order receive the average price and subject to minimum ticket charges, pay a pro-rata portion of commissions. Our allocation procedure seeks to be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other. Accounts for our Firm or our employees may be included in a block trade with client accounts.



## Item 13: Review of Accounts

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### **Account Reviews**

We regularly review accounts to determine whether each client's accounts remain invested in a manner consistent with their investment objectives and are appropriately positioned based on our analysis of market conditions. Only our investment advisor representatives and portfolio managers conduct reviews.

Each client is assigned an Advisor. The Advisor has the responsibility for communicating with the client, updating changes to the client's situation, and regularly reviewing the client's portfolio including the asset allocation and the specific assets included in the account. The client review includes comparing the portfolio and current security positions with the goals and objectives of the client, reviewing changes to the client's investment circumstances, evaluating the specific holdings, re-balancing the portfolio and communicating the current status of the portfolio and any recommended actions to the client.

Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us or they have contracted with us for periodic review. We may also meet as requested to update financial plans and discuss changes in circumstances and similar factors.

We may review client accounts more frequently due to major market or economic events, a client's life events, or at a client's specific request.

Our Investment Management clients receive periodic reports in the form of monthly or quarterly statements from their custodian; in most circumstances, we do not separately provide written periodic reports. Retirement plan clients who have contracted with us for ongoing consulting services may be provided written reports. Financial planning clients who have contracted with us for a post-financial plan meeting or an update to their initial written financial plan may receive a written plan or update.

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

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### **Third-Party Money Managers**

We co-advise certain clients with third-party money managers when we refer a client, and the client opens a managed account. Information about these payments is summarized in Item 5, “Fees and Compensation,” in the Section “Investment Advisory Services,” under the heading “Fees Charged by Third-Party Money Managers.” Clients who are referred to third-party money managers will be provided with the money manager’s Form ADV Part 2.

### **Referral Fees**

We may pay referral fees to independent solicitors for the referral of clients to our Firm. The referral fees represent a share of the investment advisory fee that we charge to our clients, but do not result in higher costs. Any client who is referred to us by a solicitor will be given a full written disclosure describing the terms and fee arrangements between us and the solicitor(s).

## Item 15: Custody

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### **Custody - Fee Debiting**

Clients authorize Dakota Wealth to debit fees directly from their accounts at the qualified custodian. The custodian is advised in writing of the limitation of our access to the account. The custodian sends a monthly statement to the client indicating, among other things, securities holdings and all amounts disbursed from the account including the amount of advisory fees paid directly to Dakota Wealth.

### **Custody - Trusteeship/Executor**

Dakota Wealth is deemed to have custody over certain client accounts because one or more of our “related persons” serve as a trustee for the account. This form of custody is offered on a limited basis. A qualified custodian holds the funds for these clients, and they are subject to a surprise examination by an independent accountant in accordance with the custody rules under the Investment Advisors Act.

### **Custody - First Party Money Transfers**

Clients may provide us with written ongoing authorization to wire money between the client’s accounts held with the qualified custodian directly to an outside financial institution (i.e., a client’s bank account). A copy of this authorization is provided to the qualified custodian. The authorization includes the client’s name and account number(s) at the outside financial institution(s) as required.

### **Custody - Third Party Money Transfers**

Clients may also provide Dakota Wealth with a standing letter of authorization (or similar asset transfer authorization) which allows the Firm to disburse funds on behalf of clients to third parties. Dakota Wealth ensures the following conditions are in place when deemed to have custody via third party money movement:

1. The client provides a Written Authorization to the custodian that includes all appropriate information as to how the transfer should be directed;
2. The Written Authorization includes instruction to direct transfers to the third party either on a specified schedule or from time to time;
3. Appropriate verification is performed by the custodian, along with a transfer of funds notice to the client promptly after each transfer;
4. The client may terminate or change the instruction to the custodian;
5. Dakota Wealth has no authority or ability to designate or change any information about the third party contained in the instruction;
6. Dakota Wealth maintains records showing that the third party is not a related party of the Firm or located at the same address as the Firm; and
7. The custodian sends the client a written initial notice confirming the instruction and an annual written confirmation thereafter.

**Custody – Account Statements**

Clients receive account statements directly from their custodian on a monthly or quarterly basis. We recommend that our clients review each custodial statement carefully, and promptly notify us and the custodian if any statement is not received in a timely manner or includes errors or inconsistencies.

## **Item 16: Investment Discretion**

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For Investment Management accounts and certain Retirement Plan Consulting engagements, we are granted a limited power of attorney in favor of the Firm, permitting us to exercise full discretion as to the nature, type, and amount of securities to be purchased without preapproval by the client. Our exercise of discretion may be limited by any investment guidelines and objections that are furnished by a client or that we develop with the client and by any restrictions on investment that we have accepted and agreed to administer.

If we have not been given discretionary authority, we will consult with the client prior to each trade.

## Item 17: Voting Client Securities

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We may accept the authority to vote client proxies. We have adopted policies and procedures reasonably designed to ensure that proxies are voted in the best interest of clients. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest.

When a potential conflict of interest arises, we will identify any conflicts that exist between the interests of the adviser and the client by reviewing the relationship of us with the issuer of each security to determine if we or any of our employees have any financial, business or personal relationship with the issuer. If a material conflict of interest exists, the compliance officer will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third-party voting recommendation. We will maintain a record of the voting resolution of any conflict of interest.

Clients may contact Kayla M. Berg, Chief Compliance Officer at (561) 257-1873 or [kberg@dakotawm.com](mailto:kberg@dakotawm.com) for information about our proxy policies and information about how we voted any proxies on behalf of their account(s).

## **Item 18: Financial Information**

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We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients and have not been the subject of a bankruptcy proceeding.

We do not require or solicit prepayment of more than \$1,200 in fees per client, six (6) months or more in advance. Therefore, we are not required to provide a balance sheet to clients.