

# Dew Wealth Management

## **ADV Part 2A, Firm Brochure** **Dated: March 4, 2022**

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This brochure provides information about the qualifications and business practices of Dew Wealth Management. If you have any questions about the contents of this brochure, please contact us at (480) 614-9119 or [Jim@dewwealth.com](mailto:Jim@dewwealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Dew Wealth Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to Dew Wealth Management as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

## **Item 2            Material Changes**

Since Dew Wealth Management’s annual amendment filing on March 9, 2021, this Firm Brochure has been amended as follows:

- At Item 4 to revise the scope of services that can be included in Wealth Builder, Wealth Accelerator, and Virtual Family Office engagements
- At Item 4 to clarify disclosures related to financial planning and consulting services and cash positions
- At Item 4 to incorporate new disclosure acknowledging Dew Wealth Management’s status as a fiduciary under ERISA and/or the Internal Revenue Code, when providing advisory services to retirement clients

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#### **Item 4            Advisory Business**

- A. Dew Wealth Management (the “Registrant”) is a limited liability company formed on July 23, 1999 in the state of Arizona. The Registrant became registered as an Investment Adviser Firm in November 1999. The Registrant is principally owned by James P. Dew. Mr. Dew is the Registrant’s Principal.
- B. As discussed below, the Registrant offers to its clients (individuals, high net worth individuals, pension and profit sharing plans, and charitable organizations, etc.) varying levels of investment advisory services, in addition to financial planning and related consulting services.

#### **FAMILY OFFICE ASSESSMENT**

Registrant’s Family Office Assessment is a multi-step processes designed to perform a deep dive into a client’s current personal and/or professional wealth management situation, in an effort to identify gaps and potential points of weakness and, ultimately, develop recommendations for improvement. The Family Office Assessment may be performed as a precursor to Registrant’s Wealth Builder, Wealth Accelerator, or Virtual Family Office programs (described further below) or may be purchased on a separate standalone basis.

The Family Office Assessment is designed to give clients a broad based review of their current personal financial situation, in order to develop recommendations for closing the wealth management gap. For clients who are business owners, the services rendered under the Family Office Assessment may also be tailored to establish an approximate valuation for the client’s business, identify key revenue drivers, and develop recommendations for improving the value of the client’s business.

Registrant will first work with the client to gather relevant information about the client’s wealth management situation from various sources, including the client, and the client’s other engaged professionals, such as: CPA/Bookkeeper, estate attorney, personal insurance agent, life/disability insurance agent, investment adviser, and/or banker. Once relevant data has been collected, Registrant will coordinate for a one-hour discovery phone call, to cover topics such as the client’s: values, goals, relationships, assets, advisors, and interests.

When the discovery call is complete, Registrant will take the collected information and use it to review the client’s wealth management situation. Depending on the client’s circumstances, this review will generally take approximately four weeks to complete and can cover topics including: personal insurance, life insurance, disability insurance, estate documents, asset protection plan, investments, and personal tax returns.

The Family Office Assessment process concludes with a one hour review call. In this call, the Registrant will provide an approximate current business valuation and will advise the client on potential recommendations intended to increase business revenues and, ultimately, increase the valuation. For clients who are business owners, Registrant will explain the identified gaps in the client’s wealth management situation and will advise the client on potential recommendations for closing such wealth management gaps.

#### **WEALTH BUILDER**

The Registrant’s Wealth Builder service is designed to allow for a high level of coordination among the client’s team of professionals. Under the Wealth Builder service, Registrant will generally lead the collaboration efforts across the client’s existing team of professionals and, if necessary, help replace or supplement the client’s existing team in a cost-efficient manner.

In addition to the above, to the extent specifically requested by the client, the Wealth Builder program can provide:

- Access to a personalized online net worth dashboard
- Estate, asset, and insurance review (every three years)
- Tax planning with a CPA or tax attorney (twice annually)
- Planning of monetization strategy and the provision of basic pre-exit tax planning and estate-transfer tax planning, as needed
- Working with the client's existing team of professionals, and potentially supplementing such team with additional professionals as needed, for in depth pre-exit tax planning and estate-transfer tax planning, as needed
- Up to two annual private placement investment reviews and consultations per quarter
- Business driver review with the client's bookkeeper and/or Chief Financial Officer (once annually)
- Monthly custom video updates from the client's lead adviser
- Ad hoc meetings and consultations on an as-needed basis, with up to seven days lead time

#### **WEALTH ACCELERATOR**

Registrant's Wealth Accelerator program represents a middle ground between the Virtual Family Office and Wealth Builder programs. In Wealth Accelerator engagements, Registrant will generally work alongside the client's other engaged professionals in an effort to coordinate all aspects of the client's financial profile. Registrant may be asked to evaluate the client's other engaged professionals and, if needed, find and recommend replacement professional service providers. Registrant, as needed, may also be asked to identify experts for consultation in the event the client's current team of engaged professionals are unable to adequately address a client's needs in various niche disciplines.

In addition to the above, to the extent specifically requested by the client, the Wealth Accelerator program can also provide:

- Access to a personalized online net worth dashboard
- Estate, asset, and insurance review (every two years)
- Tax planning with a CPA or tax attorney (up to four times annually)
- Working with the client's existing team of professionals, and potentially supplementing such team with additional professionals as needed, for in depth pre-exit tax planning and estate-transfer tax planning, as needed
- Up to four annual private placement investment reviews and consultations per quarter
- Business driver review with the client's bookkeeper and/or Chief Financial Officer (up to two times annually)
- Bi-monthly custom video updates from the client's lead adviser

- Ad hoc meetings and consultations on an as-needed basis, with up to three days lead time

### **VIRTUAL FAMILY OFFICE**

The Virtual Family Office is generally designed for clients who run successful businesses, generate a high level of cash flow, and have a need for advanced financial planning and coordination with outside professionals. In such engagements, Registrant will generally work alongside the client's other engaged professionals in an effort to coordinate all aspects of the client's financial profile. Registrant may be asked to evaluate the client's other engaged professionals and, if needed, find and recommend replacement professional service providers. Registrant, as needed, may also be asked to identify experts for consultation in the event the client's current team of engaged professionals are unable to adequately address a client's needs in various niche disciplines.

In addition to the above, to the extent specifically requested by the client, the Virtual Family Office program can also provide:

- Access to a personalized online net worth dashboard
- Annual estate, asset, and insurance review
- Tax planning with a CPA or tax attorney (up to twelve times annually)
- Pre- and post-exit planning, including identifying and vetting a team of professionals, an in depth review of asset protection practices, and coordination of estate tax and income tax mitigation planning both before and after the close of the sale
- An unlimited number of private placement investment reviews and consultations
- Business driver review with the client's bookkeeper and/or Chief Financial Officer (up to four times annually)
- Bi-monthly custom video updates from the client's lead adviser
- Ad hoc meetings and consultations on an as-needed basis, with no lead time

### **INVESTMENT MANAGEMENT SERVICES**

Registrant's Wealth Builder, Wealth Accelerator, and Virtual Family Office services may also be combined with Registrant's discretionary or non-discretionary investment management services, for an additional asset-based fee.

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent requested by a client, the Registrant may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) either inclusive of the client's discretionary or non-discretionary investment management services or on a stand-alone separate fee basis. For standalone engagements, Registrant's planning and consulting fees are negotiable, but generally range from \$1,000 to \$20,000 on a fixed fee basis, and from \$300 to \$750 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging the Registrant to provide standalone planning or consulting services, clients are generally required to enter into an agreement with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services.

If requested by the client, Registrant may recommend the services of other professionals for rendering additional services or implementing Registrant's recommendations. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such decisions and is free to accept or reject any recommendation from the Registrant. If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

### **RETIREMENT CONSULTING**

The Registrant also provides non-discretionary pension consulting services, pursuant to which it assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives (generally open-end mutual funds) from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. In addition, to the extent requested by the plan sponsor, the Registrant shall also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The terms and conditions of the engagement shall generally be set forth in a Retirement Plan Consulting Agreement between the Registrant and the plan sponsor.

### **BETTERMENT PROGRAM**

Registrant's investment management services may be rendered through a sub-advisor in conjunction with the services provided by Betterment, LLC ("Betterment"), an unaffiliated registered investment adviser. Subject to our supervision, input, and oversight, Betterment can be engaged to provide automated discretionary asset management to clients. In such engagements, we work closely with clients to identify their specific financial situation, risk tolerance, objectives, and other factors. This information is then communicated to Betterment, through the Betterment website, and is used by Betterment to automatically invest and reinvest client assets among eligible investment products, which shall generally include exchange-traded funds, mutual funds, other similar equity related index funds, individual stocks, individual bonds, real estate investment trusts, master limited partnerships, money market funds, U.S. treasury funds, cash sweep accounts, and other liquid cash and cash-like vehicles.

Alternatively, we may recommend that clients place investment assets in certain asset allocation models made available by Betterment and managed by various third-party providers. In these situations, Betterment would not be granted discretionary authority to manage the client account. Instead, we would allocate and/or recommend a client allocate assets to one or more models, consistent with the client's financial situation and investment objectives, and we (not Betterment) would retain exclusive responsibility for managing your allocations amongst the various models.

The services to be provided by Registrant and Betterment shall be set forth in separate written agreements between the client and the respective entities. All fees charged by Betterment are separate from and in addition to those fees charged by Registrant.

### **EDUCATIONAL WORKSHOPS AND SEMINARS**

Registrant may participate in educational seminars/workshops sponsored by third-parties that focus on investment and non-investment matters. These seminars are limited in nature and are not intended to provide the participants with personalized investment advice. Registrant typically does not receive compensation in connection with its participation in such seminars/workshops and fees paid to attend such seminars/workshops are generally retained by the program's sponsor.

Program attendees are often invited to engage the program sponsor and/or one or more workshop/seminar presenters for the provision of additional services. For example, attendees may be invited to purchase a bundle of additional services, a portion of which bundle includes services to be rendered by Registrant. Although Registrant's services would be included in this bundle, Registrant would generally not receive any portion of the compensation paid to receive such bundled services.

## **MISCELLANEOUS**

**Limitations of Family Office Assessments, Financial Planning and Non-Investment Consulting/Implementation Services.** As indicated above, to the extent requested by the client, Registrant may provide Family Office Assessments, financial planning, and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Registrant does not serve as a law firm or accounting firm, and no portion of its services should be construed as legal or accounting services. Accordingly, Registrant does not prepare estate planning documents or tax returns. To the extent requested by a client, Registrant may recommend the services of other professionals for implementation purposes (e.g., attorneys, accountants, insurance agents, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant and/or its representatives. If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

**Independent Managers.** Registrant may allocate a portion of a client's investment assets among unaffiliated independent investment managers ("Independent Manager(s)") in accordance with the client's designated investment objective(s). In such situations, the Independent Manager(s) will have day-to-day responsibility for the active discretionary management of the allocated assets. Registrant will continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. The factors Registrant considers in recommending Independent Manager(s) include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fee charged by the Independent Manager(s) is separate from, and in addition to, Registrant's advisory fee as set forth in Item 5.

**Non-Discretionary Service Limitations.** Clients that determine to engage Registrant on a non-discretionary basis must be willing to accept that Registrant cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that Registrant would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, the Registrant will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

**Retirement Rollovers:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of

these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant will earn a new (or increase its current) advisory fee as a result of the rollover. No client is under any obligation to roll over retirement plan assets to an account managed by Registrant.

**ERISA / IRC Fiduciary Acknowledgment.** When Registrant provides investment advice to a client regarding the client's retirement plan account or individual retirement account, it does so as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts. The way Registrant makes money creates some conflicts with client interests, so Registrant operates under a special rule that requires it to act in the client's best interest and not put its interests ahead of the client's.

Under this special rule's provisions, Registrant must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put its financial interests ahead of the client's when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that Registrant gives advice that is in the client's best interest;
- Charge no more than is reasonable for Registrant's services; and
- Give the client basic information about conflicts of interest.

**Use of Mutual Funds:** Most mutual funds are available directly to the public. Thus, a prospective client can obtain many of the mutual funds that may be recommended and/or utilized by Registrant independent of engaging Registrant as an investment adviser. However, if a prospective client determines to do so, he/she will not receive Registrant's initial and ongoing investment advisory services. Registrant utilizes mutual funds issued by Dimensional Fund Advisors ("DFA"). DFA funds are generally only available through certain approved registered investment advisers. Thus, if the client was to terminate Registrant's services, and not transition to another adviser who is approved to trade in DFA funds, restrictions regarding additional purchases of, or reallocation among other, DFA funds will generally apply.

**Data Aggregation Platforms.** Registrant may provide its clients with access to online data aggregation platform(s). The platform(s) allows a client to view their complete asset allocation, including those assets that Registrant does not manage (the "Excluded Assets"). Registrant does not provide investment management, monitoring, or implementation services for the Excluded Assets. Therefore, Registrant shall not be responsible for the investment performance of the Excluded Assets. Rather, the client and/or their advisor(s) that maintain management authority for the Excluded Assets, and not Registrant, shall be exclusively responsible for such investment performance. The client may choose to engage Registrant to manage some or all of the Excluded Assets pursuant to the terms and conditions of a services agreement between Registrant and the client. The platform(s) also provides access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by Registrant. Finally, Registrant shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the platform(s) without Registrant's assistance or oversight.



**Cash Positions.** Registrant considers cash and cash equivalents to be a material component of a client's asset allocation. Depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the Registrant may maintain cash and cash equivalent positions (such as money market funds, etc.) for defensive, liquidity, or other purposes. Unless otherwise agreed in writing, all such cash positions are included as part of assets under management for purposes of calculating the Registrant's advisory fee. Clients are advised that, at any given time, Registrant's annual fee may exceed the yield earned on cash and cash equivalent positions.

**Periods of Portfolio Inactivity.** Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment management services, Registrant will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, mutual fund manager tenure, style drift, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by Registrant will be profitable or equal any specific performance level(s). Investment management clients remain subject to Registrant's asset-based fees during such periods of account inactivity.

**Legacy Engagements.** Certain of Registrant's clients remain engaged with Registrant for legacy services and/or fee arrangements, which services and/or fee arrangements are not described in this Brochure and are no longer offered to new clients. Such legacy clients are advised to consult their executed agreement(s) with Registrant for further details.

**Trade Error Policy.** Registrant shall reimburse accounts for losses resulting from the Registrant's trade errors, but shall not credit accounts for such errors resulting in market gains, unless it is the policy of the respective custodian/broker-dealer. Where permitted by the custodian/broker-dealer, the gains and losses are reconciled within the Registrant's custodian firm account and Registrant retains the net gains and losses. Certain custodians/broker-dealers that the Registrant has relationship with may net trade gains with losses and donate any proceeds to charity.

**Client Obligations.** In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other designated professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.
- D. **Unaffiliated Wrap Programs.** Registrant does not offer a wrap fee program for its investment management services. However, Registrant is a participating investment adviser in certain unaffiliated wrap and managed account fee programs, including those programs sponsored by Betterment and AssetMark. With respect to the wrap-fee program

in which Registrant is a participating investment adviser, clients pay a separate and additional wrap fee directly to the wrap fee program sponsor. Under a wrap program, the wrap program sponsor arranges for the investor participant to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the participant more or less than purchasing such services separately.

- E. As of December 31, 2021, the Registrant had \$213,980,576 in assets under management on a non-discretionary basis and \$28,358,552 in assets under management on a discretionary basis.

## **Item 5 Fees and Compensation**

### **A. FAMILY OFFICE ASSESSMENT**

Registrant's Family Office Assessment is available for a one-time fixed fee of \$20,000. Registrant's ability to complete the Family Office Assessment is contingent upon the client's prompt action and timely production of certain requested information and documents. Accordingly, the Family Office Assessment fixed fee can be reduced by \$5,000 for clients sign a Family Office Assessment services agreement and pay the corresponding fee within two (2) weeks of the client's introductory phone call with Registrant, and who produce requested information and/or documents within thirty (30) days of engagement. The timelines applicable to this discount may be waived or extended at Registrant's sole discretion.

As discussed in Item 4 above, Registrant may also provide services to attendees of educational workshops and seminars. Although attendees generally pay a fee to receive such services, the compensation is typically paid to the event sponsor, and, unless otherwise disclosed, no portion of this compensation is retained by Registrant. Notwithstanding the foregoing, for those workshop and seminar attendees who pay to receive additional services performed by Registrant and who, within thirty (30) days, engage Registrant to provide Family Office Assessment services, Registrant may discount its Family Office Assessment fixed fee in an amount equal to the value of the services provided by Registrant. Any such discount will be set forth in a separate writing between Registrant and the client.

In other limited instances, Registrant may discount the Family Office Assessment fixed fee based on a variety of factors including, but not limited to, the representative assigned to the account, the complexity of the engagement, the anticipated number of meetings and servicing needs, and negotiations with the client. Unless otherwise agreed, these discounted Family Office Assessment fees are not used as an offset to the monthly Wealth Builder, Wealth Accelerator, and Virtual Family Office fixed fees.

The client can receive the Family Office Assessment either on a standalone basis or in combination with Registrant's Wealth Builder, Wealth Accelerator, or Virtual Family Office programs. If a Family Office Assessment client engages Registrant for Wealth Builder, Wealth Accelerator, or Virtual Family Office services within two (2) weeks of completing the Family Office Assessment, the monthly fixed fee for such additional services will be discounted in accordance with the fee schedules shown below (the "FOA Discount"). The timeline to receive this discount may be waived or extended at Registrant's sole discretion.

## **WEALTH BUILDER**

A client may engage the Registrant to provide Wealth Builder services on a monthly fixed fee basis in accordance with the below schedule:

<u>Standard Monthly Fee:</u>	\$5,000
<u>Monthly Fee with FOA Discount:</u>	\$4,000

After twelve (12) months of continuous engagement, the client's monthly Wealth Builder fee is then reduced by \$1,000.

For Wealth Builder clients who also elect to receive Registrant's discretionary or non-discretionary investment management services, such investment management services will be subject to a separate and additional asset-based annual fee of 0.40%.

## **WEALTH ACCELERATOR**

A client may engage the Registrant to provide Wealth Accelerator services on a monthly fixed fee basis in accordance with the below schedule:

<u>Standard Monthly Fee:</u>	\$7,000
<u>Monthly Fee with FOA Discount:</u>	\$6,000

After twelve (12) months of continuous engagement, the client's monthly Wealth Accelerator fee is then reduced by \$1,000.

For Wealth Accelerator clients who also elect to receive Registrant's discretionary or non-discretionary investment management services, such investment management services will be subject to a separate and additional asset-based annual fee of 0.35%.

## **VIRTUAL FAMILY OFFICE SERVICES**

A client may engage the Registrant to provide Virtual Family Office services on a monthly fixed fee basis in accordance with the below schedule:

<u>Standard Monthly Fee:</u>	\$9,000
<u>Monthly Fee with FOA Discount:</u>	\$8,000

After twelve (12) months of continuous engagement, the client's monthly Virtual Family Office fee is then reduced by \$1,000.

For Virtual Family Office clients who also elect to receive Registrant's discretionary or non-discretionary investment management services, such investment management services will be subject to a separate and additional asset-based annual fee of 0.30%.

**Please Note:** To the extent that a client's investment portfolio utilizes an Independent Manager, as discussed in Item 4 above, and the Independent Manager charges fees in addition to the Registrant's investment management fee, the client shall incur additional management fees as detailed in materials provided by the particular Independent Manager prior to engaging the Independent Manager's services.

As disclosed in Item 10.D below, the Registrant does not receive, directly or indirectly, compensation from Independent Manager(s) it selects or recommends to its clients.

## **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent specifically requested by a client, the Registrant may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Registrant's planning and consulting fees are negotiable, but generally range from \$1,000 to \$20,000 on a fixed fee basis, and from \$300 to \$750 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

Depending on the scope of planning services to be performed, Registrant may require that clients pay the full fixed fee upon engagement. If agreed by Registrant, all other clients will be required to pay a portion of the fixed fee in advance. Generally, the balance of the Registrant's fixed fee, if any, shall be paid in advance and due in monthly or quarterly payments, as agreed, at the end of each successive period.

Clients who engage the Registrant to provide financial planning and consulting services on an hourly rate basis shall typically receive a monthly invoice detailing the planning and consulting services provided during the previous month and the hourly fees incurred for those services.

## **RETIREMENT CONSULTING**

The Registrant also provides non-discretionary pension consulting services, pursuant to which it assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives (generally open-end mutual funds) from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. The Registrant generally charges an annual fee between negotiable and .50% of plan assets depending on the services requested and the size of the plan for Retirement Consulting Services.

## **FEE NEGOTIABILITY AND ALTERNATIVE FEE ARRANGEMENTS**

Registrant reserves the right to negotiate its fees, or engage in alternative fee arrangements not described herein, based upon various objective and subjective factors, including but not limited to: the representative assigned to the account, the amount of assets to be invested, the complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts, future earning capacity, anticipated future additional assets, negotiations with the client, and other factors. Before engaging Registrant to provide investment advisory services, clients are required to enter into an agreement with Registrant, setting forth the terms and conditions of the engagement (including termination), which describes the fees and services to be provided. Similar advisory services may be available from other investment advisers for similar or lower fees.

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's services agreement and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant generally deducts fees and/or bills its asset-based fees quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.

- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that Ameritrade and/or AssetMark, serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Ameritrade and/or AssetMark charge brokerage commissions and/or transaction fees for effecting certain securities transactions in accordance with their respective transaction fee/brokerage commission schedule. In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Certain Independent Managers may require that investment assets be maintained at a specified broker-dealer/custodian. In such instances, Registrant will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, clients 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 through alternative clearing arrangements recommended by Registrant. Higher transaction costs adversely impact account performance.

- D. Registrant's asset-based advisory fees are generally prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. Registrant generally does not make adjustments for account deposits and withdrawals made during a billing period.

The monthly fees paid pursuant to Registrant's Wealth Builder, Wealth Accelerator, and Virtual Family Office services are paid monthly, in advance.

The services agreement between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the agreement. Upon termination, the Registrant shall refund a pro-rated portion of any advanced fee paid based upon the number of days remaining in the billing period.

The fee practices of Independent Managers who may be engaged to provide investment advisory services in conjunction with Registrant, including the timing, frequency, and manner of fee assessment, as well as adjustments to fees resulting from account deposits and withdrawals, may vary from Registrant's fee practices, as described herein. Clients are advised to carefully review any separately executed Investment Advisory Agreement with such Independent Manager(s) and related disclosure documents for specific details.

**Legacy Engagements.** As discussed in Item 4 above, certain of Registrant's clients remain engaged with Registrant for legacy services and/or fee arrangements, which services and/or fee arrangements are not described in this Brochure and are no longer offered to new clients. Such legacy clients are advised to consult their executed agreement(s) with Registrant for further details.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

## **Item 7           Types of Clients**

The Registrant's clients shall generally include individuals, high net worth individuals, pension and profit sharing plans, and charitable organizations. Registrant generally does not require a minimum asset level for investment advisory services.

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

- A. The Registrant may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

**Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Currently, the Registrant allocates client investment assets on a discretionary or non-discretionary basis primarily among individual debt and equity securities (including private REIT products), and among various no-load mutual funds through third-party money managers in accordance with the client's designated investment objective(s).

Registrant may also introduce certain qualified clients to unaffiliated private investments. Registrant's role relative to the private investments shall be limited to its evaluation of the benefits and limitations of the investment, which evaluation will be based exclusively upon Registrant's review of the investment's documentation and/or information provided by the investment, its sponsor or issuer, and/or third-party provider. Registrant's clients are under absolutely no obligation to consider or make an investment in a private investment(s).

**1. Unaffiliated Private Investment Risk Factors:**

Private investments generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each investment's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investments do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, Private Placement Memorandum, or similar offering document pursuant to which the client shall establish that he/she is qualified for investment, and acknowledges and accepts the various risk factors that are associated with such an investment.

**2. Private Investment Valuation:**

In the event that Registrant references private investments owned by the client on any supplemental account reports prepared by Registrant, the value(s) for all private investments owned by the client shall reflect the most recent valuation provided by the investment's sponsor or issuer. The current value of any private investment could be significantly more or less than the original purchase price or the price reflected in any supplemental account report. However, unless otherwise agreed upon with the client, the value of any private investment will not be included in assets under management for the purposes of calculating Registrant's fees.

**3. Potential for Conflict of Interest:**

In some cases, certain associated persons of Registrant maintain ownership interests in the private investments that may be introduced to Registrant's clients. Such ownership interest presents a conflict of interest in Registrant's evaluation of the investment, in that Registrant's associated persons may be incentivized to evaluate the investment in a favorable manner in an effort to preserve or enhance the value of the associated person's investment. Registrant will fully disclose this conflict to clients who are introduced to a private investment in which one or more of Registrant's associated persons maintain an ownership interest.

**Item 9                    Disciplinary Information**

The Registrant has not been the subject of any disciplinary actions.

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

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Insurance Agency and Licensed Insurance Agent.** The Registrant is licensed as an insurance agency. Certain of Registrant's associated persons, in their individual capacities, are licensed insurance agents, but do not solicit clients for commission-based insurance sales. Insurance licenses are maintained for the purpose of collecting trail commissions only.

**EWealth Enterprises, LLC.** Registrant's principal is, in his individual capacity, a member of EWealth Enterprises, LLC, a publisher of investment-related online educational materials. Through this activity, clients can access a course entitled *EWealth Playbook for Expanding Wealth, Freedom, and Time*. The course discusses general investment topics, is not tailored to any attendee's individual circumstances, and should not be construed in any way as a substitute for individualized investment advice. No client of EWealth Enterprises, LLC is under any obligation to become a client of Registrant and, to the extent any representative of Registrant recommends the services of Registrant to any EWealth Enterprises, LLC client, such recommendation presents a conflict of interests, as the recommendation could be made on the basis of compensation to be received by Registrant, rather than basing such recommendation on a particular client's needs.

- D. The Registrant does not receive, directly or indirectly, compensation from Independent Manager(s) it selects or recommends to its clients. Prior to recommending any Independent Manager, the Registrant shall ensure that the Independent Manager is properly state registered or notice-filed.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit



upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of the Registrant’s clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant’s “Access Persons”. The Registrant’s securities truncation policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant’s Access Persons.

## **Item 12            Brokerage Practices**

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at Ameritrade and/or AssetMark. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal agreement with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending Ameritrade and/or AssetMark (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant’s

best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

Certain Independent Managers may require that investment assets be maintained at a specified broker-dealer/custodian. In such instances, Registrant will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, clients 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 through alternative clearing arrangements recommended by Registrant. Higher transaction costs adversely impact account performance.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant can receive from Ameritrade and/or AssetMark (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that can be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

Certain of the above support services and/or products assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at Ameritrade and/or AssetMark as a result of this arrangement. There is no corresponding commitment made by the Registrant to Ameritrade and/or AssetMark or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, 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.

In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly

acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

- B. The Registrant does not combine or “bunch” orders to negotiate commission rates.

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

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts.

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

- A. As referenced in Item 12.A.1 above, the Registrant may receive an economic benefit from Ameritrade and/or AssetMark. The Registrant, without cost (and/or at a discount), may receive support services and/or products from Ameritrade and/or AssetMark.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at Ameritrade and/or AssetMark as a result of this arrangement. There is no corresponding commitment made by the Registrant to Ameritrade and/or AssetMark or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

- B. The Registrant does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

### **Item 15      Custody**

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-

dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

The Registrant provides other services on behalf of its clients that require disclosure at ADV Part 1, Item 9. In particular, certain clients have signed asset transfer authorizations that permit the qualified custodian to rely upon instructions from the Registrant to transfer client funds to "third parties." In accordance with the guidance provided in the SEC Staff's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subjected to an annual surprise CPA examination.

## **Item 16          Investment Discretion**

The client can determine to engage the Registrant to provide investment management services on a discretionary basis. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal agreement with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, in writing, on the Registrant's discretionary authority. (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

## **Item 17          Voting Client Securities**

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

## **Item 18          Financial Information**

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.

- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.