

**Part 2A of Form ADV: *Firm Brochure***

**SMART Wealth, LLC**

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This brochure provides information about the qualifications and business practices of SMART Wealth, LLC (herein after referred to “SMART Wealth”). If you have any questions about the contents of this brochure, please contact us at (402) 369-7777. 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 our firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration does not imply any level of skill or training.

## Item 2: Material Changes

This Firm Brochure is the disclosure document SMART Wealth, LLC ("SMART Wealth") prepared according to the SEC's regulatory requirements and rules.

SMART Wealth is required to amend this Brochure when information becomes materially inaccurate. This section describes the material changes to SMART Wealth's Part 2A of Form ADV ("Part 2A Brochure" or "Firm Brochure" or "Brochure"). It is used to provide you with a summary of new and/or updated information since the previous Brochure was published. We will inform you of the revisions based on the nature of the updated information.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We will also provide you with other interim disclosures about material changes to the information provided in this Brochure as necessary or required.

Whenever you would like to receive a complete copy of the current Brochure, please contact our compliance department at (402) 369-7777 or [lou.brooks@retiresmartllc.com](mailto:lou.brooks@retiresmartllc.com). We will be happy to provide you with a complete copy.

The following material change(s) to this Brochure have occurred since its last annual amendment:

Item 4: "Description of the Firm", we changed the registration with the SEC from pending to the actual date of registration, September 23, 2021. We also added the phrase "Registration as an investment adviser with the SEC does not imply a certain level of skill or training."

Item 4: "Client Assets Under Management", we changed the statement from "no assets under management" to \$211,215,365 in assets under management, \$202,748,110 of which was managed on a discretionary basis and approximately \$8,431,255 of which was advised on a non-discretionary basis."

Item 5: "Financial Planning and Financial Consulting Services", we updated the description of how we charge fees and also the fee range described in the first paragraph to read "Our clients typically pay a one-time fee for financial planning services. Clients who retain the firm solely for financial planning or financial consultation will be charged fees based on the nature of the services being provided, who is providing the services and the complexity of the client's circumstances. Financial planning fees are generally calculated and charged on a flat fee basis from \$1,500 to \$3,500 per engagement."

Item 8: "Investment Strategies", we updated and re-wrote the first paragraph to now read "As indicated in Item 4, most clients are placed in models overseen by a financial professional of our firm. These models may include a number of asset classes, including equities, both domestic and international, exchange-traded funds, mutual funds, fixed income, REITs, and commodities, amongst others. SMART Wealth generally manages most models in-house but may rely on sub-advisers' models or our Turnkey Asset Management Provider ("TAMP")/platform provider to implement the models. Most trading for accounts in these programs will generally be conducted by the third-party investment adviser or TAMP/platform provider."

Item 10: "Other Affiliations", we added SMART Protection, a Property and Casualty insurance company to

the list of our non-advisor affiliated companies.

Item 12: "Order Aggregation/Block Trading/Allocations", we updated and completely revised both paragraphs in this section to now read "For our direct adviser-managed accounts, the purchase or sales of the same securities for several clients may be done at approximately the same time. This process is referred to as aggregating orders, batch trading, or block trading and is used for trades executed through our Turnkey Asset Management Provider ("TAMP") /platform provider, when such action may prove advantageous to clients. When client orders are aggregated, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Since some of our accounts are managed by a sub-adviser utilizing various third-party managers, we are not always able to facilitate the aggregate purchases and sales and other transactions amongst client accounts. In those instances, the absence of block trading may result in our firm being unable to achieve for its clients the most favorable execution at the best price available, and accordingly, may cost clients more money than other arrangements."

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## Item 4: Advisory Business

### Description of the Firm

SMART Wealth, LLC ("SMART Wealth"), is an investment adviser registered with the United States Securities and Exchange Commission ("SEC") and is a Nebraska limited liability company founded in 2020 with its principal place of business in Nebraska and is solely owned by David Andrew Brooks, Sr. The firm's initial registration with the Securities & Exchange Commission was approved on September 23, 2021. Registration as an investment adviser with the SEC does not imply a certain level of skill or training. We are a financial services firm helping individuals create retirement strategies using a variety of investment and insurance products to custom suit their needs and objectives.

### Description of Services Offered

#### Retirement Income Strategies / Investment Advisory / Portfolio Management Services

Our firm offers continuous and ongoing investment advice and portfolio management services. Investment planning is designed to provide a retirement roadmap of income and expenses over the client's life. Our advice and services are tailored to meet our client's individual needs, life circumstances and investment goals. We conduct a vision meeting initially, and subsequent meetings, as necessary, (in person, telephone, or video conference, or via email) with clients in order to understand their current financial situation, existing resources, financial goals, investment objectives, risk tolerance, time horizons and liquidity needs. The primary investment management service we provide is a discretionary asset management program. Clients participating in this program are generally placed in a model overseen by a financial professional at our firm and sub-advised by a third-party investment adviser. Under this program, SMART Wealth, and any sub-advisers we hire to manage the assets in your account are authorized to buy and sell investments in the account without asking you in advance. We will monitor the portfolio's performance on an ongoing and continuous basis, unless otherwise agreed, and will make adjustments and reallocations as necessary due to changes in market conditions and your unique circumstances.

Clients have the ability to impose reasonable restrictions and guidelines on investing in certain securities, types of securities or industry sectors. We expect all such restrictions to be timely communicated to us. Client restrictions and guidelines could negatively affect investment performance.

Clients must inform us of any changes to their financial circumstances, investment objectives or risk tolerance, or of any modifications or restrictions that are imposed on the management of the client's account. In this manner, our firm can better serve clients' needs.

On a case-by-case basis, we may also agree to provide non-discretionary asset management services where appropriate. For these services, we will receive a limited power of attorney to effect securities transactions on your behalf and we will continue to make investment

recommendations based on your individualized investment strategy. However, unlike discretionary accounts, we would first be required to obtain your approval before executing transactions. Requests for approval will be communicated via electronic mail to an authorized account or via a telephone call to an authorized phone number.

The client will be responsible for responding in a timely manner.

Our services encompass asset management designed to assist clients in meeting their retirement financial goals using financial investments. We explore different types of investment options and strategies in the design of a client's portfolio. Our investment recommendations are not limited by any specific product or service. Below is a list of commonly recommended investment vehicles.

- Exchange listed securities and over the counter traded securities
- Mutual funds
- Exchange-traded fund shares
- Commodities
- Separate accounts; and
- Money market funds and other cash instruments

We will also provide advice regarding the following security types:

- Certificates of deposit
- Corporate debt securities
- Municipal securities
- U.S. governmental securities
- Variable (No-Load) annuity products
- Life Insurance Products

Each type of security has its own unique set of risks associated with it, and it would not be possible to list all the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Because some types of investments involve certain additional degrees of risk, they will only be recommended and implemented when consistent with the client's risk tolerance, investment objectives, and where the investment is determined to be suitable.

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

Our firm also provides financial planning and consulting services. Depending on your particular circumstance, such services could include a comprehensive evaluation of your financial situation by using currently known facts and variables, or it might focus on a few items of particular importance to you. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's current situation, financial goals, and objectives. For financial consulting clients, we will usually not provide a written summary of our observations and recommendations, as the process is a less formal engagement. Regardless of the nature of the service, the implementation of all recommendations will be at the client's discretion.

A financial plan or financial consultation will address one or more of the following areas:

- **Financial Position:** Understanding of a client's current financial situation.
- **Investment Planning:** Determining the most suitable way to structure investments to meet financial goals, and determine the appropriate account type (*e.g.*, joint tenants, IRA, Roth IRA, etc.).
- **Personal Tax Planning:** Evaluating the current tax situation to help minimize a client's taxes and find more profitable ways to use the extra income generated.
- **Retirement Planning:** Assessing retirement needs to help a client determine how much to accumulate, as well as distribution strategies designed to create a source of income during retirement years.
- **Insurance Planning and Risk Management:** Evaluating the client's insurance needs and reviewing insurance policies and the like.
- **Estate Planning:** Reviewing the client's cash needs at death, income needs of surviving dependents and estate planning goals.
- **Charitable Planning:** Providing strategic charitable giving plans for clients and researching and evaluating charitable entities and private foundations.
- **Mortgage/Debt Analysis:** Analyzing client's current mortgage debt, home equity, and financing alternatives.
- **Review of Employee Benefit Plans:** Reviewing the client's investment options, allocation models and historical performance of client assets held through employee benefit plans.

We gather information at an initial vision meeting which includes interviews and a review of documents provided by the client. Information gathered includes the client's current financial status, future goals, investment objectives, risk tolerance and family circumstances.

Typical financial planning or financial consultation services include one or more of each of the service components. A financial plan could require the services of a specialist such as an insurance specialist, attorney or tax accountant. We will recommend third-party service providers if we feel it is appropriate and in your best interest, but the client is under no obligation to use any service provider recommended by us. Likewise, the client is under no obligation to act on our financial planning recommendations. We do not receive referrals or other fees from third-party service providers.

Our financial plans offer a high degree of personalization that matches your investments to your goals and ability to take on risk. We analyze each potential opportunity to find just the right ones for you, your family, and your goals, while also helping to maintain your liabilities so you can feel confident in your complete financial picture.

Financial plans and consultations are based on the client's financial situation at the time we present the financial plan or consultation to the client, and on the information provided to us. The client must promptly notify us if his/her financial situation, goals, objectives or needs change. Certain assumptions are made with respect to interest rates, inflation rates, and use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. We do not offer any guarantees or promises that a client's financial goals will be met.

### **Client Assets Under Management**

As of February 1, 2023. SMART Wealth had \$211,215,365 in assets under management, \$202,748,110 of which was managed on a discretionary basis and approximately \$8,431,255 of

which was advised on a non-discretionary basis.

### **Information Regarding Potential Conflicts of Interest**

Although we seek to avoid them, our firm has actual or potential conflicts of interest arising from our advisory services. These include, but are not limited to:

- Conflicts related to allocating time and resources between client accounts, allocation of brokerage commissions and investment opportunities generally. For further information on our brokerage and allocation policies, and related conflicts of interest, please refer to Item 12 below.
- Conflicts related to asset-based fees. At times our investment professionals will recommend that a client move assets from another investment account to one managed by our firm. This would result in a higher total advisory fee for that investment professional and generate revenue for the firm. There is therefore a conflict of interest whenever we encourage clients to move their assets to our firm. For further information, please refer to Item 5, which discusses the fees we earn when providing advisory services.
- Conflicts related to one or more of our investment advisor representatives also being licensed as an independent insurance agent through licensed insurance brokers. For further information, please refer to Item 10 below.
- Conflicts related to investing in securities recommended to clients and contemporaneous trading of securities (*i.e.*, personal trading) by the firm and its related persons. Please refer to Item 11 for further information.
- Conflicts related to third parties. When appropriate, we will recommend third parties to advise a client on matters including but not limited to: legal, tax or accounting advice. These recommendations are sometimes made because of the existing relationships our firm and its employees have with these groups or individuals. We do not currently have any formal solicitor or referral arrangements.

Actual or potential conflicts of interest generally can be addressed in several ways, including prohibiting the conduct that gives to the conflict of interest, implementing procedures to prevent a person from gaining or utilizing knowledge that potentially give rise to a conflict; establishing parameters for conduct that are designed to protect client interests or limit the benefit that creates the conflict of interest, or disclosing the conflict of interest to our clients.

Our firm has adopted a Code of Ethics. (Please refer to Item 11 below for further information on our Code of Ethics) and we also have policies and procedures in place to mitigate and address conflicts of interest. We believe that such policies and procedures are reasonably designed to treat clients equitably and to advance the best interests of the clients. The clients' best interest is paramount in any situation involving a conflict of interest.

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

### **Investment Advisory / Portfolio Management Services**

Fees are charged monthly for customer accounts in arrears based upon the average daily value of client assets during the previous month or quarter as valued by the custodian. Fees are pro-rated for the first partial month or quarter when a new account is opened. Fees are retroactive. The fee schedule breakpoints and rates are a suggestion and may be modified.

Client portfolios are managed under the following fee structure for all clients but may be modified lower, as noted in the Investment Advisory Agreement:

<u>Fee-Based Relationship Value</u>	<u>Annualized Rate</u>
Up to \$500,000	1.40%
\$500,000 to \$1 million	1.20%
\$1 million and above	1.00%

Our fees are charged monthly, in arrears, based upon the average daily value of client assets during the previous month. Fees are deducted from designated client accounts. Clients must consent in advance for TD Ameritrade to deduct the fees from their account and the fees will be clearly noted on the client's statements. TD Ameritrade is not responsible for the actual calculation of the fees.

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

Our clients typically pay a one-time fee for financial planning services. Clients who retain the firm solely for financial planning or financial consultation will be charged fees based on the nature of the services being provided, who is providing the services and the complexity of the client's circumstances. Financial planning fees are generally calculated and charged on a flat fee basis from \$1,500 to \$3,500 per engagement. If a client terminates financial planning services after we have begun the work but before completion, the client will receive a full refund via a check mailed to the address of record.

We provide you with an exact fee quote before you authorize us to begin our work. The specific financial planning fee being charged to the client will be set forth and identified in the investment management agreement between us and each client. Financial planning fees are billed separately with invoices being mailed to the address of record.

Your financial professional will update your financial plan upon request or when your objectives or financial situation change. If a financial plan is updated, the fee will be dependent on the nature of the update. Again, this fee will be set forth and identified in an agreement between you and the firm.

### **General Information**

An investment management agreement can generally be terminated at any time, by the firm or the client, for any reason upon prior written notice. The timing is specified in the investment management agreement between SMART Wealth and the client.

Our firm will not take custody or possession of client funds or securities at any time except to the extent that we typically deduct fees directly from the client's account(s) when providing discretionary investment management services.

All fees paid to the investment adviser are separate and distinct from fees and expenses charged by any mutual fund, exchange-traded funds, and closed-end funds. Fund fees are described in the respective fund's prospectus. These fees will generally include management fees, various expenses and a possible distribution fee. The client should review all fees being charged on its investments and those charged by SMART Wealth to fully understand the total amount of fees to be paid by the client

and to evaluate the advisory services being provided.

Clients incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, trade execution fees, deferred sales charges, odd-lot differentials, transfer taxes, and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Please refer to Item 12 (Brokerage Practices) in this Brochure for additional information.

Our firm and our professionals owe a fiduciary duty to all our clients. We also serve as a fiduciary to advisory clients that are employee benefit plans (such as profit-sharing plans or pension plans) or individual retirement accounts (collectively, our "retirement clients") (IRAs) pursuant to ERISA or the Internal Revenue Code ("IRC"). When acting as a fiduciary to these plans, we are subject to specific duties and obligations under ERISA and the IRC that include, among other things, restrictions concerning certain forms of conflicted compensation. To avoid engaging in prohibited transactions, the firm only charges fees for investment advice (i) about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or (ii) about products for which our firm and/or our related persons receive commissions or 12b-1 fees if such commission and fees are used to offset advisory fees.

Clients should be aware that similar advisory services could be available from other investment advisors for similar or lower fees.

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

Our firm does not charge performance-based fees or participate in side-by-side management. Performance-based fees are fees which are based on the share of capital gain or appreciation of a client's account.

Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged a performance-based fee. We do not charge performance-based fees, nor do we provide side-by-side management.

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

We offer our firm's services to individuals, high net worth individuals, and other business entities, profit-sharing plans, and estates and trusts. The firm does not currently have a minimum account size.

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

Our firm and our financial professionals will use one or more of the following methods of analyses or investment strategies when providing investment advice to clients, subject to the clients' investment objectives, risk tolerance, time horizons and stated guidelines:

### **Investment Strategies**

As indicated in Item 4, most clients are placed in models overseen by a financial professional of our firm. These models may include a number of asset classes, including equities, both domestic and international, exchange-traded funds, mutual funds, fixed income, REITs, and commodities, amongst others. SMART Wealth generally manages most models in-house but may rely on sub-advisers' models or our Turnkey Asset Management Provider ("TAMP")/platform provider to implement the models. Most trading for accounts in these programs will generally be conducted by the third-party investment adviser or TAMP/platform provider.

Individual clients can request one-off scenarios as needed. Investment strategies and advice will vary depending upon each client's specific financial situation. We manage households and accounts on a goals-based approach so not every account is diversified. Certain accounts will potentially be more heavily weighted in one sector versus another account in order to diversify the household as a whole or to take advantage of certain tax advantages in having particular types of investments in certain types of accounts. As such, we determine investments and allocations based upon the client's predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. The restrictions and guidelines set by the client will also affect the composition of the portfolio.

### **Risk of Loss**

Investing involves a risk of loss. Clients should be prepared to bear investment loss, including the loss of the original principal. Clients should never presume that the future performance of any specific investment or investment strategy will be profitable. Further, there are varying degrees of risk depending on different types of investments. Clients should know that all investments carry a certain degree of risk ranging from the variability of market values to the possibility of permanent loss of capital. Although portfolios seek principal protection, asset allocation and investment decisions are not guaranteed to achieve this goal in all cases. There is no guarantee a portfolio will meet a target return or an investment objective.

Risks to capital include, but are not limited to, changes in the economy, market volatility, company results, industry sectors, accounting standards and changes in interest rates. Investments are generally subject to risks inherent in governmental actions, exchange rates, inflation, deflation, and fiscal and monetary policies. Market risks include changes in market sentiment in general and styles of investing. Diversification will not protect an investor from these risks and fluctuations.

Additional risks include:

*Market risk:* Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. Stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. Common stock (or its equivalent) is generally exposed to greater risk than preferred stocks and the debt obligations of an issuer.

*Inflation Risk:* Also referred to as purchasing power risk, is the risk that inflation will undermine the real value of cash flows made from an investment. Inflation risk affects all investments, but most can be seen most prevalently in the bond markets.

*Company risk:* There is always a certain level of company or industry specific risk that is inherent in

each investment. Although this risk can be reduced through appropriate diversification, it cannot be eliminated. There is the risk that the issuer will perform poorly or have its value reduced based on factors specific to the issuer or its industry. If the issuer experiences credit issues or defaults on debt, the value of the issuer could be reduced.

*Exchange traded fund and mutual fund risk:* The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will incur additional costs associated with ETFs and mutual funds (see Item 5).

*Management risk:* Investments managed by us vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities.

*Foreign investments risks:* non-U.S. investments, currency and commodity investments contain additional risks associated with government, economic, political or currency volatility.

*Emerging markets risks:* Emerging markets can experience high volatility and risk in the short term.

*Liquidity risks:* Generally, assets are more liquid if many investors are interested in a standardized product, making the product relatively easy to convert into cash. Additionally, some specialized investments have reduced liquidity compared to traditional investment vehicles.

*Bond risks:* Investments in bonds involve interest rate and credit risks. Bond values change according to changes in interest rates, inflation, credit climate and issue credit quality. Interest rate increases will reduce the value of a bond. Longer term bonds are more susceptible to interest rate variations than shorter term, lower yield bonds.

*Sector risks:* Investing in a particular sector is subject to cyclical market conditions and changes.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

Cash balances are typically invested daily in interest-bearing money market accounts.

## **Item 9: Disciplinary Information**

Our firm and our financial professionals are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of us, our business or the integrity of our management or associated persons.

Neither our firm nor any of our associated persons has any reportable disciplinary events to disclose.

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

### **Financial Industry Affiliations**

SMART Wealth is not a registered broker-dealer, commodity firm, commodity trading advisor, or

futures commission merchant, and does not have an application to register for any of the same pending. In addition, our firm does not recommend investment products in which it receives any form of compensation from the separate account manager or investment product sponsor.

### **Other Affiliations**

Our firm's affiliates include the following firms:

- Retire SMART, LLC, through which insurance products are sold;
- Tax SMART, LLC, through which tax preparation services are offered;
- Midwest Learning, a marketing and training company; and
- Assurance Insurance, LLC (DBA as SMART Protection), offering property & casualty insurance.

Each of these firms are owned by David Brooks, Sr. As a wealth management firm, SMART Wealth, LLC often recommends the use of various insurance products and consulting with tax professionals during our financial planning recommendations where we believe it is in your best interest. To the extent that we feel our clients require accounting advice and/or tax preparation services, we may recommend the services of our affiliates, Retire SMART and Tax SMART. These services are rendered independently of SMART Wealth pursuant to a separate agreement between the client and those firms. Since we share common ownership, a conflict of interest exists in SMART Wealth recommending the use of these firms to our clients versus that of other service providers. No client of SMART Wealth is required to use the services of either Retire SMART, LLC or Tax SMART, LLC.

To the extent that our firm's financial professionals recommend these products to our clients, including such products as life, disability and long-term care insurance products and tax preparation services, we have a conflict of interest. These products are separate and distinct from investment advisory services offered through SMART Wealth, and the firm professional will receive a commission or fees because of the sale of insurance related products. A conflict of interest therefore exists as these commissionable sales create an incentive to recommend products based on compensation earned rather than need. In no event is any client obligated, contractually or otherwise, to use the services of any licensed insurance agent acting in such a capacity or to purchase products or services through said individual.

### **Recommending Rollovers and Transfers**

Our firm has an inherent conflict of interest in recommending you rollover or transfer your accounts to an account managed by SMART Wealth since we have an incentive to generate compensation for the firm. As part of the rollover process, we will provide you with information on why the rollover or transfer is in your best interest.

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

### **Code of Ethics**

SMART Wealth has adopted a Code of Ethics that sets forth high ethical standards of business and professional conduct which we require our employees to follow. The Code of Ethics outlines proper

conduct related to all services provided to clients by the firm and our associated persons and includes guidelines for compliance with applicable laws and regulations governing our practice. Our goal is always to protect our clients' interests and demonstrate our commitment to our fiduciary duties of honesty, good faith and fair dealing.

### **Personal Securities Transactions and Interests**

Through its professional activities, SMART Wealth and its supervised persons are exposed to potential conflicts of interest and the Code of Ethics contains provisions designed to mitigate certain of these potential conflicts by governing the personal securities transactions of certain of its employees, officers, and directors. In particular, the Code of Ethics governs the conduct of certain "access persons" in circumstances where the Adviser or its access persons desire to purchase or sell securities for their personal accounts that are identical to those recommended by the firm to its clients. For these purposes, the Code of Ethics defines an "access" person as a supervised person of the firm that (1) has access to nonpublic information regarding any clients' purchase or sale of securities, (2) has access to nonpublic information regarding the portfolio holdings of any fund the adviser or its control affiliates manage or sponsor, or (3) is involved in making securities recommendations (or has access to such recommendations) to clients that are nonpublic.

Access persons' trades must be executed in a manner consistent with the following principles:

- The interests of client accounts will always be placed first.
- All personal securities transactions will be conducted in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility.
- Access persons must not take inappropriate advantage of their positions.
- Preclearance of access persons' transactions in securities in a limited offering or private placement is required.

Access persons must submit quarterly reports regarding securities transactions and newly opened accounts, as well as annual reports regarding holdings and existing accounts. We monitor our access persons' personal trading activity at least quarterly to ensure compliance with internal control policies and procedures and our Code of Ethics.

The Code of Ethics does not prevent or prohibit access persons from trading in securities that we recommend or in which we invest client assets, but rather prescribes the governing principles relative to the same (see above). As such, it is possible that (1) the firm or its access persons could recommend to clients, or buy or sell for client accounts, securities in which one or more access persons (including SMART Wealth or its affiliates) has a material financial interest, (2) access persons (including the firm or its affiliates) could invest in the same securities (or related securities) that we recommend to clients, or (3) the firm (including its affiliates) and its access persons could recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that one or more access persons (including the firm or its affiliates) buys or sells the same securities for its own account. This presents a potential conflict in that the access person might seek to benefit himself or herself from this type of trading activity in the same securities, either by trading for personal accounts in advance of client trading activity, or otherwise. All such activity must be in strict adherence with our Code of Ethics and must fundamentally place the clients' interests first. Moreover, it is our policy that neither the firm nor its associated persons will have priority over a client's account(s) in the purchase or sale of securities.

We will typically seek to combine orders to purchase securities for the firm, its associated persons and/or their families with a client's order to purchase securities ("block trading"). Please refer to Item 12 for more information on block trading. A conflict of interest exists in these events because we have the ability to trade ahead of clients and could receive more favorable prices (for the firm, its associated persons and/or their families) than the client will receive. To eliminate this conflict of interest, we will make reasonable attempts to trade securities in client accounts at or prior to trading the securities in the firm accounts, or accounts of associated persons and/or their families. Trades executed on the same day will likely be subject to an average pricing calculation. Moreover, it is our policy that neither the firm nor its associated persons will have priority over a client's account(s) in the purchase or sale of securities.

Neither the firm nor its associated persons have any material financial interest in client transactions beyond the provision of investment advisory services or other services as disclosed in this Brochure.

Our firm does not engage in principal trading (*i.e.*, the practice of selling stock to advisory clients from our inventory or buying stocks from advisory clients into our inventory). Nor does the firm engage in agency cross transactions (*i.e.*, the practice of acting as a broker for both the client and the other party involved in a transaction).

Clients or prospective clients can obtain a copy of our Code of Ethics by contacting us at the e-mail or phone number listed on the cover page of this Brochure.

## **Item 12: Brokerage Practices**

### **Broker-Dealer Relationships and Benefits**

We will generally recommend and request that clients establish brokerage accounts with TD Ameritrade ("TD"), FINRA member New York Stock Exchange/SIPC, who we have established a custodial relationship with. TD provides our firm with access to its institutional trading and operations services, which typically are not available to TD retail customers. These services are generally available, without cost, to financial advisory firms who maintain a minimum threshold of client assets with TD.

Services provided by TD include research (including mutual fund research, third-party research, and TD's proprietary research), brokerage, clearing, custody, and access to mutual funds and other investments that are available only to institutional investors or would require a significantly higher minimum initial investment. In addition, TD makes available software and other technologies that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution; provide research, pricing information, quotation services, and other market data; assist with contact management; facilitate payment of fees to our firm from client accounts; assist with performance reporting; facilitate trade allocation; and assist with back-office support, record-keeping, and client reporting. We are eligible for a specific schedule of fees based upon our assets under management with TD. We have no discretion to determine the commissions charged by TD.

TD also provides us with other services intended to help our company and its financial professionals manage and further develop its business enterprise, including assistance in the following areas: consulting, publications and presentations, information technology, business succession, and marketing. In addition, TD makes available or arrange and/or pay for these types of services provided by independent third parties, including regulatory compliance. All "soft dollar" benefits we receive from TD are eligible research and brokerage services under section 28(e) of the Securities Exchange

Act of 1934.

As stated below and in Item 14, TD also makes available to us other products and services that benefit our firm and its financial professionals but do not necessarily benefit its clients' accounts.

Although we will generally recommend that clients utilize TD for custody of their assets and execution of their transactions, we can, subject to its best execution obligations, trade outside of RJR where necessary. In the selection of broker-dealers, we will consider all relevant factors, including the commission rate, the value of research provided, execution capability, speed, efficiency, confidentiality, familiarity with potential purchasers and sellers, financial responsibility, responsiveness, and other relevant factors. Our firm will retain and compensate TD to provide various administrative services until stated otherwise. These services include determining the fair market value of assets held in the account at least quarterly and producing a brokerage statement for clients detailing account assets, account transactions, receipt and disbursement of funds, interest and dividends received, and account gain or loss by security as well as for the total account.

Our firm and TD are not affiliates, and we do not receive client referrals from TD.

### **Order Aggregation/Block Trading/Allocations**

For our direct adviser-managed accounts, the purchase or sales of the same securities for several clients may be done at approximately the same time. This process is referred to as aggregating orders, batch trading, or block trading and is used for trades executed through our Turnkey Asset Management Provider ("TAMP")/platform provider, when such action may prove advantageous to clients. When client orders are aggregated, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Since some of our accounts are managed by a sub-adviser utilizing various third-party managers, we are not always able to facilitate the aggregate purchases and sales and other transactions amongst client accounts. In those instances, the absence of block trading may result in our firm being unable to achieve for its clients the most favorable execution at the best price available, and accordingly, may cost clients more money than other arrangements.

### **Best Execution**

As stated above, we typically recommend that our clients establish broker accounts with TD. Such accounts will be "prime broker" eligible so that when the need arises to effect securities transactions from those accounts at broker-dealers other than with TD the current custodian ("executing brokers"), such custodian will accept delivery or deliver the applicable security from/to the executing brokers. TD charges a "trade away" fee which is charged against the client's account(s) for each "trade away" occurrence. Our firm receives no part of the trade away fees. Other custodians have their own policies concerning prime broker accounts and trade away fees.

If the client is receiving discretionary advisory services, the Adviser, pursuant to the terms of its management agreement with clients, will have discretionary authority to determine which securities are to be bought and sold and the price of such securities to affect such transactions. We recognize

that the analysis of execution quality involves a number of qualitative and quantitative factors. The firm will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders.

Consistent with its fiduciary responsibilities, we seek to ensure that clients receive the best execution with respect to the clients' transactions by blocking client trades to reduce commissions and transaction costs. To the best of our knowledge and due diligence inquiries, TD provides high-quality execution, and our clients will pay competitive rates for such execution. Based upon its own knowledge of the securities industry, we believe that TD's commission rates (to the extent there are any) are competitive within the securities industry. Although we acknowledge that there is the potential for lower overall commissions or better execution to be achieved elsewhere, we believe that TD provides clients with best execution based on all qualitative and quantitative factors.

### **Trade Errors**

Where a trade error occurs in a client account due to our error, we will correct the error and ensure the client account does not suffer a loss or incur a transaction cost related to that error. Depending on the nature of the error, we will pay the cost of the error or will cause the custodian or broker-dealer to pay the cost of the error. If the error results in a profit due to market movement, the client will keep the profit.

### **Brokerage for Client Referrals**

Our firm and its investment professionals do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

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

Accounts are monitored continuously and on an ongoing basis by our financial professionals. We conduct these reviews through various means, including telephone calls, in-person meetings, overall strategy reviews, and/or the review of monthly and quarterly statements. Reviews are based on objectives and parameters established by clients, which are generally memorialized through their client management agreements and Investment Policies. More frequent reviews can also be triggered by a change in the client's investment objectives or risk tolerance, tax considerations, large deposits or withdrawals, large purchases or sales, loss of confidence in investment or fund managers, or changes in the economy or financial markets.

Our compliance personnel will also monitor managed and supervised accounts on an ongoing basis to ensure that the advisory services provided to clients are consistent with the clients' circumstances.

Depending on the nature of the engagement, some financial plans will not be reviewed until after the plan is delivered. The frequency of plan review will be dependent on the agreement terms. If deemed necessary it will be reviewed quarterly, yearly or some other determinate amount of time. Those reviews will revisit the initial plan and determine if any adjustments need to be made to the objectives. Financial planning, by its nature, does require periodic review. At times we will use software and other tools to assist in generating a financial plan.

With respect to managed accounts, investment advisory clients receive standard account statements from the independent, qualified custodian of their accounts no less frequently than quarterly. The

account statements received from the custodian and/or broker-dealer are the official records of the client's account(s).

No on-going financial planning reports are provided for financial planning clients unless a financial plan update or additional services are requested. Your firm professional will update a plan as needed and when objectives or financial situation change.

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

### **Solicitor Arrangements**

We do not currently have any solicitor relationships. It is our policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards, or other prizes, from any third-party in conjunction with the advisory services we provide our clients.

### ***Brokerage and Custody Services***

As disclosed in item 12 (Brokerage Practices) above, we participate in TD's institutional advisor programs, under which our firm is provided with access to TD's institutional trading and custody services, which are typically not available to retail investors. Such services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

TD makes available to our firm other products and services that benefit us, but that does not directly benefit each client's accounts. Many of these products and services can be used to service all or some substantial number of our client accounts, including accounts not maintained at TD. Products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- Provide access to client account data (such as trade confirmations and account statements);
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- Provide research, pricing and other market data;
- Facilitate payment of our fees from clients' accounts; and assist with back-office functions, record keeping and client reporting;
- Receipt of duplicate client statements and confirmations; and
- The ability to have advisory fees deducted directly from our client's accounts.

TD can make available, arrange and/or pay third party vendors for the types of services rendered to our firm. TD has the ability to discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services, and also provide other benefits such as educational events or occasional *de minimus* business entertainment of our personnel. All business entertainment will be guided by our Code of Ethics.

Although the above benefits can assist us in managing and administering clients' accounts, including those not maintained at a broker-dealer, some of the products and services made available benefits SMART Wealth itself in managing and developing its business, but do not directly benefit our clients. You should therefore be aware that the receipt of economic benefits by our firm and/or its related persons in and of itself creates a conflict of interest and could potentially indirectly influence our

choice of a broker-dealer for custody and brokerage services.

## **Item 15: Custody**

We generally have the ability to directly debit advisory and other fees from client accounts, unless the client specifies otherwise. As part of this billing process, the independent, qualified custodian of the client's account(s) is advised of the amount of the advisory or other fee to be deducted from the client's account(s). The client will receive account statements from the custodian holding the account(s) at least quarterly. These statements will show all transactions within the account during that reporting period, including the amount of advisory or other fees debited from the client's account(s). Because the custodian does not calculate the amount of the fees to be deducted, it is important for clients to carefully review their account statements to verify the accuracy of the fee calculation, among other things.

A client should contact us directly if he/she believes there is an error or has a question regarding an account statement.

This ability to deduct our fees from a client's account(s) causes us to exercise limited custody over these accounts under applicable law. We do not have, and will not take, physical custody of any clients' funds, securities, or assets. Clients' funds, securities and assets will be held with a bank, broker-dealer, or independent, qualified custodian.

## **Item 16: Investment Discretion**

When a client hires us to provide discretionary investment advisory services, we have the authority to place trades, buy and sell securities on the client's behalf, determine the amount of the securities to buy and sell, and determine the nature and type of securities to buy and sell without obtaining a client's consent or approval prior to each transaction. In some cases, we will have the authority to hire and fire third-party money managers. Clients who give us discretionary authority will give our firm a limited power of attorney and/or trading authorization forms to make the above decisions on the client's behalf.

In certain situations, Clients have the ability to limit our authority by giving us written instructions, restrictions and guidelines via email communication or other written instructions. For example, a client might specify that their accounts' assets are not invested in a specific industry or security, or that a certain security not be liquidated. Clients can change such instructions, restrictions, and guidelines by providing us with written instructions. The most current written instructions will control. We will accept such limitations provided they are reasonable and do not unreasonably interfere with the management of your account. We will accept such instructions via text message or similar instant messaging methods.

If the client enters into a non-discretionary arrangement with our firm for investment advisory, portfolio management services, or retirement plan consulting, we will be obligated to obtain the client's approval prior to the arranging or execution of any transactions in the account(s). With such an arrangement, the client has the unrestricted right to decline to implement advice provided by us on a non-discretionary basis. If you do not grant us discretionary authority over your accounts, we are limited in making periodic recommendations to you regarding which securities to be purchased or sold and the size of the transactions. You will ultimately be responsible for the implementation of those recommendations and the timing of the transaction.

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

Regardless of whether we have discretion over a client's account(s), we will not vote proxies on behalf of any client or respond to any legal notices or class action claims on behalf of a client.

We will instruct the qualified, independent custodian to forward all proxy materials, legal notices, and class action information to the client to review and make his or her own informed decision on how to vote. In the event we receive the proxy material, we will forward it directly to the client by mail or by electronic mail (if the client has authorized electronic communication).

## **Item 18: Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered. SMART Wealth, LLC does not have any financial issues that would impair its ability to provide services to clients, and we have not been the subject of a bankruptcy petition at any time.