

**FORM ADV PART 2A  
DISCLOSURE BROCHURE**

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This brochure provides information about the qualifications and business practices of Financial Network Wealth Advisors LLC. Being registered as an investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 801-748-0044. 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 FINANCIAL NETWORK WEALTH ADVISORS LLC (CRD #318842) IS AVAILABLE ON THE SEC'S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV)**

## **Item 2: Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

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

Initial Filing.

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### **Full Brochure Available**

This Firm Brochure being delivered is the complete brochure for the Firm.

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## Item 4: Advisory Business

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### Firm Description

Financial Network Wealth Advisors LLC (“FNWA”) was founded in 2021 and became registered to offer investment advisory services in 2022. Michael Bell is 51% owner and Darin Arnell is 49% owner. Debbie Parker is the Chief Compliance Officer.

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### Types of Advisory Services

#### ASSET MANAGEMENT

FNWA offers discretionary and non-discretionary asset management services to advisory Clients. FNWA will offer Clients ongoing asset management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors.

#### Discretionary

When the Client provides FNWA discretionary authority the Client will sign a limited trading authorization or equivalent. FNWA will have the authority to execute transactions in the account without seeking Client approval on each transaction.

#### Non-Discretionary

When the Client elects to use FNWA on a non-discretionary basis, FNWA will determine the securities to be bought or sold and the amount of the securities to be bought or sold. However, FNWA will obtain prior Client approval on each and every transaction before executing any transaction.

When deemed appropriate for the Client, FNWA may hire Sub-Advisors to manage all or a portion of the assets in the Client account. FNWA has full discretion to hire and fire Sub-Advisors as they deem suitable. Sub-Advisors will maintain the models or investment strategies agreed upon between Sub-Advisor and FNWA. Sub-Advisors execute trades on behalf of FNWA in Client accounts. FNWA will be responsible for the overall direct relationship with the Client. FNWA retains the authority to terminate the Sub-Advisor relationship at FNWA’s discretion.

#### ERISA PLAN SERVICES

FNWA provides service to qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit-sharing plans, cash balance plans, and deferred compensation plans. FNWA may act as a 3(21) advisor:

**Limited Scope ERISA 3(21) Fiduciary.** FNWA may serve as a limited scope ERISA 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions. As an investment advisor FNWA has a fiduciary duty to act in the best interest of the Client. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using FNWA can help the plan sponsor delegate liability by following a diligent process.

#### 1. Fiduciary Services are:

- Provide investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan’s investment policies and objectives. Client will make the final decision regarding the initial selection, retention, removal and addition of investment options. FNWA acknowledges that it is a fiduciary as defined in ERISA section 3 (21) (A) (ii).
- Assist the Client in the development of an investment policy statement (“IPS”). The IPS establishes the investment policies and objectives for the Plan. Client shall have

the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.

- Provide investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5) and 404(a)-5.
- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
- Meet with Client on a periodic basis to discuss the reports and the investment recommendations.

2. Non-fiduciary Services are:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands FNWA's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, FNWA is not providing fiduciary advice as defined by ERISA 3(21)(A)(ii) to the Plan participants. FNWA will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

FNWA may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between FNWA and Client.

3. FNWA has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- Employer securities;
- Real estate (except for real estate funds or publicly traded REITs);
- Stock brokerage accounts or mutual fund windows;
- Participant loans;
- Non-publicly traded partnership interests;
- Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to FNWA on the ERISA Agreement. Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

## FINANCIAL PLANNING AND CONSULTING

Financial planning services include a comprehensive evaluation of an investor's current and future financial state and will be provided by using currently known variables to predict future cash flows, asset values and withdrawal plans. FNWA will use current net worth, tax liabilities, asset allocation, and future retirement and estate plans in developing financial plans.

Typical topics reviewed in a financial plan may include but are not limited to:

- **Financial goals:** Based on an individual's or a family's clearly defined financial goals, including funding a college education for the children, buying a larger home, starting a business, retiring on time or leaving a legacy. Financial goals should be quantified and set to milestones for tracking.
- **Personal net worth statement:** A snapshot of assets and liabilities serves as a benchmark for measuring progress towards financial goals.
- **Cash flow analysis:** An income and spending plan determines how much can be set aside for debt repayment, savings and investing each month.
- **Retirement strategy:** A strategy for achieving retirement independent of other financial priorities. Including a strategy for accumulating the required retirement capital and its planned lifetime distribution.
- **Comprehensive risk management plan:** Identify all risk exposures and provide the necessary coverage to protect the family and its assets against financial loss. The risk management plan includes a full review of life and disability insurance, personal liability coverage, property and casualty coverage, and catastrophic coverage.
- **Long-term investment plan:** Include a customized asset allocation strategy based on specific investment objectives and a risk profile. This investment plan sets guidelines for selecting, buying and selling investments and establishing benchmarks for performance review.
- **Tax reduction strategy:** Identify ways to minimize taxes on personal income to the extent permissible by the tax code. The strategy should include identification of tax-favored investment vehicles that can reduce taxation of investment income.
- **Estate preservation:** Help update accounts, review beneficiaries for retirement accounts and life insurance, provide a second look at your current estate planning documents, and prompt you to update your plan when the legal environment changes or you have major life events such as a marriage, death, or births.

If a conflict of interest exists between the interests of FNWA and the interests of the Client, the Client is under no obligation to act upon FNWA's recommendation. If the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transaction through FNWA. Financial plans will be completed and delivered inside of thirty (30) days contingent upon timely delivery of all required documentation.

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

The goals and objectives for each Client are documented in our Client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without written Client consent.

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### **Wrap Fee Programs**

FNWA does not sponsor any wrap fee programs.



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## Client Assets under Management

As this is the initial filing of this brochure, FNWA has no Client assets under management.

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## Item 5: Fees and Compensation

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### Method of Compensation and Fee Schedule

#### ASSET MANAGEMENT

FNWA offers direct asset management services to advisory Clients. FNWA charges an annual investment advisory fee based on the total assets under management as follows:

Assets Under Management	Annual Fee	Monthly Fee
First \$500,000 (\$0-\$500,000)	1.00%	.0833%
Your next \$500,000 (\$500,000.01 - \$1,000,000)	0.90%	.0750%
Your next \$1,000,000 (\$1,000,000.01 - \$2,000,000)	0.80%	.0667%
Your next \$3,000,000 (\$2,000,000.01 - \$5,000,000)	0.70%	.0583%
Subsequent amounts (\$5,000,000.01+)	0.60%	.0500%

This is a tiered/blended fee schedule, the asset management fee is calculated by applying different rates to different portions of the portfolio. FNWA may group certain related Client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

The annual fee is negotiable based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.). Fees are billed monthly in arrears based on an average daily balance of the account for the previous month. The calculation for the average daily balance is based on the formula  $(A/D) \times (F/P)$ .

A = the sum of the daily balances in the billing period

D = number of days in the billing period

F = annual management fee

P = number of billing periods per year

**Step 1: Based on monthly billing cycle:** Calculate the average of the values of the Client's account over the course of the entire month to determine the average daily balance.

Day	Balance	Day	Balance	Day	Balance
1	\$587,654	11	\$587,664	21	\$587,677
2	\$587,999	12	\$588,009	22	\$588,022
3	\$600,021	13	\$600,031	23	\$600,044
4	\$601,187	14	\$601,197	24	\$601,210
5	\$599,862	15	\$599,872	25	\$599,885
6	\$599,884	16	\$599,894	26	\$599,907
7	\$587,135	17	\$587,145	27	\$587,158
8	\$597,635	18	\$597,645	28	\$597,658
9	\$602,587	19	\$602,597	29	\$602,610
10	\$599,358	20	\$599,368	30	\$599,381
Total of days 1-30					\$17,890,296
Average daily balance					
(\$17,890,296 (A)/30 (D)) = \$596,343.20					

**Step 2: Calculate the annual fee:**

<u>AUM</u>	<u>Annual Fee</u>	<u>Total</u>
First \$500,000.00	x .01 =	\$5,000
Next \$96,343.20	x .009 =	\$867.09
Grand total for the quarter		<u>\$5,867.09</u>

**Step 3: Determine the monthly fee: \$5867.09/12 (P)=\$488.92**

If margin is utilized, the fees will be billed based on the net asset value of the account. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation and without penalty. After the initial five (5) business days, the agreement may be terminated by FNWA with thirty (30) days written notice to Client and by the Client at any time with written notice to FNWA. For accounts opened or closed mid-billing period, fees will be prorated based on the days services are provided during the given period. All unpaid earned fees will be due to FNWA. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

FNWA may also utilize the services of a Sub-Advisor to manage Clients' investment portfolios. FNWA will enter into Sub-Advisor agreements with other registered investment advisor firms. When using Sub-Advisors, the Client will pay additional fees. The Sub-Advisors fees will be disclosed to the Client in the Investment Advisory Agreement.

**ERISA PLAN SERVICES**

The annual fees are based on the market value of the Included Assets and will not exceed 1%. The annual fee is negotiable and will be charged as a percentage of the Included Assets. Fees may be charged quarterly or monthly in arrears or in advance based on the assets as calculated by the custodian or record keeper of the Included Assets (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets). If the services to be provided start any time other than the first day of a quarter or month, the fee will be prorated based on the number of days remaining in the quarter or month. If this Agreement is terminated prior to the end of the billing cycle, FNWA shall be entitled to a prorated fee based on the number of days during the fee period services were provided or Client will be due a prorated refund of fees for days services were not provided in the billing cycle.

The fee schedule, which includes compensation of FNWA for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees. Client may elect to be billed directly or have fees deducted from Plan Assets. FNWA does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, FNWA will disclose this compensation, the services rendered, and the payer of compensation. FNWA will offset the compensation against the fees agreed upon under the Agreement.

**FINANCIAL PLANNING AND CONSULTING**

FNWA charges an hourly fee based on complexity and unique Client needs for financial planning. Prior to the planning process the Client will be provided an estimated plan fee. Services are completed and delivered inside of thirty (30) days contingent upon timely delivery of all required documentation. Client may cancel within five (5) business days of signing Agreement with no obligation and without penalty. If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client, or any unpaid earned

fees will be due to FNWA. FNWA reserves the right to waive the fee should the Client implement the plan through FNWA.

#### **HOURLY FEES**

Financial Planning Services are offered based on an hourly fee of \$200 per hour.

Fees for financial plans are:

Due upon delivery of the completed plan.

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#### **Client Payment of Fees**

Fees for asset management services are deducted from a designated Client account to facilitate billing or they may pay FNWA directly. The Client must consent in advance to direct debiting of their investment account.

Fees for ERISA services will either be deducted from Plan assets or paid directly to FNWA. The Client must consent in advance to direct debiting of their investment account.

Fees for financial plans will be billed to the Client and paid directly to FNWA.

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#### **Additional Client Fees Charged**

Custodians may charge transaction fees and other related costs on the purchases or sales of mutual funds, equities, bonds, options and exchange-traded funds. Mutual funds, money market funds and exchange-traded funds also charge internal management fees, which are disclosed in the fund's prospectus. Margin interest may also apply for Client electing to utilize margin on their account(s). FNWA does not receive any compensation from these fees. All of these fees are in addition to the management fee you pay to FNWA. For more details on the brokerage practices, see Item 12 of this brochure.

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#### **Prepayment of Client Fees**

FNWA does not require any prepayment of fees of more than \$1,200 per Client and six months or more in advance.

Fees for ERISA 3(21) services may be billed in advance.

If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client, or any unpaid earned fees will be due to FNWA.

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

Investment Advisor Representatives of FNWA receive external compensation for the sale of securities to clients as registered representatives of Cetera Advisor Networks LLC, a broker-dealer. This represents a conflict of interest because it gives an incentive to recommend products based on the commission received. As registered representatives, they do not charge advisory fees for the services offered through Cetera Advisor Networks LLC. This conflict is mitigated by disclosures, procedures, and FNWA's fiduciary obligation to place the best interest of the Client first and Clients are not required to purchase any products or services. Clients have the option to purchase these products through another registered representative of their choosing.

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

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#### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

FNWA does not use a performance-based fee structure because of the conflict of interest. Performance based compensation may create an incentive for FNWA to recommend an investment that may carry a higher degree of risk to the Client.

## **Item 7: Types of Clients**

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### **Description**

FNWA generally provides investment advice to individuals, high net worth individuals, or charitable organizations, corporations or business entities. Client relationships vary in scope and length of service.

### **Account Minimums**

FNWA requires a minimum of \$20,000 to open an account. In certain instances, the minimum account size may be lowered or waived.

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

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### **Methods of Analysis**

Security analysis methods may include fundamental analysis, Monte Carlo and efficient frontiers. Investing in securities involves risk of loss that Clients should be prepared to bear. Past performance is not a guarantee of future returns.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Monte Carlo planning technique is used to calculate the percentage probability of specific scenarios that are based upon a set group of assumptions and standard deviations. This method of calculation has often been used in investment and retirement planning to project the likelihood of achieving one's financial or retirement goals and whether or not a retiree will have enough income to live on for life, given a wide range of possible outcomes in the markets. While there are no absolute parameters for this type of projection, the underlying assumptions for these calculations typically include such factors as interest rates, the client's age and projected time to retirement, the amount of the investment portfolio that is spent or withdrawn each year and the portfolio allocation.

Efficient frontiers are an investment portfolio which occupies the 'efficient' parts of the risk-return spectrum, meaning the set of optimal portfolios offers the highest expected return for a defined level of risk or the lowest risk for a given level of expected return.

### **Investment Strategy**

The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time by providing written notice to FNWA. Each Client executes a Client profile form or similar form that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, and option writing (including covered options, uncovered options or spreading strategies).

### **Security Specific Material Risks**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with FNWA:

- *Market Risk:* The prices of securities in which clients invest may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by a fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations. Investors should have a long-term perspective and be able to tolerate potentially sharp declines in market value.
- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Management Risk:* The advisor's investment approach may fail to produce the intended results. If the advisor's assumptions regarding the performance of a specific asset class or fund are not realized in the expected time frame, the overall performance of the client's portfolio may suffer.
- *Equity Risk:* Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund or ETF can be more volatile than the market as a whole. This volatility affects the value of the client's overall portfolio. Small- and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.
- *Fixed Income Risk:* The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities held by a fund is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.
- *Investment Companies Risk:* When a client invests in open end mutual funds or ETFs, the client indirectly bears their proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an

underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value or (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. Adviser has no control over the risks taken by the underlying funds in which client invests.

- *Derivatives Risk:* Funds in a client's portfolio may use derivative instruments. The value of these derivative instruments derives from the value of an underlying asset, currency or index. Investments by a fund in such underlying funds may involve the risk that the value of the underlying fund's derivatives may rise or fall more rapidly than other investments, and the risk that an underlying fund may lose more than the amount that it invested in the derivative instrument in the first place. Derivative instruments also involve the risk that other parties to the derivative contract may fail to meet their obligations, which could cause losses.
- *Foreign Securities Risk:* Funds in which clients invest may invest in foreign securities. Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include, among others, currency risk, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. To the extent that underlying funds invest in issuers located in emerging markets, the risk may be heightened by political changes, changes in taxation, or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- *Long-term purchases:* Long-term investments are those vehicles purchased with the intension of being held for more than one year. Typically, the expectation of the investment is to increase in value so that it can eventually be sold for a profit. In addition, there may be an expectation for the investment to provide income. One of the biggest risks associated with long-term investments is volatility, the fluctuations in the financial markets that can cause investments to lose value.
- *Short-term purchases:* Short-term investments are typically held for one year or less. Generally, there is not a high expectation for a return or an increase in value. Typically, short-term investments are purchased for the relatively greater degree of principal protection they are designed to provide. Short-term investment vehicles may be subject to purchasing power risk — the risk that your investment's return will not keep up with inflation.
- *Trading risk:* Investing involves risk, including possible loss of principal. There is no assurance that the investment objective of any fund or investment will be achieved.
- *Options Trading:* The risks involved with trading options are that they are very time sensitive investments. An options contract is generally a few months. The buyer of an option could lose his or her entire investment even with a correct prediction about the direction and magnitude of a particular price change if the price change does not occur in the relevant time period (i.e., before the option expires). Additionally, options are less

tangible than some other investments. An option is a “book-entry” only investment without a paper certificate of ownership.

- *Trading on Margin:* In a cash account, the risk is limited to the amount of money that has been invested. In a margin account, risk includes the amount of money invested plus the amount that has been loaned. As market conditions fluctuate, the value of marginable securities will also fluctuate, causing a change in the overall account balance and debt ratio. As a result, if the value of the securities held in a margin account depreciates, the client will be required to deposit additional cash or make full payment of the margin loan to bring account back up to maintenance levels. Clients who cannot comply with such a margin call may be sold out or bought in by the brokerage firm.
- *Leveraged Risk:* The risks involved with using leverage may include compounding of returns (this works both ways – positive and negative), possible reset periods, volatility, use of derivatives, active trading and high expenses.
- *Structured Notes Risk:* The risks involved with using structured notes are credit risk of the issuing investment bank, illiquidity, and there is a risk to the pricing accuracy as most structured notes do not trade after issuance.

The risks associated with utilizing Sub-Advisors include:

- Manager Risk
  - Sub-Advisor fails to execute the stated investment strategy
- Business Risk
  - Sub-Advisor has financial or regulatory problems
- The specific risks associated with the portfolios of the Sub-Advisor’s which is disclosed in the Sub-Advisor’s Form ADV Part 2.

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## **Item 9: Disciplinary Information**

### **Criminal or Civil Actions**

FNWA and its management have not been involved in any criminal or civil action.

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### **Administrative Enforcement Proceedings**

FNWA and its management have not been involved in administrative enforcement proceedings.

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

FNWA and its management have not been involved in any self-regulatory organizational enforcement proceedings that are material to a Client’s or prospective Client’s evaluation of FNWA or the integrity of its management.

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

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

FNWA is not registered as a broker-dealer, however, investment advisor representative of FNWA are registered representatives of Cetera Advisor Networks LLC, a FINRA/SIPC broker-dealer.

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**Futures or Commodity Registration**

Neither FNWA nor its affiliated representatives are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

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

Darin Arnell has a financial affiliated business as an insurance agent with Cetera Advisor Networks, LLC. Approximately 5% of his time is spent in this activity. In addition, Mr. Arnell is a registered representative for Cetera Advisor Networks LLC. Less than 10% of his time is spent on this activity. Debbie Parker has a financial affiliated business as an operations manager of Plan 4 Wealth. Approximately 85% of her time is spent on this activity. In addition, Ms. Parker is a registered representative and investment advisor representative of Cetera Advisor Networks LLC. Approximately 15% of her time is spent on these activities.

These practices represent conflicts of interest because it gives an incentive to recommend products or services based on the commission or fee amount received. This conflict is mitigated by disclosures, procedures and the firm's fiduciary obligation to place the best interest of the Client first and the Clients are not required to purchase any products or services. Clients have the option to purchase these products through another insurance agent, registered representative or owner of their choosing.

Michael Bell has a financial affiliated business as an insurance agent with First Financial Network Insurance Agency. Approximately 1% of his time is spent on this activity. Mr. Bell has a financial affiliated business as an owner of First Financial Networks, LLC. Approximately 1% of his time is spent in this activity. In addition, Mr. Bell is a registered representative and investment advisor representative of Cetera Advisor Networks LLC. Approximately 97% is spent on these activities. These activities are not conflicts of interest as there will be no crossover clients.

Finally, Mr. Arnell is also a sole proprietor, real estate owner and an owner of DARSCO LLC, Planning Pathways, Edge 22 and OSCRAD. This does not present a conflict of interest as there will be no crossover clients.

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**Recommendations or Selections of Other Investment Advisors and Conflicts of Interest**

FNWA may also utilize the services of a Sub-Advisor to manage Clients' investment portfolios. Sub-Advisors will maintain the models or investment strategies agreed upon between Sub-Advisor and FNWA. Sub-Advisors execute all trades on behalf of FNWA in Client accounts. FNWA will be responsible for the overall direct relationship with the Client. FNWA retains the authority to terminate the Sub-Advisor relationship at FNWA's discretion.

In addition to the authority granted to FNWA, Clients will grant FNWA full discretionary authority and authorizes FNWA to select and appoint one or more independent investment advisors ("Advisors") to provide investment advisory services to Client without prior consultation with or the prior consent of Client. Such Advisors shall have all of the same authority relating to the management of Client's investment accounts as is granted to FNWA in the Agreement. In addition, at FNWA's discretion, FNWA may grant such Advisors full authority to further delegate such discretionary investment authority to additional Advisors. FNWA ensures that before selecting other advisors for Client that the other advisors are properly licensed or registered as an investment advisor.

This practice represents a conflict of interest as FNWA may select Sub-Advisors who charge a lower fee for their services than other Sub-Advisors. This conflict is mitigated by



disclosures, procedures, and by the fact that FNWA has a fiduciary duty to place the best interest of the Client first and will adhere to their code of ethics.

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

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### **Code of Ethics Description**

The affiliated persons (affiliated persons include employees and/or independent contractors) of FNWA have committed to a Code of Ethics (“Code”). The purpose of our Code is to set forth standards of conduct expected of FNWA affiliated persons and addresses conflicts that may arise. The Code defines acceptable behavior for affiliated persons of FNWA. The Code reflects FNWA and its supervised persons’ responsibility to act in the best interest of their Client.

One area which the Code addresses is when affiliated persons buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our Clients. We do not allow any affiliated persons to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients.

FNWA’s policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other affiliated person, officer or director of FNWA may recommend any transaction in a security or its derivative to advisory Clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

FNWA’s Code is based on the guiding principle that the interests of the Client are our top priority. FNWA’s officers, directors, advisors, and other affiliated persons have a fiduciary duty to our Clients and must diligently perform that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client’s interests over the interests of either affiliated persons or the company.

The Code applies to “access” persons. “Access” persons are affiliated persons who have access to non-public information regarding any Clients’ purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public.

FNWA will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

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

FNWA and its affiliated persons do not recommend to Clients securities in which we have a material financial interest.

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### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

FNWA and its affiliated persons may buy or sell securities that are also held by Clients. In order to mitigate conflicts of interest such as trading ahead of Client transactions, affiliated persons are required to disclose all reportable securities transactions as well as provide FNWA with copies of their brokerage statements.

The Chief Compliance Officer of FNWA is Debbie Parker. She reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal

trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over associated persons' transactions.

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**Client Securities Recommendations or Trades and Concurrent Advisory Firm  
Securities Transactions and Conflicts of Interest**

FNWA does not have a material financial interest in any securities being recommended. However, affiliated persons may buy or sell securities at the same time they buy or sell securities for Clients. In order to mitigate conflicts of interest such as front running, affiliated persons are required to disclose all reportable securities transactions as well as provide FNWA with copies of their brokerage statements.

The Chief Compliance Officer of FNWA is Debbie Parker. She reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over associated persons' transactions.

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**Item 12: Brokerage Practices**

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

FNWA will require the use of a particular broker-dealer based on their duty to seek best execution for the client, meaning they have an obligation to obtain the most favorable terms for a client under the circumstances. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is affected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. FNWA will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. FNWA relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by FNWA. FNWA does not receive any portion of the trading fees.

FNWA will require the use of Charles Schwab & Co., Inc.

- *Research and Other Soft Dollar Benefits*

The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by FNWA from or through a broker-dealer in exchange for directing Client transactions to the broker-dealer. Although FNWA has no formal soft dollar arrangements, FNWA may receive products, research and/or other services from custodians or broker-dealers connected to client transactions or "soft dollar benefits". As permitted by Section 28(e) of the Securities Exchange Act of 1934, FNWA receives economic benefits as a result of commissions generated from securities transactions by the custodian or broker-dealer from the accounts of FNWA. FNWA cannot ensure that a particular client will benefit from soft dollars or the client's transactions paid for the soft dollar benefits. FNWA does not seek to proportionately allocate benefits to client accounts to any soft dollar benefits generated by the accounts.

A conflict of interest exists when FNWA receives soft dollars which could result in higher commissions charged to Clients. This conflict is mitigated by the fact that

FNWA has a fiduciary responsibility to act in the best interest of its Clients and the services received are beneficial to all Clients.

- *Brokerage for Client Referrals*  
FNWA has a relationship with an unaffiliated custodian wherein FNWA receives client referrals. This results in a conflict of interest with the client since FNWA has an incentive to select or recommend a broker-dealer based on receiving these referrals rather than selecting the broker with the most favorable execution. This conflict is mitigated by the fact that FNWA has a fiduciary responsibility to act in the best interest of its Clients and the services received are beneficial to all Clients. Additionally, FNWA does not make commitments to any broker-dealer to compensate that broker-dealer through brokerage transactions for client referrals.
- *Directed Brokerage*  
FNWA does not allow directed brokerage accounts.

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

FNWA is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of FNWA. All Clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis. If aggregation is not allowed or infeasible and individual transactions occur (e.g., withdrawal or liquidation requests, odd-lot trades, etc.) an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

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

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

Account reviews are performed quarterly by the Chief Compliance Officer of FNWA, Debbie Parker. Account reviews are performed more frequently when market conditions dictate. Reviews of Client accounts include, but are not limited to, a review of Client documented risk tolerance, adherence to account objectives, investment time horizon, and suitability criteria, reviewing target allocations of each asset class to identify if there is an opportunity for rebalancing, and reviewing accounts for tax loss harvesting opportunities.

Financial plans generated are updated as requested by the Client and pursuant to a new or amended agreement, FNWA suggests updating at least annually.

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### **Review of Client Accounts on Non-Periodic Basis**

Other conditions that may trigger a review of Clients' accounts are changes in the tax laws, new investment information, and changes in a Client's own situation.

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

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by FNWA's custodian. Client receives confirmations of each transaction in account from custodian and an additional statement during any month in which a transaction occurs. Performance reports will be provided by FNWA at least annually to Clients with assets under management.

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

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

FNWA receives additional economic benefits from external sources as described above in Item 12.

Investment Advisor representatives receive external compensation for the sale of securities to Clients as registered representatives of Cetera Advisor Networks LLC, a broker-dealer.

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

FNWA may enter into agreements with individuals and organizations, which may be affiliated or unaffiliated with FNWA, that refer Clients to FNWA in exchange for compensation. All such agreements will be in writing and comply with the requirements of Federal or State regulation. If a Client is introduced to FNWA by a solicitor, FNWA may pay that solicitor a fee. While the specific terms of each agreement may differ, generally, the compensation will be based upon FNWA's engagement of new Clients and is calculated using a varying percentage of the fees paid to FNWA by such Clients. Any such fee shall be paid solely from FNWA's investment management fee, and shall not result in any additional charge to the Client.

Each prospective Client who is referred to FNWA under such an arrangement will receive a copy of this brochure and a separate written disclosure document disclosing the nature of the relationship between the solicitor and FNWA and the amount of compensation that will be paid by FNWA to the solicitor. The solicitor is required to obtain the Client's signature acknowledging receipt of FNWA's disclosure brochure and the solicitor's written disclosure statement.

## **Item 15: Custody**

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### **Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to Clients at their address of record at least quarterly. Clients are urged to carefully compare the account statements received directly from their custodians to any documentation or reports prepared by FNWA.

FNWA is deemed to have limited custody solely because advisory fees are directly deducted from Client's accounts by the custodian on behalf of FNWA.

## **Item 16: Investment Discretion**

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### **Discretionary Authority for Trading**

If applicable, Client will authorize FNWA discretionary authority, via the advisory agreement, to determine, without obtaining specific Client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. If applicable, Client will authorize FNWA discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement. If however, consent for discretion is not given, FNWA will obtain prior Client approval before executing each transaction.

FNWA allows Client's to place certain restrictions, as outlined in the Client's Investment Policy Statement or similar document. Such restrictions could include only allowing purchases of socially conscious investments. These restrictions must be provided to FNWA in writing.

The Client approves the custodian to be used and the commission rates paid to the custodian. FNWA does not receive any portion of the transaction fees or commissions paid by the Client to the custodian.

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

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### **Proxy Votes**

FNWA does not vote proxies on securities. Clients are expected to vote their own proxies. The Client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, FNWA will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client. If the Client requires assistance or has questions, they can reach out to the investment advisor representatives of the firm at the contact information on the cover page of this document.

## **Item 18: Financial Information**

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### **Balance Sheet**

A balance sheet is not required to be provided to Clients because FNWA does not serve as a custodian for Client funds or securities and FNWA does not require prepayment of fees of more than \$1,200 per Client and six months or more in advance.

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

FNWA has no condition that is reasonably likely to impair our ability to meet contractual commitments to our Clients.

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

FNWA has not had any bankruptcy petitions in the last ten years.