

**B&D White Capital Company, LLC  
d/b/a Coyle Capital, LLC**

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

**March 27, 2023**

This brochure provides information about the qualifications and business practices of B&D White Capital Company, LLC (hereinafter "BDW Capital"). If you have any questions about the contents of this brochure, please contact us at (512) 522-9043 or by email at: [brandon@coylecap.com](mailto:brandon@coylecap.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about BDW Capital is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). BDW Capital's CRD number is: 173822.

B&D White Capital Company, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment, dated March 28, 2022, we have the following material changes to report:

- We have updated our brochure to disclose and acknowledge that when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries under ERISA and/or the IRC as applicable. For more information on this topic, including inherent conflicts of interest, and our compliance with Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") refer to Item 4.

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## **Item 4 Advisory Business**

### **Description of the Advisory Firm**

BDW Capital is a Limited Liability Company organized in the State of Texas.

The firm was formed in November 2014 and has been providing investment advisory services since December 2014. The principal owners are Brandon Edward White and Dustin John White.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to B&D White Capital Company, LLC ("BDW Capital") and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### **Types of Advisory Services**

#### ***Portfolio Management Services***

BDW Capital offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Portfolio monitoring
- Asset selection

BDW Capital evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. BDW Capital will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms.

You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

BDW Capital seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of BDW Capital's economic, investment or other financial interests. To meet its fiduciary obligations, BDW Capital attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, BDW Capital's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is BDW Capital's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

#### **Family Office and Wealth Planning Services**

We offer Family Office and Wealth Planning Services designed to help our clients organize their financial situation and plan for the successful transfer of wealth to the next generation in the most tax-advantaged manner. Such services generally include financial planning in the following areas:

- Family Continuity;
- Estate Planning and Trustee Oversight;
- Integrated Tax and Financial Planning;
- Lifestyle Management;
- Family Philanthropy; and
- Risk Management

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

BDW Capital offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent BDW Capital from properly servicing the client account, or if the restrictions would require BDW Capital to deviate from its standard suite of services, BDW Capital reserves the right to end the relationship.

### **Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. BDW Capital does not participate in any wrap fee programs.

### **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.

## Assets Under Management

BDW Capital has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$299,559,387	\$0	December 31, 2022

## Item 5 Fees and Compensation

### A. Fee Schedule

#### ***Asset-Based Fees for Portfolio Management***

Our annual fee for Portfolio Management, Family Office and Wealth Planning Services ranges from 0.25% to 2.5% depending upon the market value of your assets under our management, the type and complexity of the asset management services provided, as well as the level of administration requested either directly or assumed by the client. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion.

These fees are generally negotiable and the final fee schedule is included in the Investment Advisory Agreement. If the appropriate disclosure brochure was not delivered to the client at least 48 hours prior to the client signing the Investment Advisory Agreement, the Investment Advisory Agreement may be terminated by the client within five (5) business days after entering into the Investment Advisory Agreement. Thereafter, clients may terminate the Investment Advisory Agreement immediately upon written notice.

BDW Capital's annual portfolio management fee is billed based upon the value of client's accounts (including securities, cash and margin) on the last business day of the previous billing period and will become due the following business day.

If the portfolio management agreement is executed at any time other than the first day of a calendar month or quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the month or quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in you paying a reduced advisory fee.

You may terminate the portfolio management agreement upon 30 days written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the month or quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

## **B. Payment of Fees**

### ***Payment of Asset-Based Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly or quarterly basis. Clients may select the method in which they are billed. Fees are paid either in advance or in arrears (i.e., after services are rendered).

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts disbursed from your account including the amount of the advisory fee paid directly to our firm.

## **C. Client Responsibility for Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by BDW Capital. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. Please see Item 12, *Brokerage Practices*, of this brochure regarding our brokerage practices.

## **D. Prepayment of Fees**

BDW Capital collects fees in advance or in arrears (i.e., after services are rendered). Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily proration based on the number of days remaining in the billing month or quarter.

For all asset-based fees paid in arrears (i.e., after services are rendered), you will incur a pro rata charge for services rendered prior to termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the month or quarter for which you are a client.

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither BDW Capital nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

## **G. Business Continuity Plan**

BDW Capital has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

1. Disasters- The Business Continuity Plan covers natural disasters such as severe storms, earthquakes and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.
2. Alternate Offices- Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.
3. Summary of Business Continuity Plan- A summary of the business continuity plan is available upon request to BDW Capital's Chief Compliance Officer, Brandon White.

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

BDW Capital does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client. 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 performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

BDW Capital generally provides advisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Family Office Groups

### ***Minimum Account Size***

There is no account minimum for any of BDW Capital's services; however, we have the right to terminate your account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.



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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

BDW Capital's methods of analysis include charting analysis, fundamental analysis, technical analysis, cyclical analysis, quantitative analysis and modern portfolio theory.

**Charting analysis** involves the use of patterns in performance charts. BDW Capital uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Quantitative analysis** deals with measurable factors (such as the value of assets, the cost of capital, historical projections of sales, so on) as distinguished from qualitative considerations such as the character of management or the state of employee morale.

**Modern portfolio theory** is an investment theory that attempts to maximize a portfolio's expected return for a given amount of portfolio risk, or equivalently minimizing risk for a given level of expected return, each by carefully choosing the proportions of various assets.

#### ***Investment Strategies***

BDW Capital uses long-term trading, short-term trading, short sales, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **B. Material Risks Involved**

#### ***Methods of Analysis***

**Charting analysis** involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

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

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the cycles these investors are trying to exploit.

**Quantitative analysis:** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Modern portfolio theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the portfolio with less risk. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile - (i.e., if for that level of risk an alternative portfolio exists which has better expected returns).

### ***Investment Strategies***

BDW Capital's use of short sales, margin transactions and options trading generally hold greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Long-term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (i.e. purchasing power), interest rate, economic, market risk, and political/regulatory risk.

**Short-term trading** risks are in addition to the long-term trading risks listed above, and include but are not limited to liquidity, economic instability, and inflation. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Short sales** entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

BDW Capital's use of short sales, margin transactions and options trading generally hold greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on a stock exchange, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real Estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a "naked" or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Master Limited Partnerships (MLPs):** A MLP is a limited partnership that is publicly traded on an exchange qualifying under Section 7704 of the Internal Revenue Code. It combines the tax benefits of a limited partnership with the liquidity of publicly traded securities. While BDW Capital considers the asset class more defensive than most, there are always risks involved in investing. Amongst MLP risks are the following: interest rate fluctuations, market volatility, market events, terrorism, company management, potential tax changes, and alternative energy competition.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management.

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither BDW Capital nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

## **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither BDW Capital nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor or an associated person of the foregoing entities.

## **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither BDW Capital nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

## **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

BDW Capital does not utilize nor select third-party investment advisers. All assets are managed by BDW Capital.

We do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. Broker-dealer, municipal securities dealer, or government securities dealer or broker.
2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).
3. Other investment adviser or financial planner.
4. Futures commission merchant, commodity pool operator, or commodity trading advisor.
5. Banking or thrift institution.
6. Accountant or accounting firm.
7. Lawyer or law firm.
8. Insurance company or agency.
9. Pension consultant.
10. Real estate broker or dealer.
11. Sponsor or syndicator of limited partnerships.

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

### **A. Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting BDW Capital's Chief Compliance Officer, Brandon White.

## **B. Recommendations Involving Material Financial Interests**

BDW Capital does not recommend that clients buy or sell any security in which BDW Capital, or a related person to BDW Capital has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of BDW Capital may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of BDW Capital to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of BDW Capital may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of BDW Capital to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions create a conflict of interest; however, BDW Capital mitigates this conflict of interest whereby neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

### **Block Trading**

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Refer to the *Brokerage Practices* section in this brochure for information on our block trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable pricing than you will receive. To eliminate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

BDW Capital will recommend clients to use Schwab Institutional, a division of Charles Schwab & Co., Inc. ("CS&Co.") Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

Custodians/broker-dealers will be recommended based on BDW Capital's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and BDW Capital may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in BDW Capital's research efforts. BDW Capital will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

### ***1. Research and Other Soft-Dollar Benefits***

While BDW Capital has no formal soft dollars program in which soft dollars are used to pay for third party services, BDW Capital may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). BDW Capital may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and BDW Capital does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. BDW Capital benefits by not having to produce or pay for the research, products or services, and BDW Capital will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that BDW Capital's acceptance of soft dollar benefits may result in higher commissions charged to the client.

### **Schwab - Your Custody and Brokerage Costs**

For our clients' accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab's commission rates and/or asset-based fees applicable to our client accounts were negotiated based on our commitment to maintain \$100 million of our clients' assets statement equity in accounts at Schwab. This commitment benefits you because the overall commission rates and/or asset-based fees you pay are lower than they would be if we had not made the commitment. In addition to commission rates and/or asset-based fees Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

## **Schwab Advisor Services**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our 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 us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us.

### Services that Benefit You

Schwab's institutional 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 we 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 you and your account.

### Services that May Not Directly Benefit You

Schwab also makes available other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some 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 (such as 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 our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

### Services that Generally Benefit Only Us

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

- educational conferences and events;
- consulting on technology, compliance, legal, and business needs;
- publications and conferences on practice management and business succession;
- access to employee benefits providers, human capital consultants and insurance providers; and
- marketing consulting and support.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

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

The availability of these services from CS&Co. benefits us because we do not have to produce or purchase them. We don't have to pay for these services, and they are not contingent upon us committing any specific amount of business to CS&Co. in trading commissions or assets in custody. In light of our arrangements with Schwab, we may have an incentive to recommend that our clients maintain their accounts with CS&Co. based on our interest in receiving Schwab's services that benefit



our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a conflict of interest. We believe, however, that our selection of CS&Co. as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality, and price of CS&Co.'s services and not Schwab's services that benefit only us.

## ***2. Brokerage for Client Referrals***

BDW Capital receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

BDW Capital may permit Clients to direct it to execute transactions through a specified broker-dealer. Clients must refer to their advisory agreements for a complete understanding of how they may be permitted to direct brokerage. If a client directs brokerage, the client will be required to acknowledge in writing that the Client's direction with respect to the use of brokers supersedes any authority granted to BDW Capital to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; the client may be unable to participate in block trades (unless BDW Capital is able to engage in "step outs; and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

If BDW Capital buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, BDW Capital would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. BDW Capital would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## **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 cost, tax implications, 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 cost, tax implications, and the impact of contingent deferred sales charges.

## **Item 13 Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for BDW Capital's advisory services provided on an ongoing basis are reviewed at least quarterly by Brandon E White, Chief Compliance Officer with regard to clients' respective investment policies and risk tolerance levels. All accounts at BDW Capital are assigned to this reviewer. However, the individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client receiving advisory services provided by BDW Capital's will receive a quarterly report detailing the client's account, including assets held, asset value, and fees deducted. This written report will come from the custodian.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

BDW Capital 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.

### **B. Compensation to Non - Advisory Personnel for Client Referrals**

BDW Capital does not directly or indirectly compensate any person who is not advisory personnel for client referrals. We also do not receive any compensation from any third party in connection with providing investment advice to you.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

## **Item 15 Custody**

When advisory fees are deducted directly from client's accounts at client's custodian, BDW Capital will be deemed to have limited custody of client's assets and must have written authorization from the client to do so.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

BDW Capital provides investment advisory services only and does not have actual or constructive custody of client assets. These services are provided by a qualified custodian. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16 Investment Discretion**

BDW Capital provides discretionary investment advisory services to clients. The Investment Advisory Agreement established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, BDW Capital generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, BDW Capital's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to BDW Capital).

## **Item 17 Voting Client Securities (Proxy Voting)**

BDW Capital will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18 Financial Information**

### **A. Balance Sheet**

BDW Capital neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither BDW Capital nor its management has any financial condition that is likely to reasonably impair BDW Capital's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

BDW Capital has not been the subject of a bankruptcy petition in the last 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.