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**March 9, 2023**

**FIRM BROCHURE**  
**Part 2A of Form ADV**

This *FIRM BROCHURE* provides information about the qualifications and business practices of HHM Wealth Advisors, LLC. (HHM) If you have any questions about the contents of this *FIRM BROCHURE*, please contact us at (423) 826-1670 or at [www.hbmwealth.com](http://www.hbmwealth.com). The information in this *FIRM BROCHURE* has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about HHM is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (the **CRD number for HHM is 150843**).

**NOTE:** While HHM may refer to itself as a "registered investment advisor" or "RIA", clients should be aware that registration itself does not imply any level of skill or training. A Registered Investment Advisor refers to the firm, not any person.

## Item 2 Summary of Material Changes

At least annually, this section will discuss only specific material changes that are made to the HHM Wealth Advisors Brochure and provide you with a summary of such changes. Additionally, reference to the date of the last annual update to this brochure will be provided.

Our last Brochure annual amendment occurred on March 7, 2022. Since that date we have made the following changes:

### July 2022

- Item 5 was updated to disclose that the Capital Group American Funds accounts are charged their own separate fee, regardless of the agreed upon fee schedule for your other assets. These assets are not combined with your other assets when determining your Total Account Value and Maximum Annual Advisory Fee; however, all American Fund accounts are aggregated. Also, the capital flow calculation does not apply to American Fund direct accounts.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the Firm's fiscal year end, December 31<sup>st</sup>.

We may further provide other ongoing disclosure information including a new Brochure about material changes as necessary. Our Brochure may be requested free of charge by contacting Gina Cook at 423-933-1816 or [gcook@hbmwealth.com](mailto:gcook@hbmwealth.com). Our Brochures are also available on our website at [www.hbmwealth.com](http://www.hbmwealth.com).

Additional information about HHM Wealth Advisors, LLC is also available via the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (CRD 150843). This website also provides information about any persons affiliated with HHM Wealth Advisors, LLC who are registered, or are required to be registered, as investment adviser representatives of HHM Wealth Advisors, LLC.

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## Item 4 Advisory Business

### INTRODUCTION

**HHM Wealth Advisors, LLC** (hereafter "HHM"), is a fee-based investment adviser that offers three types of advisory services: *Portfolio Management Services*, *Financial Planning Services*, and *Employee Benefit Retirement Plan Services*.

HHM Wealth Advisors, LLC (HHM), currently an SEC-Registered investment advisor, began its existence on June 2, 1999 as SecureLife Personal Financial Services, LLC, and remained as such until April, 2003 when the entity changed its name to HHM Capital Advisors, LLC. In June of 2006, HHM admitted two new equity Members substantially increasing the firm's assets under management. On July 1, 2006 the name of the firm was changed to Evergreen Management, LLC. On June 30, 2009, one of its major Members decided to leave the firm to pursue his own succession plan and the firm was renamed to HHM Wealth Advisors, LLC.

As of January 1, 2023, HHM has two principal owners (those individuals and/or entities controlling 25% or more of the company): The CPA Group LLC, DBA Henderson Hutcherson and McCullough, PLLC, HHM CPAs owns 64.25% of the entity and Travis Hutchinson maintains 33.75% ownership.

### INITIAL CONSULTATION

HHM will begin by providing the Client an initial consultation. HHM uses the initial consultation to:

- Introduce the Client to HHM's firm, its services, and staff
- Gather information about the Client's investment objectives, financial condition, and risk tolerance, which HHM uses in forming its investment advice
- Reach an agreement on the terms of service and compensation arrangements.

The consultation must be completed before HHM will make any specific recommendations about the client's asset allocation or securities to buy or sell. Clients may restrict their investments to certain securities or types of securities purchased in their portfolio.

At the conclusion of the initial consultation, the client will sign HHM's *Investment Advisory Agreement*, which serves as the contract between the Client and HHM, specifying the precise nature of services to be rendered by HHM and fees to be paid by the Client.

### PORTFOLIO MANAGEMENT SERVICES

If the Client elects *Portfolio Management Services*, the Client will have the choice of whether the portfolio management is performed on a discretionary or non-discretionary basis. HHM primarily seeks to manage Client accounts on a discretionary basis, but can accommodate non-discretionary management services to those Clients that want to be consulted prior to each transaction.

Whether discretionary or non-discretionary, HHM will evaluate the Client's financial condition and risk tolerance in order to tailor the Client's securities selection to meet the Client's investment objectives and individual needs. HHM also allows the Client to impose any restrictions on investing in certain securities or types of securities.

HHM will make ongoing recommendations primarily involving: exchange-listed stocks, preferred stocks, mutual funds (no-load or load-waived only), exchange-traded funds (ETFs), stock options, REITs, and bonds. Given that the market will affect the value of these securities, HHM will monitor Client accounts on an ongoing basis so that it may make any necessary transactions in discretionary accounts or make any necessary recommendations to Clients in non-discretionary accounts. The securities mentioned above reflect a broad range of investment risks, including some securities that entail high degrees of risk, such as stock options.

HHM does not provide any "wrap programs" (programs that bundle brokerage and advisory services under a single comprehensive fee). Securities recommended by HHM include additional transaction fees or trade commissions charged by the Client's broker-dealer/custodian which are separate from HHM's advisory fees. **(Refer to Item 5 – Fees and Compensation)**

### **DISCRETIONARY PORTFOLIO MANAGEMENT**

For discretionary accounts, the Client will grant HHM limited trading authority (discretionary authority) in the Client's brokerage account by executing the appropriate documents with the Client's broker-dealer/custodian. The discretionary authority will allow HHM to enter securities transactions on the Client's behalf, determining which securities and the amount of securities to buy or sell. Clients will be notified of all transactions by trade confirmations from their broker-dealer/custodian.

HHM will also request the Client provide written authorization to allow HHM to automatically deduct its advisory fee from the Client's account (discussed at greater length in **Item 5 - Fees And Compensation** section of this *FIRM BROCHURE*).

Most clients will be recommended discretionary portfolio management and therefore, HHM anticipates the vast majority of its *Portfolio Management Services* will be rendered on a discretionary basis.

HHM recommends the Client grant discretionary authority to HHM so that it may execute recommendations in a timely fashion, but Clients should always review their brokerage account statements to verify the trading activity and withdrawals that occur in their account(s). Since our investment strategies and advice are based on each Client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment.

### **NON-DISCRETIONARY PORTFOLIO MANAGEMENT**

For non-discretionary accounts, HHM will prepare securities recommendations as it does for discretionary accounts, but will provide these recommendations to the Client directly so that the Client may enter the transaction on their own or direct HHM to do so on the Client's behalf. If you elect to have your accounts managed on a nondiscretionary basis, no changes will be made to the allocation of your account without prior consultation with you and your expressed agreement for each transaction.

As of December 31, 2022, we provide continuous management services for \$882,955,006 in client assets on a discretionary basis, and \$35,352,602 in client assets on a non-discretionary basis.

### **IRA ROLLOVER RECOMMENDATIONS**

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);

- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

### **IRA ROLLOVER CONSIDERATIONS**

As part of our consulting and advisory services, we may provide you recommendations and advice concerning your employer retirement plan or other qualified retirement account.

Our recommendations may include that you consider withdrawing the assets from your employer's retirement plan or other qualified retirement account and roll the assets over to an individual retirement account ("IRA"). Further, we offer our management services be applied to those funds and securities rolled into an IRA or other account for which we will receive compensation. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as described under **Item 5-Fees and Compensation**. This practice presents a conflict of interest because persons providing investment advice on your behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Furthermore, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by us.

It is important for you to understand many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of each.

An employee will typically have four options:

1. Leave the funds in your employer's (former employer's) plan.
2. Move the funds to a new employer's retirement plan.
3. Cash out and take a taxable distribution from the plan.
4. Roll the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for HHM to manage it is important you understand the following:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than HHM's fees.

- a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
  - c. It is likely you will not be charged a management fee and will not receive ongoing asset management services unless you elect to have such services. In the event your plan offers asset management or model management, there may be a fee associated with the services that is more or less than our asset management fee.
3. HHM's strategies may have differing risks than the option(s) provided to you in your plan.
  4. Your current plan may offer financial advice, guidance, and/or model management or portfolio options at no additional cost.
  5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 73.
  6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
    - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult an attorney if you are concerned about protecting your retirement plan assets from creditors.
  7. You may be able to take out a loan on your 401k, but not from an IRA.
  8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
  9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
  10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

### **FINANCIAL PLANNING SERVICES**

If the Client elects *Financial Planning Services*, HHM may extend the initial consultation to include discussions necessary to begin creating a financial plan or may arrange a follow-up meeting to review additional information about the Client's finances. In any case, the Client will have the choice to:

- (a) Consult with HHM on the Client's overall financial situation and obtain a comprehensive, written financial plan; or
- (b) Consult with HHM on a specific topic or an individual security.

As the *Comprehensive Financial Plan* option would include the opportunity to discuss many specific topics or any individual security, HHM generally recommends this option for all new Clients. For returning Clients that need to consult with HHM on a specific topic or individual security, they can do so during an *Annual Financial Plan Review* or engage HHM for a *Separate Financial Planning Consultation*.



## **COMPREHENSIVE FINANCIAL PLAN**

HHM will review all aspects of the Client's finances to prepare a written financial plan that makes comprehensive recommendations to help the Client meet their financial objectives. These areas of analysis include: overall asset allocation, securities recommendations, insurance needs, mortgage planning, consumer debt, retirement planning, college planning, trust & estate planning, savings & budgeting, and tax-planning.

HHM will compile this financial information and use it to construct a *Comprehensive Financial Plan* tailored to the Client's specific financial situation. The written financial plan will typically be constructed within a month.

Clients can execute the recommendations within the *Comprehensive Financial Plan* on their own or HHM can assist in implementation. If *Portfolio Management Services* are recommended in the *Comprehensive Financial Plan*, Clients may engage HHM for those *Portfolio Management Services* as described above.

## **ANNUAL FINANCIAL PLAN REVIEW**

As financial conditions or objectives change over time, Clients should engage HHM to review their financial plan annually. Largely, this review is intended to confirm the Client's financial information is accurate, evaluate whether or not the financial plan is reaching its goals and, make any revisions needed due to changes in the Client's personal goals, objectives, or economic circumstances. However, during this annual review, Clients may also raise new objectives or discuss other financial topics of their choice. Also, if Clients experience life-changing events, they may initiate an *Annual Financial Plan Review* earlier than the typical annual time frame.

## **SEPARATE FINANCIAL PLANNING CONSULTATION**

If Clients need to consult with HHM outside of the initial consultation(s) that led to their *Comprehensive Financial Plan* and before their *Annual Financial Plan Review*, Clients may engage HHM on a limited basis. HHM is available through a *Separate Financial Planning Consultation* to make changes to a *Comprehensive Financial Plan*, discuss a specific financial topic, or evaluate a specific securities investment.

## **EMPLOYEE BENEFIT RETIREMENT PLAN SERVICES**

HHM also provides retirement plan consulting services and investment selection services to businesses with qualified retirement, profit sharing, pension and 401(k) plans. Retirement Plan assets are custodied at a qualified custodian.

HHM maintains relationships with several third party administrators and record keepers for 401(k) plans. These third party administrators and record keepers typically charge their administrative fees directly to the client, separately from HHM.

Generally, the above services are rendered at the retirement plan level. HHM may also enter into a separate client agreement with the plan participant to provide investment advisory and financial planning services.

If such is the case, the normal fees, conditions, and responsibilities stated within this ADV Part 2A and related documents will apply.



## Item 5 Fees and Compensation

### MANAGEMENT FEE

The annual fee for HHM's Portfolio Management Services will be charged either as a (1) a percentage of assets under management or (2) a quarterly fixed fee basis. Advisory Management fees are paid quarterly in advance.

(1) The annual fee for Portfolio Management Services typically ranges from .50% to 1.00% of assets under management, depending on the nature and complexity of each client's circumstances. While other fee schedules may have been used in the past and may still be in effect, generally, fees being charged to new clients will be based on the following fee schedule. Fees are either progressive (a fee will be assessed based on each threshold) or a fixed fee based on the value of the account.

Portfolio Value	Annual Wealth Management Fee
First \$1,000,000	1.00%
Next \$500,000	0.90%
Next \$ 500,000	0.80%
Next \$1,000,000	0.60%
Amount Over \$3,000,000	0.50%

\*\*Clients are subject to a \$2,500 per year minimum. HHM can elect to reduce this minimum at its discretion. HHM may change the above fee schedule upon 30-days prior written notice to clients.

An Account Fee of \$12.50 per quarter/account will be billed quarterly in addition to the Management Fee.

The quarterly investment advisory fee is based on the net value of the assets in the account on the last business day of the prior quarter and is due the following business day. The agreed upon amount will be specified in the *Investment Advisory Agreement*.

Accounts maintained directly at the investment company such as Capital Group American Funds will be charged a fee based on the average daily balance. The Capital Group American Funds accounts are charged based on the fee schedules noted below, regardless of the agreed upon fee schedule for your other assets. American Funds directly debits these accounts and remits payment to HHM. These assets are not combined with your other assets when determining your Portfolio Value and Maximum Annual Wealth Management Fee noted above; however, all accounts held at American Funds will be aggregated. Accounts maintained directly with Capital Group Capital Group American Funds will have fee deductions occurring as of the quarter end in February, May, August and November based on the average daily balance, as stated above and are deducted in arrears. Fees for accounts managed directly at Capital Group Capital Group American Funds are calculated, deducted, and paid by Capital Group American Funds to HHM.

Advisor and client will mutually agree upon the Management Fee for Capital Group American Funds accounts. One of the following fees will be chosen and stated as part of Exhibit B of the Advisory Agreement:

0.30% (30 Basis Points) or  
0.50% (50 Basis Points) or  
0.75% (75 Basis Points) or  
1.00% (100 Basis Points)

Management Fees are negotiable depending on both the nature and complexity of client circumstances. HHM will quote an exact percentage to each client based on both the nature of services to be rendered and total value of that account. HHM will group certain related accounts for purposes of determining the annualized fee.

Clients may choose to have management fees directly debited from client accounts in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Alternatively, rather than directly deducting fees from client accounts HHM will directly invoice clients per client request in advance at the beginning of each calendar quarter.

For the initial quarter of Investment Management Services, the first quarter's fees will be calculated on a pro rata basis, which means the advisory fees are payable in proportion to the number of days in the quarter for which the accounts are open.

Typically, HHM will combine the account values of direct/immediate family members to determine the applicable advisory fees. By combining account values, the asset total increases, which generally results in the client(s) paying a reduced advisory fee based on the available breakpoints in HHM's fee schedule stated above.

Clients may make additions to the account or withdrawals from the account. Fee adjustments will be made for additional deposits to the account and withdrawals from the account for dollar flows of greater than \$5,000 in a single day. Any single day flow into or out of the account within a quarter, when greater than \$5,000, will generate a flow billing calculation. This flow is calculated on a pro rata basis upon the number of days remaining in the quarter. The pro rated calculation is then added to or subtracted from the quarterly fee. This capital flow calculation does not apply to flat fee billing specifications or American Fund direct accounts. Adjustments are made in the first calendar quarter billing cycle following the quarter in which the inflows/outflows occurred.

Interim market value fluctuations for account appreciation or depreciation are never adjusted. Because clients are billed at the beginning of a calendar quarter, all dollar changes that occurred in the prior quarter including market value fluctuations will automatically be reflected in the account value upon which the fee is calculated at the beginning of the new quarterly billing cycle.

Client may terminate the Portfolio Management Agreement by submitting written notice to HHM which is effective upon receipt by HHM. For any client who terminates their relationship with HHM prior to the end of the quarter, HHM will refund any unearned management fees on a prorated basis to the client.

(2) In lieu of a percentage of assets under management, clients may request a Fixed Fee Retainer. The amount of the negotiated retainer will be based on the complexity of the clients' affairs which may be more or less than the comparable percentage of assets under management methodology. The retainer amount may reflect certain services which the client needs above and beyond the normal Portfolio Management Services; for example, estate, tax and insurance planning as well as specially tailored concierge services. The final amount will be specified in the *Investment Advisory Agreement*.

The fixed retainer will be billed on a quarterly basis in advance. While typically not the case, a client may go from one billing methodology to another without any penalty or charges.

## PLANNING FEES FOR FINANCIAL PLANNING SERVICES

For *Comprehensive Financial Plans* and *Annual Financial Plan Reviews*, HHM charges a fixed fee; however, for *Separate Financial Planning Consultations*, HHM charges an hourly fee.

Financial Planning Service	Fee Type and Amount
Comprehensive Financial Plan	\$2,000 - \$10,000 fixed fee
Annual Financial Plan review	\$2,000 - \$4,000 fixed fee
Separate Financial Planning Consultations	\$155 - \$400 hourly fee

HHM will negotiate its fixed fee amount for *Comprehensive Financial Plans* based on the complexity of the financial plan. Typically, the standard financial plan takes 10 hours; plans that take significantly less time are negotiated at a lower fee while those financial plans that take significantly longer are negotiated at a slightly higher amount. Additionally, HHM offers discounts to select friends, employees and family.

The final amount will be specified in the *Investment Advisory Agreement*.

The fixed fees for Annual Financial Plan Reviews and the hourly rate for Separate Financial Planning Consultations are both negotiable. HHM charges the above financial planning fees upon delivery of the Comprehensive Financial Plan or the Annual financial Plan Review. Hourly fees are charged at the conclusion of the Separate Financial Planning Consultation or quarterly depending upon the extent of the engagement.

As all the financial planning fees are charged in arrears, HHM does not offer refunds as services will have already been performed.

If a Client chooses to terminate Financial Planning Services before the product is delivered or service is complete, HHM will charge a prorated amount for the work completed and will deliver to the client any work product completed.

Otherwise, HHM will include an invoice upon delivery of the *Comprehensive Financial Plan* or *Annual Financial Plan Review* or at the conclusion of the *Separate Financial Planning Consultation*. This invoice will require payment within thirty days after delivery.

## FEES FOR EMPLOYEE BENEFIT RETIREMENT PLAN SERVICES

The annual fee for Employee Benefit Retirement Plan Services typically ranges from 0.20% to 1.50% of the fair market value of the plan assets, depending on the nature and complexity of each client's circumstances.

In lieu of the percentage fee, HHM may charge a flat annual fee of between \$3,000 and \$50,000 depending on plan size and/or complexity or the level of services required by the client.

These fees are negotiable depending on both the nature and complexity of the client circumstances. HHM will quote an exact percentage to each client based on both the nature and total dollar value of assets, as well as the client's pre-existing relationship (if any) with HHM. Retirement Plan Consulting fees are paid in arrears. Some Third-Party Administrators bill the account on behalf of HHM and remit payment directly to HHM.

HHM engages business owners, plan sponsors and plan trustees to help design, implement and manage their company's 401(k)/Profit Sharing Retirement Plan. The Retirement Plan assets are held at a qualified custodian. Each plan will have a Plan Sponsor or business owner engaged with HHM. HHM does not manage the individual retirement plan participants' accounts.

Clients may terminate the Employee Benefit Retirement Plan Services Agreement by submitting written notice to HHM which is effective upon receipt by HHM. For any client who terminates their relationship with HHM prior to the end of the quarter, HHM will charge a prorated amount based on the number of days in the quarter. The asset allocation fee will be prorated for the quarter in which the termination notice is received, which means that you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client.

Please refer to **Item 12 - Brokerage Practices** for further details of brokerage and trade fees.

### **OTHER COMPENSATION**

In addition to the management and financial planning fees described above, some individual Investment Adviser Representatives (IA Representatives) of HHM are licensed as insurance agents to sell insurance products and receive insurance commissions for the sale of those insurance products. These insurance products include life, fixed annuities, and Long Term Care insurance. This creates a conflict of interest and may offer IA Representatives an incentive to recommend insurance products that produce insurance commissions for the IA Representative.

When any such recommendations are made, IA Representatives will disclose this conflict to the Client prior to completing any transaction and will obtain specific consent from the Client before purchasing any insurance product. Additionally, clients always have the option to purchase insurance products through other agents not affiliated with HHM. Such insurance commissions have historically been a marginal part (less than 10 percent) of the IA Representatives' business as their primary focus will be the investment advisory business rather than their insurance business. Any insurance commissions will be charged separately through the insurance company or agency and remitted to HHM. Insurance commissions are paid directly to HHM Wealth Advisors or to the individual IA Representative. HHM requires IA Representatives to assign all commissions generated from such sales to the company.

Any insurance commissions will be in addition to the advisory fees and HHM will **not** reduce advisory fees for clients that purchase insurance products through HHM's IA Representatives. Aside from the insurance compensation described above, neither HHM nor any of its IA Representatives will accept any compensation for the sale of securities or other investment products.

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

HHM does not charge performance-based fees (fees based on gains) and so none of its Clients' accounts will ever be managed side-by-side any performance-based accounts.

## **Item 7 Types of Clients**

HHM Wealth Advisors, LLC provides investment advisory services to individuals, trusts, estates, charitable organizations, corporations and other business entities. Generally, our minimum household value is \$250,000.00, but we may waive this requirement at our discretion. In addition to the \$250,000 minimum household value, clients are subject to a \$2,500 per year minimum fee.

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

HHM Wealth Advisors, LLC's investment strategy focuses primarily on developing an individual investment strategy for each Client based upon their risk tolerance and investment goals. The investment strategy will dictate the percentage of different types of assets (e.g., equities, bonds, cash) held in the portfolio.

We search for investment opportunities across industry groups and market sectors to diversify the investments in a client's portfolio. We fundamentally analyze individual investment opportunities, meaning we review the company's financial statements to determine the overall financial "health" of the company and determine financial ratios to compare the company's relative value to its competitors. After suitability, diversification of the portfolio is our primary focus. Diversifying the investments across several market sectors, asset classes, and individual securities, we believe is the best way to decrease the volatility and potentially increase the return of our clients' portfolios.

However, Clients should be aware that there are many factors that impact market volatility and return, and many of those may be unknown and may be totally outside of the control of HHM.

We recommend and advise upon various securities including:

- Individual corporate exchange-listed domestic and international securities
- Bonds – Corporate, United States Government Bonds and Agency Bonds
- CDs
- Municipal Securities
- Mutual Funds (closed and open-end funds)
- Exchange Traded Funds (ETFs)
- MLPs and real estate investment trusts (REITs)
- Alternative Investments, Limited Partnerships (LPs)

As stated in **Item 4. Advisory Business** above, clients may restrict their investments to certain securities or types of securities purchased in their portfolio.

**It is important to understand investing in general involves risk of loss that clients should be prepared to bear.**

Along with the obvious risk of loss of principal, there are a number of significant risks associated with HHM's investment approach. These risks include, but are not limited to:

- **Inflation Risk:** The investment value may not keep pace with inflation. If the after tax return on an investment is less than the rate of inflation, the value of the investment will decline.

= **Equity Investing Risks:** Equity risk is the risk that the value of equity securities will fall due to general market or economic conditions (**market risk**), perceptions of the industry (**industry risk**), or company specific circumstances (**business risk**).

= **Fixed Income Investing Risks:** The value of fixed income investments may fall due to upward interest rate movement (**interest rate risk**) and specific issuer's inability to pay its obligations (interest and principal payments) due to unforeseen circumstances (**credit risk**).

= **Global Investing Risks:** HHM searches to find high quality opportunities on the global basis. This may result in additional risks such as:

- **Country Risk** – The possibility that political events, (war, national elections), financial problems (rising inflation, government default), or natural disasters (earthquake, poor harvest) will weaken a country's economy and cause investments in that country to decline.
- **Currency Risk** – The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- **Foreign Market Exchanges** – Foreign markets may experience sudden and dramatic volatility which may result in the inability to quickly sell foreign securities traded on that exchange (liquidity risk).

= **Mutual Fund Investing:** We recommend and advise upon mutual funds. Investing in mutual funds also presents the following risks in addition to those detailed above:

- **Manager Risk** – The possibility that an actively managed mutual fund's investment advisor will fail to execute the fund's investment strategy effectively resulting in the failure of the stated objectives.

### **Mutual Fund Share Classes**

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration internal expenses, transaction fees, position size, expected frequency of trades and other factors. When the fund is available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering internal expenses, transaction fees, position size, expected frequency of trades.

Mutual Fund shares have varying internal expenses and the trading of those shares have varying transaction expenses, based on the share class of the specific mutual fund. These range from higher internal expenses with no transaction fees to lower internal expenses with transaction fees charged on a per trade basis. Note, none of the expenses associated with the shares or trading are ever paid to HHM. HHM's advisory practices, service model and compensation model are aligned with the client. It is the advisor's objective to select share classes that reduce mutual fund expenses for the client creating the most efficient portfolio. At times, multiple share classes will be used across a single client's portfolio and even within the same client account. In addition, there are times where one share class is purchased with the intent to later shift to another share class.

= **ETF Investing:** We recommend and advise upon ETFs. Investing in ETFs also presents the following risks in addition to those detailed above:

- **Tracking error risks** - The ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance against its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.



**= Cash Management:** In managing the cash maintained in your account, we utilize the sole exclusive cash vehicles made available by the custodian. There may be other cash management options away from the custodian available to you with higher yields or safer underlying investments.

**= Money Market Funds:** A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or all of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

HHM's main sources of information for its investment research are:

- Financial newspapers and magazines,
- Inspections of corporate activities,
- Corporate rating services,
- Research materials prepared by other third parties,
- Annual reports, prospectuses, filings with the SEC, and
- Company press releases
- Informational Web training sponsored by Schwab and industry leaders attendance at industry seminars and conferences

## Item 9 Disciplinary Information

Neither HHM nor any of its related persons (including management and IA Representatives) have had any disciplinary events in their past. Clients and prospective Clients can always view the CRD records (registration records) for HHM or any of its IA Representatives through the SEC's Investment Advisor Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or through FINRA's BrokerCheck database online at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) if the IA Representative is also a broker-dealer agent. The CRD number for HHM is 150843.

## Item 10 Other Financial Industry Activities and Affiliations

While HHM is not an insurance agency, IA Representatives of HHM may be licensed as independent insurance agents in Tennessee and other states and have affiliations with various insurance companies whose products they sell. As IA Representatives of HHM, these advisors recommend insurance products and also, as independent insurance agents, sell those recommended insurance products to clients.

When such recommendations or sales are made, a conflict of interest exists as these advisors earn insurance commissions for the sale of those products, which creates an incentive to recommend such products. HHM requires that all IA Representatives disclose this conflict of interest when such recommendations are made.



Also, HHM requires IA Representatives to disclose that clients may purchase recommended insurance products from other insurance agents not affiliated with HHM. Further, HHM requires IA Representatives to assign all commissions generated from such sales to the company.

As previously disclosed under **Item 4 – Advisory Business**, HHM Wealth is partially owned by The CPA Group LLC, dba Henderson, Hutcherson & McCullough PLLC. In addition to Financial Advisory work, some advisors provide tax services to Henderson, Hutcherson & McCullough based upon an operating agreement between the two firms.

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

### **CODE OF ETHICS**

Pursuant to SEC Rule 204A-1, HHM has a Code of Ethics that promotes the fiduciary duty of HHM and its IA Representatives. The Code of Ethics articulates the importance of trust as a foundation to the relationship between an investment adviser and its Clients and establishes policies and procedures to ensure that HHM and its IA Representatives place the interests of the Clients first. The Code of Ethics requires that HHM and its IA Representatives adhere to all applicable securities and related laws and regulations.

The Code of Ethics also requires HHM and its IA Representatives follow industry "best practices" involving: confidential information, suitability of investments, personal trading on the part of HHM and its IA Representatives, outside business activities of IA Representatives, and the disclosure of conflicts of interest. A complete copy of HHM's Code of Ethics is available upon request (at no charge) to any Client or prospective Client.

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

HHM has no proprietary interest in Client transactions. As explained under **Item 10-Other Financial Industry Activities and Affiliations**, some of HHM's IA Representatives are licensed as independent insurance agents in Tennessee or other states. As IA Representatives of HHM, these advisors recommend insurance products and also, as independent insurance agents, sell those recommended insurance products to Advisory Clients. When such recommendations or sales are made, a conflict of interest exists as these advisors earn insurance commissions for the sale of those products, which create an incentive to recommend such products. HHM requires that all IA Representatives disclose this conflict of interest when such recommendations are made. Also, HHM requires IA Representatives to disclose that Advisory Clients may purchase recommended insurance products from other insurance agents not affiliated with HHM.

Additionally, IA Representatives of HHM have an interest in Client transactions insofar as they may personally invest in the same securities recommended to Advisory Clients. These transactions involve a conflict of interest as HHM or IA Representatives benefit from an increase in price from subsequent purchases by Advisory Clients. To address this conflict of interest, HHM and its IA Representatives will adhere to the following procedures regarding their personal trading:

- 1) Client transactions are generally placed ahead of those for HHM related parties, its management, and its IA Representatives
- 2) HHM and its IA Representatives will mostly recommend investments that are widely traded
- 3) In the rare instance where private placement offerings are recommended to Clients and an IA Representative also has an ownership interest in the private offering, full disclosure will be given so the Client fully understands that conflict of interest

## Item 12 Brokerage Practices

While HHM does not maintain physical custody of the assets it manages; HHM may be deemed to have constructive custody of some client assets for regulatory purposes (see **Item 15-Custody** below).

Client assets are maintained in a client's account at a "qualified custodian." When requested to do so by a client or prospective client, HHM will recommend clients use Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. HHM is independently owned and operated and is not affiliated with Schwab. Schwab will hold Client assets in a brokerage account and buy and sell securities as HHM/you instructs them to. Clients receive account statements directly from Schwab.

In addition to Charles Schwab & Co., Inc., HHM manages assets held at other custodians. While HHM may recommend Clients use Schwab as the custodian/broker, the Client decides whether to do so and will open Client accounts with Schwab or a custodian/broker dealer of Client's choice by entering into an account agreement with the custodian/broker-dealer.

HHM may administratively assist clients in opening an account. If a client's account is maintained at Schwab, HHM can still use other brokers to execute trades for such account as described below (see **"Client Brokerage and Custody Costs"**), but in practice such transactions are rare.

### How HHM selects Brokers/Custodians

HHM seeks to recommend a custodian/broker-dealer that will hold client assets and execute transactions on terms that are overall, most advantageous when compared to other available providers and their services. HHM considers a wide range of factors, including among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody); promptness of execution reports and accuracy of confirmations and statements provided to clients
- Capability to execute, clear and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products [stocks, bonds (corporate, municipal, U.S. Government Treasuries and Agency), mutual funds, exchange-traded funds (ETFs), etc.]
- Availability and value of investment research and tools to assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior services to HHM and HHM's clients
- Availability of other products and services that benefit HHM, as discussed below (see **"Products and Services Available to HHM from Schwab"**)

### Clients' Brokerage and Custody Costs

For client accounts maintained at Schwab, Schwab generally does not charge separately for custody services but is compensated by charging the client commissions or other fees on trades that it executes or that settle into the Schwab account. The commission rate Schwab charges HHM's clients is contingent upon the total amount of assets the client maintains at Schwab and whether or not the client chooses to receive trade confirmation and account statements electronically. HHM will discuss and disclose exact commission charges directly with the client prior to entering into an advisory services agreement. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program.

Schwab maintains a multi-tiered commission or transaction trade matrix depending on several factors.

For assets custodied at Charles Schwab or other custodians, HHM will never share in the commissions the custodian assesses a client for securities transactions.

In addition to commissions, Schwab charges HHM's clients a flat dollar amount as a "prime broker" or "trade away" fee for each trade that it has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into client's Schwab account. These fees are in addition to the commissions the client pays the executing broker-dealer. Because of this, in order to minimize HHM's client's trading costs, HHM executes most trades for client accounts through Schwab.

HHM has determined having Schwab execute most trades is consistent with its duty to seek "best execution" of our clients' trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "**How HHM Selects Brokers/Custodians**").

While Schwab does not charge an account maintenance fee, clients may incur an occasional fee associated with activity within their account such as wire fee, transfer, or overnight check delivery fee.

### **Products and Services Available to HHM from Schwab**

Schwab Advisor Services™ (formerly Schwab Institutional®) is Schwab's business serving independent investment advisory firms like HHM. Schwab Advisor Services™ provides HHM and its clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help HHM manage or administer its clients' accounts while others help HHM manage and grow its business. Schwab's support services generally are available on an unsolicited basis (HHM does not have to request them) and at no charge to HHM. Following is a more detailed description of Schwab's support services:

#### **Services that benefit the Client**

Schwab's brokerage services include access to a broad range of investment products, execution of securities transactions and custody of client assets. The investment products available through Schwab include some to which HHM might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit the client and their account.

#### **Services that may not directly benefit the Client**

Schwab also makes available to HHM other products and services that benefit HHM but may not directly benefit the client or clients' account. These products and services assist HHM in managing and administering its clients' accounts. They include investment research, both Schwab's own and that of third parties. HHM uses this research to service a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from HHM's clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

### **Services that generally benefit only HHM**

Schwab also offers other services intended to help HHM manage and further develop its business enterprise. These services include:

- Educational conferences and events
- Technology, compliance, legal, and business consulting & resources
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers.

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to HHM. Schwab may also discount or waive its fees for some of these services or pay all or part of a third party's fees.

Schwab also provides HHM with other benefits. HHM has access to Schwab's compliance publications and resources to a considerable extent and have attended educational conferences and events at HHM's own expense.

Product vendors recommended by HHM may provide monetary and non-monetary assistance with client events, provide educational tools and resources, and may reimburse or cover expenses for attending their conferences. HHM does not select products or vendors based on or as a result of any monetary or non-monetary assistance. This is considered a conflict of interest. To mitigate the conflict of interest, we are providing you with this disclosure.

### **HHM's Interest in Schwab's Services**

The availability of these services from Schwab benefits HHM because HHM does not have to produce or purchase them.

Schwab has indicated HHM will not have to pay for Schwab's services so long as its clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon HHM committing any specific amount of business to Schwab in trading commissions or assets in custody. This \$10 million minimum does not provide HHM an incentive to recommend its clients maintain an account with Schwab, based on HHM's interest in receiving Schwab's services that benefit its business rather than based on its clients' interest in receiving the best value in custody services and the most favorable execution of transactions. HHM believes its recommendation of Schwab as custodian and broker-dealer is in the best interests of its clients.

HHM's recommendation is primarily supported by the scope, quality, and price of Schwab's services provided to Clients (see **"How HHM Selects Brokers/Custodians"**) and not Schwab's services that benefit HHM. HHM clients currently maintain a collective amount of assets at Schwab well in excess of \$10 million therefore HHM also believes it currently has no incentive to recommend HHM clients maintain their assets at Schwab other than for the client's benefit only. It is also important to remember HHM clients may choose any custodian or broker-dealer they wish.

### **Brokerage for Client Referrals**

HHM does not receive client referrals from any broker-dealer or custodian.

### **Directed Brokerage**

If a broker-dealer recommendation is *requested by the client*, we will recommend Schwab as the broker-dealer for reasons described in **"How HHM Selects Brokers/Custodians"** above.

HHM does *not require* its clients to use any particular broker-dealer. It is ultimately the client's decision where to open or maintain their broker-dealer account.

HHM is independently owned and operated and is not affiliated with Schwab. HHM believes its recommendation of Schwab as broker-dealer is in the best interests of its clients. HHM's recommendation is primarily supported by the scope, quality, and price of Schwab's services (again see "**How HHM Selects Brokers/Custodians**" above) and Schwab's ability to facilitate the best execution of the orders HHM places for its clients.

The conflicts of interest this recommendation presents is addressed in complete detail in "**Products and Services Available to HHM from Schwab**" above.

Clients may direct brokerage to any broker-dealer they choose. It is the client's responsibility to negotiate commission rates with the directed broker-dealer.

It is important to understand, if the client directs brokerage to a broker-dealer other than Schwab, the client may not receive the best execution available, may pay higher commissions, and may not be able to participate in aggregated trades (please see "**Order Aggregation**" below).

In selecting an executing broker-dealer clients are encouraged to consider, among other factors, the following:

- Brokerage arrangements other than those directed by the client may exist that would provide the client more favorable execution or additional brokerage related services.
- Other than in connection with monitoring trade execution data for client transactions, HHM has no responsibility to determine or assess the extent or value of service provided to clients by their directed executing brokers, nor does HHM generally have access to such information.
- Technological capabilities and limitations of a client's executing broker (e.g., a broker's inability to receive orders electronically) will affect HHM's ability to relay trading instructions to such broker as efficiently as it is able to relay instructions to brokers that have more sophisticated order systems.

HHM encourages its clients to periodically review the terms of their brokerage agreement to ensure such terms meet their needs and are competitive in the market in relation to the services offered.

### **Order Aggregation**

Client orders executed through the same broker dealer may be aggregated to achieve best execution. Generally, clients will receive the average share price of all orders executed to fill the aggregated order. Individual transaction fees and commissions will not be affected. The client will incur the same transaction fee or commission charge regardless of if the order was aggregated or executed individually. Aggregation saves time and all accounts receive same price. HHM will attempt to aggregate orders when it is determined it is prudent to place orders for the same security, at the same time, in one or more client accounts.

## **Item 13 Review of Accounts**

For Portfolio Management Clients, HHM conducts systematic reviews of Clients' investment holdings during its by-weekly Investment Committee Meeting. Additionally, reviews of individual Client accounts are conducted during a clients' regularly scheduled review meeting held with their Financial Advisor (either quarterly, semiannually, or annually) or at the client's discretion.

*Portfolio Management* Clients are encouraged to meet with HHM at least once per year to review their account as a whole, ensuring that the management aligns with their current financial condition, goals and objectives.

For Financial Planning Clients, HHM reviews the Client's account in the initial preparation of a *Comprehensive Financial Plan* and may review the Client's account during a *Separate Financial Planning Consultation*, but does **not** review those accounts again unless engaged for an *Annual Financial Plan Review*. Financial Planning Clients are encouraged to meet with HHM at least once per year to review their account as a whole, ensuring that their financial plan aligns with their current financial condition, goals, and objectives.

While all Clients are provided with at least a quarterly custodian account statement, HHM will produce internally generated investment statements at the regularly scheduled Client Review Meeting. In addition to listing all portfolio holdings held in the Client account, the custodian statement also provides other important data such as market value, cost basis, interest/dividends received, expenses, purchases/sales, and any capital inflow/outflow in the account during the reporting period. You should compare the report produced by HHM with statements received direct from the account custodian. Should there be any discrepancy the account custodian's report will prevail.

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

HHM receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see **Item 12-Brokerage Practices**). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

**Referral Arrangements:** HHM compensates, either directly or indirectly, persons (defined as a natural person or a company) for client referrals. These persons are documented solicitors.

Compensated persons include Carl W. Henderson, CPA and Wealthramp, Inc., a registered Investment Adviser. HHM is aware of the special considerations promulgated under Section 206(4)-3 of the Investment Advisers Act of 1940 and similar state regulations and how such referral compensation arrangements can constitute a conflict of interest.

As such, appropriate disclosure shall be made, all written instructions will be maintained by HHM and all applicable Federal and/or State laws will be observed. Clients are advised the involvement of a referral fee being paid or the lack of a referral fee will not impact the amount of the fee being paid by the client or the services rendered to the client.

Additionally, any on-going referral compensation (generally expressed as a percentage of fees generated) are made only to licensed investment advisors, investment advisor representatives and/or "Solicitors" within the meaning of the various rules and regulations promulgated by the SEC and various state regulatory agencies.



## Item 15 Custody

Under government regulations, HHM is deemed to have custody of Client assets if, for example, HHM acts as a trustee for a Client account or we have 3rd Party Standing Letters of Authorization (SLOAs). HHM has contracted with an independent audit firm to conduct an annual surprise custody audit. Schwab or other custodians maintain actual custody of the client's assets.

The Client will receive account statements directly from Schwab or other custodian at least quarterly. Statements will be sent to the email or postal mailing address provided by the Client to that custodian. The Client should carefully review those statements promptly when received. HHM urges the Client to compare the custodian's account statements to the periodic account statements/portfolio reports that the Client receives from HHM and to advise HHM of any discrepancies that may exist. Should there be any discrepancy the account custodian's report will prevail.

## Item 16 Investment Discretion

As described in **Item 4 - Advisory Business** of this *FIRM BROCHURE*, HHM will have investment discretion for those Advisory Clients that elect *Discretionary Portfolio Management Services*.

Clients will select this option specifically in HHM's *Investment Advisory Agreement* and will sign a trading authorization form with their custodian. Granting HHM discretionary authority is limited to trade activity within the client's account, selecting the security, buy and/or sell, timing of the transaction, and amount of the transaction.

When advisory clients grant discretionary authority to HHM, clients may still place restrictions on the advisor, such as a prohibition on investing in specific securities, industries, or markets that the Client chooses.

Additionally, unless specifically instructed otherwise by the client, HHM seeks to maintain diversified investment portfolios for its Portfolio Management Clients.

## Item 17 Voting Client Securities

For any security that entails a voting right in the underlying company, HHM will not have or accept authority to vote client securities.

All voting issues, proxies, and solicitations will be communicated to advisory clients through the client's broker-dealer/custodian. Upon request, however, HHM may help explain or answer questions regarding a given voting issue.

## Item 18 Financial Information

Because HHM does not require or solicit prepayment of more than \$1,200 of client fees, six months or more in advance, the SEC does not require HHM to include its balance sheet with this *FIRM BROCHURE*.

HHM oftentimes has discretionary authority over client funds or securities.

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you.



We have not filed a bankruptcy petition at any time in the past ten years.

## **Item 19 Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## **Item 20 Additional Information**

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.