

**Item 1 – Cover Page**



**Brueske Advisory Services LLC  
DBA B3 Wealth Strategies**

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Date of Disclosure Brochure: September 1, 2021

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This disclosure brochure provides information about the qualifications and business practices of Brueske Advisory Services LLC (also referred to as we, us and B3 Wealth Strategies throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Tiffany Cote at 425-974-1145 or [tiffany@b3wealthstrategies.com](mailto:tiffany@b3wealthstrategies.com). The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about B3 Wealth Strategies is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Brueske Advisory Services LLC or our firm's CRD number 300689.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

Since our last annual update in February 2021, we have made the following material changes to this Brochure:

- In Item 15 of this Brochure we explain that we have custody where our clients execute standing letters of authorization (“SLOAs”) with their custodian.

We will ensure that you receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days after our firm’s fiscal year ends, no later than April 30 each year. At that time, we will also offer or provide a copy of our most current Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 – Advisory Business**

B3 Wealth Strategies is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a limited liability company (LLC) formed under the laws of the State of Washington. B3 Wealth Strategies’ effective date of registration with the SEC was July 1, 2019.

- Scott Brueske is the Managing Member, President and majority owner of B3 Wealth Strategies. Alex Brueske and Spencer Brueske are Members and partial owners of B3 Wealth Strategies.

### **Introduction**

The investment advisory services of B3 Wealth Strategies are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative of B3 Wealth Strategies (referred to as your investment adviser representative throughout this brochure).

### **Description of Advisory Services**

The following are descriptions of the primary advisory services of B3 Wealth Strategies. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and B3 Wealth Strategies before we can provide you the services described below.

#### **Asset Management Services**

B3 Wealth Strategies offers asset management services, which involves B3 Wealth Strategies providing you with continuous and ongoing supervision over your specified accounts.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to

you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that an investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

### **Financial Planning & Consulting Services**

B3 Wealth Strategies offers financial planning services, which involve preparing a written financial plan covering specific or multiple topics. We provide full written financial plans, which typically address the following topics: Investment Planning, Retirement Planning, Insurance Planning, Education Planning, Portfolios Review, Asset Allocation, Risk Management, Budgeting/Cash Flow Analysis and Estate Planning. When providing financial planning and consulting services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives. We also provide modular written financial plans which only cover those specific areas of concern mutually agreed upon by you and us. A modular written financial plan is limited or segmented and does not involve the creation of a full written financial plan. You should be aware that there are important issues that may not be taken into consideration when your investment adviser representative develops his or her analysis and recommendations under a modular written financial plan. Written financial plans prepared by us do not include specific recommendations of individual securities.

We also offer consultations in order to discuss financial planning issues when you do not need a written financial plan. We offer a one-time consultation, which covers mutually agreed upon areas of concern related to investments or financial planning. We also offer "as-needed" consultations, which are limited to consultations in response to a particular investment or financial planning issue raised or request made by you. Under an "as-needed" consultation, it will be incumbent upon you to identify those issues for which you are seeking our advice or consultation on.

Prior to engaging B3 Wealth Strategies to provide financial planning services and/or consultation services, the client will generally (i.e. depending upon the level and/or scope of services to be provided) be required to enter into a Financial Planning and Consulting Agreement with B3 Wealth Strategies setting forth the terms and conditions of the engagement and describing the scope of the services to be provided. In the event the client terminates B3 Wealth Strategies' Financial Planning and Consulting Agreement, any unearned fee shall be refunded to the client. In performing its services, B3 Wealth Strategies shall not be required to verify any information received from the client or from the client's other professionals (i.e., attorney, accountant, insurance agent, etc.), and is expressly authorized to rely thereon.

Our financial planning and consulting services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning and consulting recommendations. To the extent that you would like to implement any of our investment recommendations through B3 Wealth Strategies or retain B3 Wealth Strategies to actively monitor and

manage your investments, you must execute a separate written agreement with B3 Wealth Strategies for our asset management services.

### **Referral of Third-Party Managers**

B3 Wealth Strategies offers advisory services by referring clients to a third-party manager, offering asset management services. B3 Wealth Strategies may provide recommendations to client or exercise discretion to utilize specific third-party managers to manage client's account or a portion of the account. B3 Wealth Strategies will assist you with identifying your risk tolerance and investment objectives and will recommend a third-party manager based upon your needs. You must enter into an agreement with B3 Wealth Strategies and the third-party manager who provides your designated account with asset management services. We are available to answer questions that you may have regarding your account and act as the communication conduit between you and the third-party manager.

The third-party manager is granted discretionary authority to determine the securities to be purchased and sold for your account and is responsible for continuously monitoring client account. When we work with a third-party manager, we are utilizing that manager's experience and strategies, helping to develop a suitable portfolio for each client. We are paid a portion of the fee charged and collected by the third-party manager.

Any third-party money manager recommended by B3 Wealth Strategies must be registered or exempt from registration in the state where you reside. A complete description of the third-party manager's services and fees will be disclosed in their Form ADV Part 2A Disclosure Brochure that will be provided to client prior to or at the time an agreement for services is executed and an account is established.

You are advised that our investment adviser representatives may have a conflict of interest by only offering those third-party managers that have agreed to pay a portion of their advisory fee to us. You are advised that there may be other third-party managed programs that may be suitable to you and that may be more or less costly. No guarantees can be made that your financial goals or objectives will be achieved. Further, no guarantees of performance can be offered. Investments involve risk, including the possible loss of principal.

### **Retirement Plan Services**

B3 Wealth Strategies offers retirement plan services to retirement plan sponsors and to individual participants in retirement plans. For a corporate sponsor of a retirement plan, our retirement plan services can include, but are not limited to, the following services:

#### Fiduciary Consulting Services

B3 Wealth Strategies provides the following Fiduciary Retirement Plan Consulting Services:

- Investment Policy Statement Preparation. B3 Wealth Strategies will help you develop an investment policy statement. The investment policy statement establishes the investment policies and objectives for the Plan. You will have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- Non-Discretionary Investment Advice. B3 Wealth Strategies will provide you with general, non-discretionary investment advice regarding assets classes and investment options, consistent with your Plan's investment policy statement.

- Investment Selection Services. B3 Wealth Strategies will provide you with recommendations of investment options consistent with ERISA section 404(c).
- Investment Due Diligence Review. B3 Wealth Strategies will provide you with periodic due diligence reviews of the Plan's reports, investment options and recommendations.
- Investment Monitoring. B3 Wealth Strategies will assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement and B3 Wealth Strategies will make recommendations to maintain or remove and replace investment options.
- Default Investment Alternative Advice. B3 Wealth Strategies will provide you with non-discretionary investment advice to assist you with the development of qualified default investment alternative(s) ("QDIA"), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election. You will retain the sole responsibility to provide all notices to participants required under ERISA section 404(c)(5).
- Individualized Participant Advice. Upon request, B3 Wealth Strategies will provide one-on-one advice to Plan participants regarding their individual situations.

For Fiduciary Consulting Services, all recommendations of investment options and portfolios will be submitted to you for your ultimate approval or rejection. For retirement plan Fiduciary Consulting Services, the retirement plan sponsor client or the plan participant who elects to implement any recommendations made by us is solely responsible for implementing all transactions.

Fiduciary Consulting Services are not management services, and B3 Wealth Strategies does not serve as administrator or trustee of the plan. B3 Wealth Strategies does not act as custodian for any client account or have access to client funds or securities (with the exception of, some accounts, having written authorization from the client to deduct our fees).

B3 Wealth Strategies acknowledges that in performing the Fiduciary Consulting Services listed above that it is acting as a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of Employee Retirement Income Security Act of 1974 ("ERISA") for purposes of providing non-discretionary investment advice only. B3 Wealth Strategies will act in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause B3 Wealth Strategies to be a fiduciary as a matter of law. However, in providing the Fiduciary Consulting Services, B3 Wealth Strategies (a) has no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of Client's retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of Client's retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of Client's retirement plan or the interpretation of Client's retirement plan documents, (b) is not an "investment manager" as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the "Administrator" of Client's retirement plan as defined in ERISA.

#### Non-Fiduciary Services

Although an investment adviser is considered a fiduciary under the Investment Advisers Act of 1940 and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-

fiduciary should not be considered fiduciary services for the purposes of ERISA since Advisor is not acting as a fiduciary to the Plan as the term “fiduciary” is defined in Section 3(21)(A)(ii) of ERISA. The exact suite of services provided to a client will be listed and detailed in the Qualified Retirement Plan Agreement.

B3 Wealth Strategies provides clients with the following Non-Fiduciary Retirement Plan Consulting Services:

- Participant Education. B3 Wealth Strategies will provide education services to Plan participants about general investment principles and the investment alternatives available under the Plan. B3 Wealth Strategies’ assistance in participant investment education will be consistent with and within the scope of DOL Interpretive Bulletin 96-1. Education presentations will not consider the individual circumstances of each participant and individual recommendations will not be provided unless otherwise agreed upon. Plan participants are responsible for implementing transactions in their own accounts.
- Participant Enrollment. B3 Wealth Strategies will assist you with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.
- Qualified Plan Development. B3 Wealth Strategies will assist you with the establishment of a qualified plan by working with you and a selected Third-Party Administrator. If you have not already selected a Third-Party Administrator, we shall assist you with the review and selection of a Third-Party Administrator for the Plan.
- Due Diligence Review. B3 Wealth Strategies will provide you with periodic due diligence reviews of your Plan’s fees and expenses and your Plan’s service providers.
- Fiduciary File Set-up. B3 Wealth Strategies will help you establish a “fiduciary file” for the Plan which contains trust documents, custodial/brokerage statements, investment performance reports, services agreements with investment management vendors, the investment policy statement, investment committee minutes, asset allocation/asset liability studies, due diligence fields on funds/money managers and monitoring procedures for funds and/or money managers.
- Benchmarking. B3 Wealth Strategies will provide you benchmarking services and will provide analysis concerning the operations of the Plan.

Securities and other types of investments all bear different types and levels of risk. Those risks are typically discussed with clients in defining the investment policies and objectives that will guide investment decisions for their qualified plan accounts. Upon request, as part of our retirement plan services, we can discuss those investments and investment strategies that we believe may tend to reduce these risks for a particular client’s circumstances and plan participants.

Clients and plan participants must realize that obtaining higher rates of return on investments entails accepting higher levels of risk. Based upon discussions with the client, we will attempt to identify the balance of risks and rewards that is appropriate and comfortable for the client and other employees. It is still the clients’ responsibility to ask questions if the client does not fully understand the risks associated with any investment. All plan participants are strongly encouraged to read prospectuses, when applicable, and ask questions prior to investing.

We strive to render our best judgment for clients. Still, B3 Wealth Strategies cannot assure that investments will be profitable or assure that no losses will occur in their portfolios. Past performance is an



important consideration with respect to any investment or investment advisor, but it is not necessarily an accurate predictor of future performance.

B3 Wealth Strategies will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to you any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Qualified Retirement Plan Agreement and any compensation or fees received in connection with the Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learn of such error or omission.

### **Strategic Wealth Management Platform**

Strategic Wealth Management is a comprehensive, open-architecture, fee-based investment platform created by LPL Financial to allow independent investment advisers, such as B3 Wealth Strategies, to offer clients customized advice and service. We have the fiduciary responsibility on these accounts. The platform provides a foundation to develop long-term financial goals and provide potential solutions. We offer what are referred to as "SWM II" accounts through this platform.

Through the SWM II platform, we provide customized investment management services, including providing continuous investment advice and making investments for you based on your individual needs. We craft a specific asset allocation strategy for you to focus on your individual goals and objectives. Your information should be updated regularly, but at a minimum every 2 years..

SWM II accounts are custodied at LPL Financial in its capacity as a registered broker/dealer, member FINRA/SIPC. LPL Financial is also an investment advisor registered with the SEC but does not serve as an investment advisor for you through the SWM platform. LPL Financial provides clearing, custody and other brokerage services for accounts. Therefore, you are required to establish an advisory account(s) through LPL Financial's SWM platform. Separate accounts are maintained for you, and you retain all rights of ownership of you accounts (e. g., the right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

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

B3 Wealth Strategies does not sponsor a wrap fee program, but we at times recommend clients use a wrap fee program sponsored by LPL.

## **Wrap Programs Sponsored by LPL Financial**

B3's IARs are also registered with LPL Financial Corporation ("LPL"), an un-affiliated registered investment adviser and broker-dealer. We may provide advisory services through certain programs sponsored by LPL under a "wrap fee" program. These wrap programs may include LPL's Model Wealth Portfolios, Personal Wealth Portfolios, Guided Wealth Portfolios and Manager Access Select programs.

For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and potential conflicts of interest presented by the programs, please see the LPL Financial Form ADV 2A Appendix 1 (wrap fee brochure) for the specific program, and application client agreement. Any LPL-sponsored advisory program becomes effective only when an authorized representative of B3 has accepted the application paperwork and client agreement in writing.

For all the LPL-sponsored advisory programs that B3 offers, LPL serves as the program sponsor, investment adviser and broker-dealer. B3 also acts as investment adviser for these programs and will share in the management fees associated with these accounts.

When using LPL wrap programs, B3 retains discretionary authority to select the manager(s) for each particular program and the model(s) to be used within each manager's program. We do not have the authority or ability to select the individual investments within the model that is selected.

## **Newsletters**

B3 Wealth Strategies occasionally prepares general, educational and informational newsletters. Newsletters are always offered on an impersonal basis and do not focus on the needs of a specific individual.

## **Educational Events**

B3 Wealth Strategies offers educational, informative and motivational events to clients and prospects. Educational events are always offered on an impersonal basis and do not focus on the individual needs of the participants.

## **Limits Advice to Certain Types of Investments**

B3 Wealth Strategies provides investment advice on the following types of investments:

- Exchange Traded Funds (ETFs)
- Exchange-listed Securities
- Corporate Debt Securities
- Certificates of Deposit
- Municipal Securities
- Variable Annuities
- Variable Life Insurance
- US Government Securities

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

*(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

### **Tailor Advisory Services to Individual Needs of Clients**

B3 Wealth Strategies' advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose some restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information. Our financial planning and consulting services are always provided based on your individual needs. When providing financial planning and consulting services, we work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Client Assets Managed by B3 Wealth Strategies**

As of December 31, 2020, we managed assets of approximately \$342,123,021 on a discretionary basis, and \$6,598,180 on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and B3 Wealth Strategies. Fees and specific program details for the LPL Sponsored Wrap Programs can be found in the LPL Financial wrap fee brochure and account opening documents.

We believe our fees for investment advisory services are reasonable with respect to the services provided and the fees charged by other investment advisors offering similar services.

### **Fees for Asset Management Services**

Fees charged for our asset management services are charged based on a percentage of assets under management, billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the previous

billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of a billing period, the prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period's fee is billed.

The asset management services continue in effect until terminated by either party (i.e., B3 Wealth Strategies or you) by providing written notice of termination to the other party. Any prepaid, unearned fees will be promptly refunded by B3 Wealth Strategies to you. Fee refunds will be determined on a pro rata basis using the number of days services are provided during the final period.

Fees charged for our asset management services may be negotiable based on the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the potential for additional account deposits, the relationship of the client with the investment adviser representative, and the total amount of assets under management for the client.

For our asset management services, client will be charged the following annual fee based upon the assets under management:

<u>Assets Under Management</u>	<u>Annual Fees</u>
\$0 – \$299,999	1.45%
\$300,000 – \$699,999	1.35%
\$700,000 – \$999,999	1.25%
\$1,000,000 – \$1,499,999	1.15%
\$1,500,000 – \$1,999,999	1.05%
\$2,000,000 – \$2,499,999	1.00%
\$2,500,000 – \$2,999,999	0.90%
\$3,000,000 - \$3,499,999	0.85%
\$3,500,000 - \$3,999,999	0.80%
\$4,000,000 & Up	0.70%

Once an account reaches the next tier in assets under management, the client's entire account is charged the designated fee for that tier.

Example: A client with \$1 million in assets under management with B3 Wealth Strategies would be charged 1.15% annually according to this schedule:

$$(\$1,000,000 \times 1.15\%) = \$11,500 / 4 = \$2,875 \text{ quarterly fee}$$

B3 Wealth Strategies believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to our firm.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

B3 Wealth Strategies does not receive any portion of such commissions or fees from you or the qualified custodian. As a matter of policy, B3 does not permit IARs to earn commissions or trails on transactions or assets held in advisory accounts.

You may incur certain charges imposed by third parties other than B3 Wealth Strategies in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. Management fees charged by B3 Wealth Strategies are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you.

Since third-party managers charge client fees in addition to and separate from B3 Wealth Strategies' annual fee, the overall fees incurred by client increase when client (or B3 Wealth Strategies) elects to use third-party managers.

### **Strategic Wealth Management Programs**

The annual investment advisory fee charged by B3 Wealth Strategies will vary between 0.50% – 1.45% of the assets held in the account and may be negotiable depending on the market value of the account, asset types, complexity of your portfolio, your financial situation and trading activity. The annual fee is divided and paid quarterly in advance through a direct debit to your account. LPL Financial is responsible for calculating and debiting all fees from your accounts. You must provide LPL Financial with written authorization to debit advisory fees from your accounts and pay the fees to B3 Wealth Strategies. Fees are based on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter are prorated based on the number of days remaining in the initial quarter.

Prior to engaging B3 Wealth Strategies to provide investment management services, you are required to enter into a formal investment advisory agreement with us setting forth the terms and conditions, including the amount of investment advisory fees, under which we manage your assets and a separate custodial/clearing agreement with LPL Financial.

We only offer SWM II accounts. You do not pay transaction charges in your SWM II account, but rather B3 Wealth Strategies absorbs all custodial fees and brokerage transaction charges through our platform agreement with LPL Financial. Paying for clients' account fees gives us incentive to place trades in securities where there are no transaction fees or limit actions in an account that may otherwise generate fees for which we are responsible. We have assessed the financial impact of such costs to us and it is not material given that most of the securities we trade in client accounts are executed with zero transaction fees.

Either party may terminate the agreement for services at any time. If services are terminated within five business days of executing the agreement, services are terminated without penalty and a full refund of all fees paid in advance is provided. If services are terminated after the initial five-day period, we provide you with a prorated refund of fees paid in advance. The refund is based on the number of days service is

provided during the final billing period. Termination is effective from the time the other party receives written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final refund of advisory fees. There is no penalty charge on termination.

### **Fees for Financial Planning & Consulting Services**

Fees charged for our financial planning and consulting services may be negotiable based upon the type of client, the services requested, the complexity of the client's situation, the composition of the client's account, other advisory services provided and the relationship of the client and the investment adviser representative. The following are the fee arrangements available for financial planning and consulting services offered by B3 Wealth Strategies.

#### ***Fees for Financial Planning and Consulting Services***

##### ***Hourly Fee***

B3 Wealth Strategies provides financial planning services under an hourly fee arrangement. An hourly fee in the range of \$250 to \$500 per hour (depending on the complexity of the client's situation) is charged by B3 Wealth Strategies for financial planning and consulting services provided under this arrangement. Before commencing financial planning or consulting services, B3 Wealth Strategies provides an estimate of the approximate hours needed to complete the requested services. If B3 Wealth Strategies anticipates exceeding the estimated number of hours required, B3 Wealth Strategies will contact you to receive authorization to provide additional services. You will pay in advance a mutually agreed upon retainer that will be available for B3 Wealth Strategies to bill hourly fees against for our financial planning and consulting services; however, under no circumstances will B3 Wealth Strategies require you to pay fees more than \$1,200 more than six months in advance. Any unpaid hourly fees are due immediately upon completion and delivery of the financial plan.

##### ***Fixed Fee***

B3 Wealth Strategies also provides financial planning and consulting services under a fixed fee arrangement. A mutually agreed upon fixed fee is charged for financial planning and consulting services under this arrangement. There is a range in the amount of the fixed fee charged by B3 Wealth Strategies for these services. The minimum fixed fee is generally \$500, and the maximum fixed fee is generally no more than \$20,000. The amount of the fixed fee for your engagement is specified in your financial planning and consulting agreement with B3 Wealth Strategies. At our sole discretion, you may be required to pay in advance a portion of the fixed fee at the time you execute an agreement with B3 Wealth Strategies; however, at no time will B3 Wealth Strategies require payment of more than \$1,200 in fees more than six months in advance. Upon completion and delivery of the financial plan, the fixed fee is considered earned by B3 Wealth Strategies and any unpaid amount is immediately due. Frequency of payment can be one-time, installment or ongoing as agreed upon by you and B3 Wealth Strategies.

The fees for the financial planning and consulting services may be waived by B3 Wealth Strategies at our sole discretion.

If Client is currently receiving asset management services from B3 Wealth Strategies for an asset management fee, B3 Wealth Strategies waives any fees for services under this Agreement.

Although B3 Wealth Strategies is not charging investment advisory fees under this Agreement, there are fees and expenses charged by mutual funds to their shareholders if Client invests in mutual funds due in part to the services under this Agreement. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee (known as 12(b)-1 fees). If the mutual fund also imposes sales charges, Client may pay an initial or deferred sales charge.

Likewise, although B3 Wealth Strategies is not charging investment advisory fees under this Agreement, if Client decides to invest through a qualified custodian due in part to the services under this Agreement, the qualified custodian or broker-dealer executing certain transaction will charge commissions for implementing transactions.

To the extent B3 Wealth Strategies provides you with general investment recommendations as part of the financial planning services and you implement such investment recommendations through B3 Wealth Strategies, we may offer in our agreement with you to waive or reduce the fees for financial planning services.

The financial planning and consulting services terminate upon delivery of the written financial plan or upon either party providing the other party with written notice of termination.

If you terminate the financial planning and consulting services after entering into an agreement with us, you will be responsible for immediate payment of any financial planning and consulting services performed by B3 Wealth Strategies prior to the receipt by B3 Wealth Strategies of your notice of termination. For financial planning and consulting services performed by B3 Wealth Strategies under an hourly arrangement, you will pay B3 Wealth Strategies for any hourly fees incurred at the rates described above. For financial planning and consulting services performed by B3 Wealth Strategies under a fixed fee arrangement, you will pay an early termination fee for the hours worked by B3 Wealth Strategies multiplied by the hourly rate of \$250. If there is a remaining balance of any fees paid in advance after the deduction of fees from the final invoice, those remaining proceeds will be refunded by B3 Wealth Strategies to you. If you are not satisfied with the financial plan prepared by B3 Wealth Strategies, we may waive our fee; however, in such a situation, B3 Wealth Strategies retains intellectual property rights over any written financial plan prepared by B3 Wealth Strategies, and the written financial plan must be returned to B3 Wealth Strategies.

#### ***Other Fee Terms for Financial Planning & Consulting Services***

You may pay the fees owed for the financial planning services by submitting payment directly to us by check or credit card.

If you elect to pay by credit card, you will provide written authorization to B3 Wealth Strategies for such a charge.

To the extent B3 Wealth Strategies engages an outside professional (i.e. attorney, independent investment adviser or accountant) while providing financial planning and consulting services to you, B3 Wealth Strategies will be responsible for the payment of the fees for the services of such an outside professional, and you will not be required to reimburse B3 Wealth Strategies for such payments. To the extent that you personally engage such an outside professional, you will be responsible for the payment of the fees for the services of such an outside professional, and B3 Wealth Strategies will not be required to reimburse Client for such payments.

All fees paid to B3 Wealth Strategies for services are separate and distinct from the commissions, fees and expenses charged by insurance companies associated with any disability insurance, life insurance and annuities subsequently acquired by you. If you sell or liquidate certain existing securities positions to acquire any insurance or annuity, you may also pay a commission and/or deferred sales charges in addition to the financial planning and consulting fees paid to B3 Wealth Strategies and any commissions, fees and expenses charged by the insurance company for subsequently acquired insurance and/or annuities.

If you elect to have your investment adviser representative, in his or her separate capacity as an insurance agent, implement the recommendations of B3 Wealth Strategies, your investment adviser representative at his or her discretion may waive or reduce the investment advisory fee charged for these services by the amount of the commissions received by your investment adviser representative as an insurance agent. Any reduction of the investment advisory fee will not exceed 100% of the insurance commission received.

All fees paid to B3 Wealth Strategies for advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

If you retain B3 Wealth Strategies to implement the recommendations provided under this service, B3 Wealth Strategies may recommend load or no-load mutual funds that charge you 12(b)-1 fees. All 12(b)-1 fees are paid to the custodian, LPL Financial. B3 Wealth Strategies will not receive any 12(b)-1 fees.

All fees paid to B3 Wealth Strategies for financial planning and consulting services are separate and distinct from the commissions charged by a broker-dealer or asset management fees charged by an investment adviser to implement such recommendations.

If you elect to have your investment adviser representative, in his or her separate capacity as a registered representative, implement the recommendations of B3 Wealth Strategies, your investment adviser representative at his or her discretion may waive or reduce the investment advisory fee charged by the amount of the commissions received as a registered representative. Any reduction of the investment advisory fee will not exceed 100% of the commission received as a registered representative.

If you elect to implement the recommendations of B3 Wealth Strategies through our other investment advisory programs, B3 Wealth Strategies may waive or reduce a portion of the investment advisory fees for such investment advisory program(s). Any reduction will be at the discretion of your investment adviser representative and disclosed to you prior to contracting for additional investment advisory services.

It should be noted that lower fees for comparable services may be available from other sources.

### **Fees for Retirement Plan Services**

For retirement plan sponsor clients, B3 Wealth Strategies will charge an annual fee that is calculated as a percentage of the value of plan assets. This fee may be negotiable based upon the complexity of the plan, the size of the plan assets, the actual services requested and the potential for additional deposits.



If B3 Wealth Strategies charges an annual fee based upon the value of the plan assets, the Plan will be charged the following annual fee based upon the amount of Plan assets:

<u>Plan Assets</u>	<u>Annual Fees</u>
\$0 – \$999,999	0.70%
\$1,000,000 – \$9,999,999	0.40%
\$10,000,000 & Up	0.20%

Example: A Plan with \$5 million in assets under management with B3 Wealth Strategies would be charged the following quarterly fee according to this schedule:

$\$5,000,000 \times 0.40\% = \$20,000$  (annual fee) / 4 = \$5,000 (quarterly fee).

For retirement plan sponsors fees are billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period.

Clients can elect to have the fee deducted from their account or billed directly and due upon receipt of the billing notice. If clients elect to have the fee automatically deducted from an existing account, they are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to B3 Wealth Strategies. We will provide the custodian with a fee notification statement.

Either party may terminate services by providing written notice of termination to the other party. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

B3 Wealth Strategies does not reasonably expect to receive any other compensation, direct or indirect, for its Services. If we receive any other compensation for such services, we will (i) offset that compensation against our stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

### **Newsletters**

Newsletters are provided to clients and prospective clients free of charge.

### **Workshops**

Workshops are always provided free of charge.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. *Item 6* is not applicable to this Disclosure Brochure because we do not charge or accept performance-based fees.

## **Item 7 – Types of Clients**

B3 Wealth Strategies generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Pension and profit-sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

You are required to execute a written agreement with B3 Wealth Strategies specifying the particular advisory services in order to establish a client arrangement with B3 Wealth Strategies.

### **Minimum Investment Amounts Required**

There are no minimum investment amounts or conditions required for establishing an account managed by B3 Wealth Strategies. However, all clients are required to execute an agreement for services in order to establish a client arrangement with B3 Wealth Strategies and/or the third-party money manager or the sponsor of third-party money manager platforms.

The minimum fee generally charged for financial planning services provided on an hourly basis is \$250. The minimum fixed fee generally charged for financial planning services on a fixed fee basis is \$500.

The minimum hourly fee generally charged for consulting services is \$250. The minimum fixed fee generally charged for consulting services is \$500.

Third-party money managers may have minimum account and minimum fee requirements in order to participate in their programs. Each-third party money manager will disclose its minimum account size and fees in its Form ADV Part 2ABrochure.

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

### **Methods of Analysis**

B3 Wealth Strategies uses the following methods of analysis in formulating investment advice:

Cyclical – This method analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If

done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

Technical – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

There are risks involved in using any analysis method.

To conduct analysis, B3 Wealth Strategies may gather information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

### **Investment Strategies**

B3 Wealth Strategies uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Strategic asset allocation. Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client’s goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

### **Primarily Recommend One Type of Security**

We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client’s specific circumstances and needs.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

### Item 9 – Disciplinary Information

Neither B3 Wealth Strategies nor its executive management team have any legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

### Item 10 – Other Financial Industry Activities and Affiliations

B3 Wealth Strategies is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment registered adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment adviser representatives with us.

### **Registered Representative of a Broker-Dealer**

Our representatives are also registered representatives of LPL Financial LLC ("LPL Financial"), a securities broker-dealer. You may work with your investment adviser representative in his or her separate capacity as a registered representative of LPL Financial.

As a result of this relationship, LPL Financial may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about clients of B3 Wealth Strategies, even if a client does not establish any account through LPL Financial. If you would like a copy of the privacy policy of LPL Financial, please contact your investment adviser representative.

When acting in his or her separate capacity as a registered representative, your investment adviser representative may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds and other products to you. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use LPL Financial and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use LPL Financial. Prior to effecting any such transactions, you are required to enter into a new account agreement with LPL Financial. The commissions charged by LPL Financial may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment. Any 12b-1 fees earned in fee-based accounts managed by B3 Wealth Strategies will be paid to LPL Financial.

### **Third-Party Managers**

B3 Wealth Strategies has developed programs, previously described in *Item 5* of this disclosure brochure, designed to allow us to recommend and select third-party managers for you. Once you select the third-party manager to manage all or a portion of your assets, they will pay us a portion of the fees you are charged. Please refer to *Items 4 and 5* for full details regarding the programs, fees, conflicts of interest and materials arrangements when B3 Wealth Strategies selects other investment advisers.

### **Insurance Agent**

You may work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative may sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent, may suggest that you implement recommendations of B3 Wealth Strategies by purchasing disability insurance, life insurance, annuities, or other insurance products. This receipt of commissions creates an incentive for the representative to recommend those

products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics Summary**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. B3 Wealth Strategies has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as “supervised persons”. All employees, officers, directors and investment adviser representatives are classified as supervised persons. B3 Wealth Strategies requires its supervised persons to consistently act in your best interest in all advisory activities. B3 Wealth Strategies imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm’s fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of B3 Wealth Strategies. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

B3 Wealth Strategies or access persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a conflict of interest. It is the express policy of B3 Wealth Strategies that all persons associated in any manner with our firm must place clients’ interests ahead of their own when implementing personal investments. B3 Wealth Strategies and its access persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, access persons):

- Access persons cannot prefer their own interests to that of the client.
- Access persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Access persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Access persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Access persons are discouraged from conducting frequent personal trading.

- Access persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of B3 Wealth Strategies.

### ***Code of Ethics for CFP***

In addition to abiding by our Code of Ethics, some of our representatives are Certified Financial Planners™ (CFP®) and abide by the Code of Ethics and Responsibility Code of the Certified Financial Planner™ Board of Standards, Inc. The Code of Ethics and Responsibility Code requires CFP® designees to not only comply with all applicable laws and regulations but to also act in an ethical and professional responsible manner in all professional services and activities. The principles guiding CFP® designees are:

- Integrity
- Objectivity
- Competence (in providing services and maintaining knowledge and skills to do so)
- Fairness (to clients, principals, partners and employers and disclosing any conflicts of interest in providing services)
- Confidentiality (keeping all client information confidential without the specific client consent unless in response to legal process or in defense of charges of wrongdoing or civil dispute)
- Professionalism
- Diligence

You can obtain a copy of the Code of Ethics and Responsibility Code by requesting a copy from one of our representatives.

Any associated person not observing our Code of Ethics policies is subject to sanctions up to and including termination.

### **Item 12 – Brokerage Practices**

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back-office services, technology and pricing of services offered.

Clients are under no obligation to act on the financial planning recommendations of B3 Wealth Strategies. If the firm assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality



### **Broker/Dealer Affiliation (LPL Financial)**

If you wish to implement our advice you are free to select any broker dealer you wish. If you wish to have our representatives implement the advice in their separate capacity as registered representatives, LPL Financial is used. Our representatives are registered representatives of LPL Financial and we are required to use the services of LPL Financial when acting in this capacity. LPL Financial has a wide range of approved securities products for which it performs due diligence prior to selection. LPL Financial's registered representatives are required to adhere to these products when implementing securities transactions through LPL Financial. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer.

Because our representatives are also registered representatives of LPL Financial, LPL Financial provides compliance support to them. LPL Financial also provides our representatives, and therefore us, with back-office operational, technology and other administrative support.

If you wish to implement our advice through any of the programs described in this Disclosure Brochure, LPL will be used as the broker/dealer and/or custodian. LPL Financial will be the primary broker/dealer and custodian recommended due to the relationship our representatives have with LPL Financial. We recommend broker/dealers and custodians that we feel provide services in a manner and at a cost that will allow us to meet our duty of best execution. However, we may be limited in the broker/dealer or custodians that we are allowed to use due to our representatives' relationship with LPL Financial. LPL Financial may limit or restrict the broker/dealer or custodial platforms for its registered representatives that are also independently licensed due to its duty to supervise the transactions implemented by these individuals.

While there is no direct linkage between the investment advice given to you and our recommendation of LPL Financial, economic benefits may be provided to us by LPL Financial that are not provided if you select another broker/dealer or account custodian. These benefits may include:

- Negotiated costs for transaction implementation
- A dedicated trade desk that services LPL Financial participants exclusively
- A dedicated service group and an account services manager dedicated to our accounts
- Access to a real-time order matching system
- Electronic download of trades, balances and position information
- Access, for a fee, to an electronic interface with the account custodian's software
- Duplicate and batched client statements, confirmations and year-end reports

Please also see *Item 5, Fees and Compensation*, for additional information about advisory services and implementing recommendations.

### **Soft Dollar Benefits**

B3 Wealth Strategies receives no research, product, or services other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

### **Handling Trade Errors**

B3 Wealth Strategies has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of B3 Wealth Strategies to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and any loss resulting from the trade error is absorbed by B3 Wealth Strategies if the error is caused by B3 Wealth Strategies. If the error is caused by the broker-dealer, the broker-dealer is responsible for handling the trade error. If an investment gain results from the correcting trade, the gain remains in the client's account unless the same error involved other client account(s) that should also receive the gains. It is not permissible for all clients to retain the gain. B3 Wealth Strategies may also confer with a client to determine if the client should forego the gain (e.g., due to tax reasons).

B3 Wealth Strategies will never benefit or profit from trade errors.

### **Block Trading Policy**

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when B3 Wealth Strategies believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

B3 Wealth Strategies uses the average price allocation method for transaction allocation.

Under this procedure B3 Wealth Strategies will calculate the average price and transaction charges for each transaction included in a block order and assign the average price and transaction charge to each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which B3 Wealth Strategies or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

### **Agency Cross Transactions**

Our associated persons are prohibited from engaging in agency cross transactions, meaning we cannot act as brokers for both the sale and purchase of a single security between two different clients and cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

Managed accounts are reviewed at least quarterly. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by the investment adviser representatives, with reviews performed in accordance with your investment goals and objectives.

Accounts established and maintained with other third-party managers are reviewed at least quarterly, usually when statements and/or reports are received from the manager.

Our financial planning services terminate upon the presentation of the written plan. Our financial planning and consulting services do not include monitoring the investments of your account(s), and therefore, there is no ongoing review of your account(s) under such services.

### **Statements and Reports**

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements in writing directly from the qualified custodian.

Whether reports by an outside money manager are provided to you will depend upon the outside money manager.

Financial planning clients do not receive any report other than the written plan originally contracted for and provided by B3 Wealth Strategies.

You are encouraged to always compare any reports or statements provided by B3 Wealth Strategies or a third-party manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

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

B3 Wealth Strategies does not directly or indirectly compensate any person for client referrals.

As described in Item 4 in this brochure, B3 Wealth Strategies offers advisory services by referring clients to a third-party manager, offering asset management services. We are paid a portion of the fee charged and collected by the third-party manager. B3 Wealth Strategies receives no other forms of compensation in connection with providing investment advice.

*Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.*

We may from time to time receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

### **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented. B3 Wealth Strategies has custody of client funds or securities where our clients execute standing letters of authorization (“SLOAs”) with their custodian, written directions from the client authorization us to initiate payments from their custodial accounts to client-specified third parties without requiring signed authorization each time.

You will account statements directly from your custodian at least quarterly. We urge you to carefully compare the custodian's account statements you receive with any periodic data you receive from us.

### **Item 16 – Investment Discretion**

When providing asset management services, B3 Wealth Strategies maintains trading authorization over your Account and can provide management services on a **discretionary** basis. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your account.

Client will grant B3 Wealth Strategies discretionary authority (without first consulting with Client) to establish and/or terminate a relationship with a Third-Party Manager for purposes of managing the account or a portion of the account determined by B3 Wealth Strategies. Client will also grant the Third-Party Manager selected by B3 Wealth Strategies with the discretionary authority (in the sole discretion of the Third-Party Manager without first consulting with Client) to make all decisions to buy, sell or hold securities, cash or other investments for such portion of the Account managed by the Third-Party Manager. Client will also grant the Third-Party Manager selected by B3 Wealth Strategies with the power and authority to carry out these decisions by giving instructions, on behalf of Client, to brokers and dealers and the qualified custodian(s) of the Account. Client authorizes B3 Wealth Strategies to provide a copy of this Agreement to the qualified custodian or any broker or dealer, through which transactions will

be implemented on behalf of Client, as evidence of Third-Party Manager's authority under this Agreement.

### **Item 17 – Voting Client Securities**

B3 Wealth Strategies does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided. Although we do not vote client proxies, if you have a question about a proxy feel free to contact us. However, you will have the ultimate responsibility for making all proxy-voting decisions.

With respect to assets managed by a third-party manager, we will not vote the proxies associated with these assets. You will need to refer to each third-party manager's disclosure brochure to determine whether the third-party manager will vote proxies on your behalf. You may request a complete copy of third-party manager's proxy voting policies and procedures as well as information on how your proxies were voted by contacting them or by contacting B3 Wealth Strategies at the address or phone number indicated on Page 1 of this disclosure document.

### **Item 18 – Financial Information**

B3 Wealth Strategies does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, B3 Wealth Strategies has not been the subject of a bankruptcy petition at any time.

### **No Arrangement with Issuer of Securities**

B3 Wealth Strategies and its management do not have any relationship or arrangement with any issuer of securities.

### **Customer Privacy Policy Notice**

**Commitment to Your Private Information:** B3 Wealth Strategies has a policy of protecting the confidentiality and security information we collect about our clients. We do not, and will not, share nonpublic personal information about you ("Information") with outside third parties without your consent, except for the specific purposes described below. This notice has been provided to you to describe the Information we may gather and the situations under which we may need to share it.

**Why We Collect and How We Use Information.** We limit the collection and use of Information within our firm to only those individuals associated or employed with us that must have Information to provide financial services to you. Such services include maintaining your accounts, processing transaction requests, providing financial planning, financial consultation, and other services described in our Form ADV.

**How We Gather Information.** We get most Information directly from you when you provide us with information from any of the following sources:

- Applications or forms (for example: name, address, social security number, birth date, assets, income, financial history)
- Transactional activity in your account (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify your identity or to assess your credit history)
- Other sources with your consent (for example: your insurance professional, attorney, or accountant)

**How We Protect Information.** Our employees and affiliated persons are required to protect the confidentiality of Information and to comply with our stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy Policy are subject to disciplinary action, up to and including termination from employment with us. We also maintain physical, electronic, and procedural safeguards to protect information, which comply with applicable SEC, state, and federal laws.

**Sharing Information with Other Companies Permitted Under Law.** We do not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist us with providing services to you. Unrelated third parties may include broker/dealers, mutual fund companies, insurance companies, and the custodian with which your assets are held. In such situations, we stress the confidential nature of information being shared.

**Former Customers.** Even if we cease to provide you with financial products or services, our Privacy Policy will continue to apply to you, and we will continue to treat your nonpublic information with strict confidentiality.