

Item 1 – Cover Page

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**dba**  
**Drive Wealth Advisers**

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**March 29, 2023**

**Form ADV Part 2A Brochure**

Drive Wealth Management, LLC dba Drive Wealth Advisers is a registered investment adviser. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Drive Wealth Advisers. If you have any questions about the contents of this brochure, please contact us at (801) 901-6150. 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 Drive Wealth Advisers is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 - Material Changes

The purpose of this page is to inform you of any material changes since the previous version of this brochure. We review our brochure at least annually and update as needed to make sure that it remains current.

On March 29, 2023, we submitted our annual updating amendment filing for the firm's fiscal year 2022. We have updated Item 4 of our Form ADV Part 2A Brochure to disclose discretionary assets under management of approximately \$1,381,186,401, and non-discretionary assets under management of approximately \$448,950,714 as of February 15, 2023. Item 8 was also amended to include risks associated with investments in buffer exchange traded funds and structured notes.

**If you have questions or if you would like to receive a full copy of our current brochure at any time, free of charge, please contact us at (801) 901-6150.**

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

Drive Wealth Management, LLC doing business as Drive Wealth Advisers is a registered investment advisor based in Lehi, Utah. We are a limited liability company under the laws of the State of Utah. We have been providing investment advisory services since 2015. Drive Wealth Advisers is owned by Crabb Financial, LLC. Lowell C. Crabb is the Chief Compliance Officer of Drive Wealth Advisers and sole owner of Crabb Financial, LLC.

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly registered as investment adviser representatives.

Currently, we offer the following investment advisory services, personalized to each individual client:

- **Portfolio Management Services**
- **Recommendation of Sub-Advisers**
- **Financial Planning Services**
- **Pension Consulting Services**
- **General Consulting Services**
- **Family Office Services**

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

Our firm offers discretionary and non-discretionary portfolio management services to our clients. Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions would be made based upon your stated investment objectives. Non-discretionary portfolio management service means that we must obtain your approval prior to making any transactions in your account.

Our investment advice is tailored to meet our clients' needs and investment objectives. If you decide to hire our firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

Drive Wealth Advisers mainly uses equity securities, exchange traded funds, mutual funds, U.S. government securities, corporate debt securities, commercial paper, municipal securities, certificates of deposit, covered options, limited partnerships, and other alternative investments.

However we construct your investment portfolio, we will monitor your portfolio's performance on a continuous basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

##### ***Recommendation of Sub-Advisers***

As part of our overall portfolio management strategy, we may also recommend Sub-Advisers to manage all or a portion of your account. All Sub-Advisers recommended by our firm must either be registered as investment advisers or exempt from registration requirements. These Sub-Advisers may specialize in private equity investments, private credit markets, hedge funds or other types of alternative investments. Factors that we take into consideration when making our recommendations include, but are not limited to, the following: the Sub-Adviser's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the Sub-Adviser's performance to ensure its management and investment style remains aligned with your investment goals and objectives.

### ***Financial Planning Services***

We offer broad based financial planning services regarding management of financial resources. Such management is based upon an analysis of the client's individual needs and begins with an initial complementary consultation. Once we collect and analyse all documentation, we provide a written financial plan designed to achieve the client's financial goals and objectives. In this way, Drive Wealth Advisers assists the client in developing a strategy for the successful management of income, assets, and liabilities. In general, financial planning services may include any one or all of the following:

- Cash Flow Analysis – Assessment of a client's present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements etc. The Firm advises on ways to reduce risk, coordinate, and organize records, and estate information.
- Retirement Analysis – Identification of a client's long-term financial and personal goals and objectives includes advice for accumulating wealth for retirement income or appropriate distribution of assets following retirement. Tax consequences and implications are identified and evaluated.
- Portfolio Analysis/Investment Planning – We provide investment alternatives, including asset allocation, and effect on a client's portfolio. We evaluate economic and tax characteristics of existing investments as well as their suitability for a client's objectives. We identify and evaluate tax consequences and their implications.
- Education Savings Analysis – Alternatives and strategies with respect to the complete or partial funding of college or other post-secondary education.
- Estate Analysis – We provide advice with respect to property ownership, distribution strategies, estate tax reduction, and tax payment techniques.

The recommendations and solutions are designed to achieve the client's desired goals, subject to periodic evaluation of the financial plan, which may require revision to meet changing circumstances. Financial plans are based on a client's financial situation based on the information provided to the Firm. We should be notified promptly of any change to a client's financial situation, goals, objectives, or needs.

Clients can also request financial planning services that cover a specific area, such as retirement or estate planning, asset allocation analysis, manager due diligence and 401(k) platform due diligence. We offer consultative services where we set an appointment to meet with you for financial planning advice for an hourly fee.

You may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so either through our investment advisory services or by using the advisory/brokerage firm of your choice.

In some cases, our recommendations may involve the purchase of insurance products. Drive Wealth Advisers is affiliated with Drive Insurance Services, an insurance agency licensed in the State of Utah, through common ownership. Investment Adviser Representatives of Drive Wealth Advisers may also be licensed insurance agents. Drive Insurance Services and our dually licensed Investment Adviser Representatives can effect transactions in insurance products and earn commission-based compensation for these activities. Clients should be aware that a conflict of interest is inherent in such an arrangement. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned by Drive Insurance Services and our dually licensed Investment Adviser Representatives. Clients of Drive Wealth Advisers are not required to purchase insurance products from Drive Insurance Services or the firm's dually licensed Investment Adviser Representatives and can purchase insurance products from any insurance agency and agent of their choice.

Note: Information related to legal consequences that is provided as part of the financial plan is for informative purposes only. Clients are instructed to contact their attorneys for legal advice.

### ***Pension Consulting Services***

Drive Wealth Advisers provides several Defined Contributions and Defined Benefit consulting services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, Drive Wealth Advisers will also offer these services, where appropriate, to businesses, individuals, trusts, estates, and charitable organizations. Defined Contributions and Defined Benefit Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services.

#### ***Investment Policy Statement Preparation***

Drive Wealth Advisers will meet with the client (in person or over the telephone) to determine the client's investment needs and goals. Drive Wealth Advisers will then prepare a written Investment Policy Statement ("IPS") stating those needs and goals and creating a policy to help achieve these goals. The IPS will also list the criteria for selection of investment vehicles and the procedures and timing interval for monitoring of investment performance.

#### ***Selection of Investment Vehicles***

Drive Wealth Advisers will review various investments, consisting of one or all of the following: individual equities, bonds, other investment products and mutual funds (both index and managed) to determine which of these investments are appropriate to implement the client's Investment Policy Statement. The number of investments to be recommended will be determined by the client, based on the client's Investment Policy Statement.

#### ***Monitoring of Investment Performance***

Client investments will be monitored continuously based on the procedures and timing intervals outlined in the Investment Policy Statement. Although Drive Wealth Advisers will not be involved in any way in the purchase or sale of these investments, Drive Wealth Advisers will supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

#### ***Employee Communications***

For pension, profit sharing and 401(k) plans where the individual account participant exercises control over assets in his/her own account (hereinafter "self-directed plans"), Drive Wealth Advisers also provides educational support and investment workshops designed for the Plan participants. The nature of the topics to be covered will be determined by Drive Wealth Advisers and the client under the guidelines established in ERISA Section 404(c).

Other pension consulting services are available on request. All of our pension consulting services, whether general or customized, will be outlined in an Agreement that shows the services that will be provided and the fees that will be charged for those services.

### ***General Consulting Services***

We also offer general consulting services primarily involving advising clients on specific financial related topics. The topics we address may include, but are not limited to, risk assessment/management, investment planning, financial organization, or financial decision making/negotiation, among others.

Our advice is based on your financial situation and the financial information you provide to our firm at that time. You may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so either through our firm or by using the advisory/brokerage firm of your choice.

Note: Information related to legal consequences that is provided as part of a plan is for informative purposes only. Clients are instructed to contact their attorneys for legal advice.

### ***Family Office Services***

Drive Wealth Advisers provides family office services that are uniquely designed to help families coordinate their multiple forms of capital using a holistic and collaborative team approach combining the many elements inherent to a successful life with wealth. Our collective experiences support our belief that a dedicated team of independent and objective professionals working in collaboration with each other in partnership with the family is the best way to serve families of significant wealth. Such a relationship enhances Drive Wealth Advisers' ability to advise families on the opportunities and risks that their wealth presents allowing families to make better, educated decisions.

Initially, Drive Wealth Advisers meets with the prospective client to obtain information about their overall situation. This information is used to assist Drive Wealth Advisers in understanding a client's needs and the scope of services that are most appropriate for the client's situation. The family office services Drive Wealth Advisers will provide will be specifically described in the Family Office Services Agreement you enter into with our firm. Additional services beyond the scope of the Family Office Services Agreement may be provided under separate agreement(s) and may include a separate fee as mutually agreed to by Drive Wealth Advisers and the client.

Our family office services vary by family and occasionally within families, but may include the following:

- **Portfolio Management Services** – Includes development of asset allocation, ongoing portfolio management, and review, including selection and evaluation of investment managers. Further, we may provide customized performance reporting at the portfolio level and at the manager or specific investment level. Additional information about our portfolio management services is provided in the portfolio management services section above.
- **Information Management and Coordination** – We organize key information and coordinate such information with the family, the family's accountant, attorney, insurance agents, and other key advisors.
- **Estate, Gift & Trust Planning** – We provide explanations, summaries, and illustrations of existing and proposed estate planning documents and strategies, including recommendations and education on additional strategies, considerations for making updates periodically and further coordination with family's tax and legal advisor(s) to implement agreed upon strategies or updates.
- **Income Tax Planning** – Includes planning for the minimization of tax liabilities, including asset location, tax loss harvesting and gain minimization planning, charitable asset selection, facilitation of income tax payments and coordination with family's tax advisor(s).
- **Financial Planning** – Includes planning related to cash flow analysis, capital sufficiency modeling, lifestyle goals, credit usage, major asset purchases or liquidations, and significant life events.
- **Philanthropic Planning** – Includes defining philanthropic goals, education on philanthropic vehicles and strategies for maximizing the benefits of philanthropy across the family and the organizations they choose to benefit.
- **Education** – Includes both individual and group-based learning sessions around various planning, tax, investment, and other topics with an intention of growing not only the family's financial capital, but non-financial capital as well. These topics while commonly focused on younger generations are generally available across all generations.
- **Family Meetings** – Includes facilitation of family meetings often across multiple generations around shared ownership, philanthropy, decision making or shared goals and objectives.
- **Assistance with Trust Administration** – Includes advice around trustee selection and ongoing guidance, general understanding of trust purposes and provisions. Often involves education for grantors, trustees, and beneficiaries on their respective roles and responsibilities.
- **Consolidated Reporting Services** – Allows the family to customize how their assets are reported by offering a view across multiple accounts or entities in a single statement and/or to segregate assets

within accounts. This service may include assets not generally managed by Drive Wealth Advisers such as closely-held private family assets. Allows the family and their advisors to understand and monitor the total family balance sheet and provide comprehensive and integrated advice from a vantage point inclusive of the family's entire wealth landscape. This may require an additional fee depending on the nature and complexity of the non-managed assets being reported on. Any additional fees will be mutually agreed to in advance.

- **Asset Protection Planning and Review** – Includes review and discussion of strategies that may avoid or minimize a portion of a family's balance sheet at risk. These strategies will be evaluated on the benefits they may provide against the degree and likelihood of loss and the complexity and administration they may require to achieve such protections.
- **Liability Risk Management Planning and Review** – Includes advice on a combination of mitigation strategies including the use of special purpose entities, trusts and/or various insurance tools. We will review the family's assets and liabilities to determine: location, titling and ownership structure. We will review existing or proposed policies and, after receiving your permission, we may facilitate reviews with unaffiliated third-party professionals. Drive Wealth Advisers does not receive compensation for recommending or placing insurance nor do we receive compensation from such third parties with whom we may involve to review your situation.
- **Estate Tax Liquidity Planning and Review** – Includes determination of estate tax liquidity needs and determination of potential liquidity sources including asset liquidations and life insurance. We will review existing or proposed policies and, after receiving your permission, we may facilitate reviews with unaffiliated third-party professionals. Drive Wealth Advisers does not receive compensation for recommending or placing insurance nor do we receive compensation from such third parties with whom we may involve to review your situation.

The advice we propose is designed to achieve the client's desired goals which may require revision to meet changing circumstances. Our recommendations are based on your situation from the information provided to the firm. Families may choose to accept or reject our recommendations. We should be notified promptly of any change to your situation, goals, objectives, or needs.

#### **Wrap Fee Programs**

Drive Wealth Advisers does not participate in or manage a wrap fee program.

#### **Assets Under Management**

As of February 15, 2023, we manage discretionary assets under management of approximately \$1,381,186,401 and non-discretionary assets under management of \$448,950,714.

### **Item 5 - Fees and Compensation**

Drive Wealth Advisers charges a percentage of assets under management and/or supervision, hourly charges, and fixed fees (not including subscription fees).

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

For portfolio management services, Drive Wealth Advisers charges a negotiable annual management fee of up to 2.00% of assets under management. Portfolio management fees are negotiable depending on factors such as the amount of assets under management, range of investments, and complexity of the client's financial circumstances, among others. The exact fee paid by the client will be clearly stated in the advisory agreement signed by the client and the firm.



Portfolio management fees are billed quarterly or monthly, in arrears. The custodian holding the client's account will deduct the fees directly from the account provided the client has given written authorization. The qualified custodian will send an account statement at least quarterly. This statement will detail all account activity. The custodian will usually deduct from a designated account to facilitate billing. For assets held outside one of the custodians with which we have a business relationship, we will either invoice the client directly or the fee will be deducted from a client-designated account held at one of our recommended account custodians (provided the client provides written authorization for the deduction and the client receives a statement from the account custodian showing the amount of the fee deducted each billing period). Our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses, which will be incurred by the client. However, Drive Wealth Advisers will not receive any portion of the commissions, fees, and costs. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs.

In some cases, our recommendations may involve the purchase of insurance products. Drive Wealth Advisers is affiliated with Drive Insurance Services, an insurance agency licensed in the State of Utah, through common ownership. Investment Adviser Representatives of Drive Wealth Advisers may also be licensed insurance agents. Drive Insurance Services and our dually licensed Investment Adviser Representatives can effect transactions in insurance products and earn commission-based compensation for these activities. Clients should be aware that a conflict of interest is inherent in such an arrangement. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned by Drive Insurance Services and our dually licensed Investment Adviser Representatives. Clients of Drive Wealth Advisers are not required to purchase insurance products from Drive Insurance Services or the firm's dually licensed Investment Adviser Representatives and can purchase insurance products from any insurance agency and agent of their choice.

At the inception of investment management services, the first pay period's fees will be calculated on a pro-rata basis. The Advisory Agreement between Drive Wealth Advisers and the client will continue in effect until either party terminates the Agreement in accordance with the terms of the Agreement. Drive Wealth Advisers' annual fee will be pro-rated through the date of termination. Refunds are not applicable since all portfolio management fees are payable in arrears.

#### ***Sub-Adviser Fees***

Advisory fees charged by Sub-Adviser(s) are separate and apart from our advisory fees. Advisory fees that you pay to the Sub-Adviser(s) are established and payable in accordance with the Form ADV Brochure provided by each Sub-Adviser to whom you are referred. These fees may or may not be negotiable. You should review the recommended Sub-Adviser's brochure and take into consideration their fees along with our fees to determine the total amount of fees charged to your account.

Generally, the combined fee charged by Drive Wealth Advisers and the Sub-Adviser will be lower than 2% of client assets under management. Clients are informed that a combined fee in excess of 2% of assets under management is in excess of industry norm and similar advisory services can be obtained for less.

You will be required to sign an agreement directly with the Sub-Adviser(s). You may terminate your advisory relationship with the Sub-Adviser(s) according to the terms of your agreement with the Sub-Adviser(s). You should review each Sub-Adviser's brochure for specific information on how you may terminate your advisory relationship with the Sub-Adviser and how you may receive a refund, if applicable. You should contact the Sub-Adviser directly for questions regarding your advisory agreement with the Sub-Adviser.

#### ***Financial Planning Services Fees***

For financial planning services, we charge a maximum hourly fee of \$300 or a fixed fee that may range from \$5,000 to \$50,000 depending on the scope of the services to be provided. If the client engages the firm for

additional investment advisory services, the firm may offset all or a portion of its fees for those services based upon the amount paid for financial planning services.

Prior to engaging Drive Wealth Advisers to provide consulting services, the client will be required to enter into a written Agreement with our firm. The Agreement will set forth the terms and conditions of the engagement and describe the scope of the services to be provided and the fee that is due from the client. Other fee payment arrangements may be negotiated with the client on a case-by-case basis. All such arrangements will be clearly set forth in the financial planning agreement signed by the client and the firm.

Either party may terminate the Agreement by written notice to the other. In the event the client terminates Drive Wealth Advisers' consulting services, the balance of Drive Wealth Advisers' unearned fees (if any) shall be refunded to the client.

***Pension Consulting Services Fees***

The compensation arrangement for these services will be based on fixed fees or fees based on a percentage of assets under management. Fixed fee will not exceed \$100,000/year and fees based on a percentage of assets under management will be similar to the fees listed in the Portfolio Management Services Fee schedule above. Services will be negotiated on a case-by-case basis and the exact fee paid by the client will be clearly stated in the pension consulting agreement signed by the client and the firm.

If you choose to have Drive Wealth Advisers' fee deducted directly from your account, you must provide authorization. The qualified custodian holding your funds and securities will send you an account statement on at least a quarterly basis. This statement will detail account activity. Please review each statement for accuracy. Drive Wealth Advisers will also receive a copy of your account statements from the custodian.

***General Consulting Fees***

Drive Wealth Advisers offers consulting services for an hourly or fixed fee. If the client decides to engage us for consulting services, we charge a maximum hourly fee of \$200 and fixed fees may range from \$5,000 - \$50,000 depending on the scope of the services to be provided. The fee is negotiable depending on the nature, complexity, and the time involved in providing the client with the requested services.

Prior to engaging Drive Wealth Advisers to provide consulting services, the client will be required to enter into a written agreement with our firm. The agreement will set forth the terms and conditions of the engagement and describe the scope of the services to be provided and the portion of the fee that is due from the client. Fees are typically due in arrears and are payable as invoiced. We do not require the prepayment of more than \$500 in fees six or more months in advance.

You may terminate the agreement within five days of entering into the agreement without penalty. After the five-day period, either party may terminate the agreement by written notice to the other. Any prepaid, unearned fees will be promptly refunded to the client.

***Family Office Services***

The fixed fee for Drive Wealth Advisers' family office services is determined by the total value of client's investable assets (not net worth) under our advisement, which inherently includes all assets held in accounts managed by us, all cash holdings and securities held outside of such accounts, and all other non-liquid assets held for investment. Our determination of an appropriate fixed fee is based on the scope, complexity, time commitment, and resources expected to be devoted to managing, advising on, and administering your investable assets, including accounts managed by us, investment real estate, businesses, insurance products and policies, holdings of restricted stock/options, partnerships, hedge funds, private equity, and other alternative holdings, annuities, retirement plans, and all other investment assets. The fee will be prorated and billed quarterly, in arrears, and will be deducted directly from your custodial account, unless otherwise agreed

in writing by the parties. The fixed fee shall be adjusted annually by our firm, in our sole discretion on thirty (30) days' notice to Client. Any such fee adjustments shall become effective unless otherwise objected to by client within the notice period.

The Family Office Services Agreement may be terminated for any reason by us or the client within five (5) business days after entering into the agreement without cost and penalty. Thereafter, either party may terminate the Agreement at any time by providing thirty (30) days' advance written notice to the other party. Fees will be prorated to the date of termination.

#### **Additional Fees and Expenses**

The fees Drive Wealth Advisers charges are negotiable based on the amount of assets under management, complexity of client goals and objectives, and level of services rendered. As described above, the fees are charged as described and are not based on a share of capital gains of the funds of an advisory client.

Negotiability of Fees: We allow Associated Persons servicing the account to negotiate the exact investment management fees within the range disclosed in our Form ADV Part 2A Brochure. As a result, the Associated Person servicing your account may charge more or less for the same service than another Associated Person of our firm. Further, our annual investment management fee may be higher than that charged by other investment advisors offering similar services/programs.

Billing on Cash Positions: The firm treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the firm may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, the firm's advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

Billing on Margin: Unless otherwise agreed in writing, the gross amount of assets in the client's account, including margin balances, are included as part of assets under management for purposes of calculating the firm's advisory fee. Clients should note that this practice will increase total assets under management used to calculate advisory fees which will in turn increase the amount of fees collected by our firm. This practice creates a conflict of interest in that our firm has an incentive to use margin in order to increase the amount of billable assets. At all times, the firm and its Associated Persons strive to uphold their fiduciary duty of fair dealing with clients. Clients are free to restrict the use of margin by our firm. However, clients should note that any restriction on the use of margin may negatively impact an account's performance in a rising market.

All fees paid to Drive Wealth Advisers for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest in a mutual fund directly, without the services of Drive Wealth Advisers. In that case, the client would not receive the services provided by Drive Wealth Advisers, which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by Drive Wealth Advisers to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Sales Compensation**

Drive Wealth is affiliated with Drive Insurance Services, an insurance agency licensed in the State of Utah, through common ownership. Investment Adviser Representatives of Drive Wealth Advisers may also be licensed insurance agents. Drive Insurance Services and our dually licensed Investment Adviser Representatives can effect transactions in insurance products and earn commission based compensation for these activities. Clients should be aware that a conflict of interest is inherent in such an arrangement. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned by Drive Insurance Services and our dually licensed Investment Adviser Representatives. Clients of Drive Wealth Advisers are not required to purchase insurance products from Drive Insurance Services or the firm's dually licensed Investment Adviser Representatives and can purchase insurance products from any insurance agency and agent of their choice.

**General Information on Advisory Services and Fees**

We do not represent, warrant, or imply that the services or methods of analysis employed by our firm can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

We will send you an invoice for the payment of our advisory fee, or 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 you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements.

The fees charged are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds of an advisory client (15 U.S.C. §80b-5(a)(1)).

**IRA Rollover Considerations**

As a normal extension of financial advice, we provide education or recommendations related to the rollover of an employer-sponsored retirement plan. A plan participant leaving employment has several options. Each choice offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and the investor's unique financial needs and retirement plans. The complexity of these choices may lead an investor to seek assistance from us.

An Associated Person who recommends an investor roll over plan assets into an Individual Retirement Account ("IRA") may earn an asset-based fee as a result, but no compensation if assets are retained in the plan. Thus, we have an economic incentive to encourage an investor to roll plan assets into an IRA. In most cases, fees and expenses will increase for the investor as a result because the above-described fees will apply to assets rolled over to an IRA, and outlined ongoing services will be extended to these assets.

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also 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. We have to act in your best interests and not put our interests ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

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

We and our Associated Persons do not accept performance-based fees. Performance based fees are based on a share of capital gains on or capital appreciation of the client's assets.

#### Item 7 - Types of Clients

We generally offer investment advisory services to individuals, pension and profit-sharing plans and participants, trusts, estates, charitable organizations, corporations, and other business entities.

We do not require a minimum account size to open and maintain an advisory account. Accounts managed by Sub-Advisers may be subject to different minimum investment requirements.

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

The following are different methods of analysis that we may use when providing you with investment advice:

- Fundamental Analysis – this approach attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.
- Tactical Analysis – this approach aims to take advantage of inefficiencies in asset pricing while avoiding overpriced assets. Tactical Analysts believe that making periodic changes in the amounts invested within different asset classes can enhance investment returns and reduce risk.

We may use one or more of the following investment strategies when advising you on investments:

- Long Term Purchases – securities held for over a year.
- Short Term Purchases – securities held for less than a year.
- Covered Options – covered option is a strategy in which an investor writes an option contract while at the same time owning an equivalent number of shares of the underlying stock and/or cash.

The investment advice provided along with the strategies suggested by Drive Wealth Advisers will vary depending on each client's specific financial situation and goals. The below section does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed will be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

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

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments you intend to invest in.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income

derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation, and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

**Risks Associated with Investing in Options:** Transactions in options carry a high degree of risk. A relatively small market movement will have a proportionately larger impact, which may work for or against the investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

**Risks Associated with Investing in Private Placements:** Investing in Private Placements, such as unregistered pooled investment vehicles, carries a substantial risk, as they are largely unregulated offerings not subject to securities laws. Private Placement offering documents contain important information that investors should review carefully and consider when conducting due diligence into the investment opportunity. The primary risks of unregistered pooled investment vehicles include the following: (a) interests do not sell publicly and are therefore illiquid. An investor may not be able to exit a pooled investment vehicle or sell its interests before the close; and (b) pooled investment vehicles are subject to various other risks, including risk associated with the type of investment made by the vehicle.

**Risks of Investing in Alternative Investment Strategies.** Some of the Sub-Advisers recommended by our firm specialize in alternative investment strategies. These strategies may carry potentially greater and substantially different risks than those of traditional equity and fixed income investments. Clients should consider the specific risks associated with alternative investments, including fee structures, tax issues, and investment strategies. The investment strategies employed and associated risks are more fully disclosed in each Sub-Adviser's disclosure brochure. Alternative investments can be subject to one-time losses from rare events, and the value of the investment is not guaranteed – and the principal invested may not be returned. There are no guarantees that any investment will meet its objectives or that an investment can avoid losses.

**Risks Associated with Investing in Exchange Traded Funds (ETFs).** ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF.

Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

**Risks Associated with Investing in Buffer ETFs.** Buffer ETFs are also known as defined-outcome ETFs since the ETF is designed to offer downside protection for a specified period of time. These ETFs are modeled after options-based structured notes, but are generally cheaper, and offer more liquidity. Buffer ETFs are designed to safeguard against market downturns by employing complex options strategies. Buffer ETFs typically charge higher management fees that are considerably more than the index funds whose performance they attempt to track. Additionally, because buffer funds own options, they do not receive dividends from their equity holdings. Both factors result in the underperformance of the Buffer ETF compared to the index they attempt to track. Clients should carefully read the prospectus for a buffer ETF to fully understand the cost structures, risks, and features of these complex products.

**Structured Notes.** Below are some specific risks related to the structured notes recommended by our firm:

- *Complexity:* Structured notes are complex financial instruments. Clients should understand the reference asset(s) or index(es) and determine how the note's payoff structure incorporates such reference asset(s) or index(es) in calculating the note's performance. This payoff calculation may include leverage multiplied by the performance of the reference asset or index, protection from losses should the reference asset or index produce negative returns, and/or fees. Structured notes may have complicated payoff structures that can make it difficult for clients to accurately assess their value, risk, and potential for growth through the term of the structured note. Determining the performance of each note can be complex and this calculation can vary significantly from note to note depending on the structure. Notes can be structured in a wide variety of ways. Payoff structures can be leveraged, inverse, or inverse-leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with our firm.
- *Market risk.* Some structured notes provide for the repayment of principal at maturity, which is often referred to as "principal protection." This principal protection is subject to the credit risk of the issuing financial institution. Many structured notes do not offer this feature. For structured notes that do not offer principal protection, the performance of the linked asset or index may cause clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, and/or market volatility.
- *Issuance price and note value:* The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now generally disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to gauge the difference between the issuer's estimated value of the note and the issuance price. The estimated



value of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring, and/or hedging the exposure on the note in the initial price of their notes. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.

- *Liquidity*: The ability to trade or sell structured notes in a secondary market is often very limited, as structured notes (other than exchange-traded notes known as ETNs) are not listed for trading on securities exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution's broker-dealer affiliate or the broker-dealer distributor of the structured note. In addition, issuers often specifically disclaim their intention to repurchase or make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date or risk selling the note at a discount to its value at the time of sale.
- *Credit risk*: Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as the financial health of the structured note issuer. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.

**Cybersecurity Risks.** Our firm and our service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate; however, unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of unauthorized use of their personal information. While our firm has established a business continuity plan and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities, investment companies and other investment advisers in which we invest, which could result in material adverse consequences for such entities and may cause a client's investment in such entities to lose value.

**Pandemic Risk.** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption. It is difficult to predict the long-term impact of such events because they are dependent on a variety of factors including the global response of regulators and governments to address and mitigate the worldwide effects of such events. Workforce reductions, travel restrictions, governmental responses and policies and macroeconomic factors will negatively impact investment returns.

**Cryptocurrency Risk.** Cryptocurrency (e.g., bitcoin and ether), often referred to as "virtual currency," "digital currency," or "digital assets," is designed to act as a medium of exchange. Cryptocurrency is an emerging asset class. There are thousands of cryptocurrencies, the most well-known of which is bitcoin. Certain of the firm's clients may have exposure to bitcoin or another cryptocurrency, directly or indirectly through an investment such as an ETF or other investment vehicles. Cryptocurrency operates without central authority or banks and is not backed by any government. Cryptocurrencies may experience very high volatility and related investment



vehicles may be affected by such volatility. As a result of holding cryptocurrency, certain of the firm's clients may also trade at a significant premium or discount to NAV. Cryptocurrency is also not legal tender. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. The market price of many cryptocurrencies, including bitcoin, has been subject to extreme fluctuations. If cryptocurrency markets continue to be subject to sharp fluctuations, investors may experience losses if the value of the client's investments decline. Similar to fiat currencies (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization), cryptocurrencies are susceptible to theft, loss and destruction. Cryptocurrency exchanges and other trading venues on which cryptocurrencies trade are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. The SEC has issued a public report stating U.S. federal securities laws require treating some digital assets as securities.

Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware. Due to relatively recent launches, most cryptocurrencies have a limited trading history, making it difficult for investors to evaluate investments. Generally, cryptocurrency transactions are irreversible such that an improper transfer can only be undone by the receiver of the cryptocurrency agreeing to return the cryptocurrency to the original sender. Digital assets are highly dependent on their developers and there is no guarantee that development will continue or that developers will not abandon a project with little or no notice. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets, including cryptocurrencies, and their source code. Any threatened action that reduces confidence in a network's long-term ability to hold and transfer cryptocurrency may affect investments in cryptocurrencies.

Many significant aspects of the U.S. federal income tax treatment of investments in cryptocurrency are uncertain and an investment in cryptocurrency may produce income that is not treated as qualifying income for purposes of the income test applicable to regulated investment companies. Certain cryptocurrency investments may be treated as a grantor trust for U.S. federal income tax purposes, and an investment by the firm's clients in such a vehicle will generally be treated as a direct investment in cryptocurrency for tax purposes and "flow-through" to the underlying investors.

#### **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. There is no history of reportable material legal or disciplinary events by our firm or our management persons.

#### **Item 10 - Other Financial Industry Activities or Affiliations**

Crabb Financial, LLC is the holding company of Drive Insurance Services, an insurance agency licensed in the State of Utah. Drive Insurance Services sells various insurance products for commission-based compensation. Lowell C. Crabb, CCO of Drive Wealth Advisers and owner of Drive Insurance Services is also an insurance agent of Drive Insurance Services and Cambridge Financial Center and can effect transactions in insurance products and earn commissions through these entities. Clients should be aware that a conflict of interest is inherent in such an arrangement. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned by its Investment Adviser Representatives for placing the client in insurance products. Clients of Drive Wealth Advisers are not required to purchase insurance products from Mr. Crabb, Drive Insurance Services, or Cambridge Financial Center and can purchase insurance products from any insurance agency and agent of their choice.

Crabb Financial, LLC is the holding company of Drive Accounting Services, LLC. Drive Accounting Services, LLC provides bookkeeping services to individuals and business clients. Advisory clients of Drive Wealth Advisers are generally advised to obtain bookkeeping services from our firm. The receipt of dual compensation will result in a conflict of interest. Clients are instructed that the fees paid to our firm for advisory services are separate and distinct from fees paid for bookkeeping services. Advisory clients are informed that they are under no obligation to use the firm these services and they may use the accounting practice of their choice.

Michael J. Walsh, one of our firm's Associated Persons is also an employee of Blue Diamond Capital, a Utah based family office. Mr. Walsh does not expect this activity to create a conflict of interest because the client of the family office is not expected to become a client of Drive Wealth Advisers.

Michael J. Walsh is also the Manager of Blue WCS, LLC, a Utah based family office. Blue WCS, LLC is expected to become a client of Drive Wealth Advisers. This relationship creates a conflict of interest because Mr. Walsh will be compensated by both Drive Wealth Advisers and Blue WCS, LLC. Drive Wealth Advisers will not give preferential treatment to Blue WCS, LLC over other clients of the firm.

#### **Private Placements – Yama Point, LLC**

Lowell C. Crabb, Chief Compliance Officer, is the sole member and President of King Crabb Holdings, LLC. King Crabb Holdings, LLC is the Managing Member and sole voting member of Yama Point, LLC ("Yama Point"), a Utah limited liability company formed for the purpose of acquiring and managing a commercial office building located in Lehi, Utah. Certain of Drive Wealth's advisory clients are also members of Yama Point and lease space in the building, together with Drive Wealth. All members of Yama Point are sophisticated investors meeting the definition of an "accredited investor," as such term is defined in Rule 501(a) of the Securities Act. Although members of Yama Point and Drive Wealth have an incentive to pay lower than market rental rates for commercial space in the building, Drive Wealth and/or Mr. Crabb will pay market rental rates. We do not receive advisory fees or performance-based fees from Yama Point, LLC. Members who are clients of Drive Wealth are not charged advisory fees on the value of their investments in Yama Point, LLC.

While neither Drive Wealth nor any of its personnel receive direct compensation for the sale of any securities, King Crabb Holdings, LLC and Mr. Crabb, as its sole member, benefit indirectly as a result of Drive Wealth's clients' participation as members of Yama Point through their receipt of certain fees and costs associated with administration of Yama Point's business affairs. Specifically, King Crabb Holdings, LLC (and thus, Mr. Crabb) may be paid or reimbursed for organizational expenses (e.g., legal and accounting fees and costs), due diligence and acquisition costs, and the actual costs of other goods or services incurred on behalf of Yama Point.

#### **Recommendation of Other Advisors**

We may recommend that you engage an unaffiliated Sub-Adviser as part of our asset allocation and investment strategy for your account. We may share in the compensation received by the recommended Sub-Adviser for their role in managing your account. Shared compensation arrangements with any recommended Sub-Adviser, presents a conflict of interest, insofar as they create a financial incentive for our firm to recommend the services of a Sub-Adviser that share their compensation with us, over those of Sub-Advisers with whom we have no such arrangements. You are not required to use the services of any Sub-Adviser we recommend. We maintain written compensation agreements with any recommended Sub-Adviser(s) that share their compensation with our firm. Whenever we recommend a Sub-Adviser that shares compensation with us, we will provide you with a written disclosure that includes:

- Our firm name, the Sub-Adviser's name, the nature of the relationship, including any affiliation between our firm and the Sub-Adviser;
- A statement that our firm will be compensated by the Sub-Adviser and a description of the terms of the compensation we will receive; and

- A disclosure as to whether the client will pay any increased fees as a result of our introduction of the client to the Sub-Adviser.

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

##### **Description of Our Code of Ethics**

Drive Wealth Advisers has adopted a Code of Ethics (the “Code”) to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes Drive Wealth Advisers’ policies and procedures developed to protect client’s interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee’s position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of Drive Wealth Advisers’ Code of Ethics is available upon request to Lowell C. Crabb, CCO, at (801) 901-6150.

##### **Private Placements**

As described above in Item 10, Lowell C. Crabb, Chief Compliance Officer, is the sole member and President of King Crabb Holdings, LLC. King Crabb Holdings, LLC is the Managing Member and sole voting member of Yama Point, an entity in which advisory clients of Drive Wealth are members. This arrangement creates a conflict of interest, insofar as it provides a financial interest for Mr. Crabb. We address this conflict of interest by making full disclosure of such relationships to our advisory clients who are members of Yama Point and by ensuring tenant investors pay current market rental rates. We do not receive advisory fees or performance-based fees from Yama Point, LLC. Members who are clients of Drive Wealth are not charged advisory fees on the value of their investments in Yama Point, LLC.

##### **Personal Trading Practices**

At times, Drive Wealth Advisers and/or its Advisory Representatives may take positions in the same securities as clients, which may pose a conflict of interest with clients. Drive Wealth Advisers and its Advisory Representatives will generally be “last in” and “last out” for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e., a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

#### **Item 12 - Brokerage Practices**

We have institutional custodial relationships with various broker-dealers and qualified custodians, such as Charles Schwab & Co., Inc. (“Schwab”), Interactive Brokers, LLC (“Interactive Brokers”), National Financial Services LLC/Fidelity Brokerage Services LLC (together with all affiliates, “Fidelity”) and TD Ameritrade

Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"). As such, depending on your needs, we may recommend one or more of these qualified custodians for your account. All recommended firms are independent and unaffiliated SEC-registered broker-dealers and members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). These firms offer services which include custody of securities, trade execution, clearance, and settlement of transactions. We are not affiliated with recommended custodians. Our investment adviser representatives are not registered representatives of these firms, and, they do not receive commissions or other compensation from recommending the brokerage or custodial services offered by these firms.

We believe that recommended broker-dealers/custodians provide quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers/custodians, including the value of research provided, the company's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services recommended broker-dealers/custodians provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

#### **Research and Other Soft Dollar Benefits Obtained from Schwab**

##### *Your Custody and Brokerage Costs*

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 applicable to our client accounts were negotiated based on our commitment to maintain a certain amount of clients' assets in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be if we had not made the commitment. In addition to commissions 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.

##### *Research and Other Soft Dollar Benefits*

Although not considered "soft dollar" compensation, Drive Wealth Advisers may receive benefits from Schwab Advisor Services in the form of 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 do not have to request them) and at no charge to us as long as we keep a total of at least \$10 million of our clients' assets in accounts at Schwab. If we have less than \$10 million in client assets at Schwab, it may charge us quarterly service fees. Below is a detailed description of Schwab's support services:

*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 to us 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
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

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.

#### **Research and Other Soft Dollar Benefits Obtained from TD Ameritrade**

Although not considered "soft dollar" compensation, we receive benefits from TD Ameritrade in the form of reports, software, and institutional trading support. We do not have to produce or pay for such research, products, or services.

Drive Wealth Advisers participates in TD Ameritrade's institutional customer program and Drive Wealth Advisers may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Drive Wealth Advisers' participation in the program and the investment advice it gives to its clients, although Drive Wealth Advisers receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Drive Wealth Advisers participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Drive Wealth Advisers by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Drive Wealth Advisers' related persons.

Some of the products and services made available by TD Ameritrade through the program may benefit Drive Wealth Advisers but may not benefit its client accounts. These products or services may assist Drive Wealth Advisers in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Drive Wealth Advisers manage and further develop its business enterprise. The benefits received by Drive Wealth Advisers or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Drive Wealth Advisers endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Drive Wealth Advisers or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Drive Wealth Advisers' choice of TD Ameritrade for custody and brokerage services.

Drive Wealth Advisers may receive succession planning, practice valuation, and equity management services from third-party vendors through Drive Wealth Advisers' participation in the TD Ameritrade Institutional Equity Management Program. In addition to meeting the minimum eligibility criteria for participation in the TD Ameritrade Institutional Equity Management Program, Drive Wealth Advisers may have been selected to participate in the TD Ameritrade Institutional Equity Management Program based on the amount and potential profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade.

TD Ameritrade is a discount broker-dealer independent of, and unaffiliated with, Drive Wealth Advisers and there is no employee or agency relationship between TD Ameritrade and Drive Wealth Advisers. TD Ameritrade has established the TD Ameritrade Institutional Equity Management Program as a means of assisting independent unaffiliated Advisors to grow and maintain their respective investment advisory business. TD Ameritrade does not supervise Drive Wealth Advisers and has no responsibility for Drive Wealth Advisers' management of client portfolios or Drive Wealth Advisers' other advice or services to clients.

Drive Wealth Advisers' participation in the TD Ameritrade Institutional Equity Management Program raises potential conflicts of interest. Drive Wealth Advisers may encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to participate in the TD Ameritrade Institutional Equity Management Program, Drive Wealth Advisers may have an incentive to recommend to clients that the assets under management by Drive Wealth Advisers be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Drive Wealth Advisers' participation in the TD Ameritrade Institutional Equity Management Program does not relieve the Drive Wealth Advisers of the duty to seek best execution of trades for client accounts.

#### **Research and Other Soft Dollar Benefits Obtained from Interactive Brokers**

Drive Wealth Advisers may receive additional benefits from Interactive Brokers such as electronic delivery of client information, electronic trading platforms, institutional trading support, proprietary and/or third party research, continuing education, practice management advice, and other services provided by custodians for the benefit of investment advisory clients.

The receipt of additional benefits gives us an incentive to require that you maintain your account with Interactive Brokers' based on our interest in receiving Interactive Brokers' services rather than your interest in receiving the best value and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that our selection of Interactive Brokers as custodian and broker is in the best interests of our clients. Our belief is primarily supported by the scope and quality of services Interactive Brokers' provides to our clients and not services that benefit only us. Additionally, these benefits are offered to all investment advisers that use Interactive Brokers' for brokerage and execution services and not just our firm.

#### **Research and Other Soft Dollar Benefits Obtained from Fidelity**

Fidelity provides Drive Wealth Advisers with Fidelity's "platform" services. The platform services that benefit us, include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries (like Drive Wealth Advisers) in conducting business and in serving the best interests of their clients.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds and commissions are charged for individual equity and debt securities transactions). Fidelity enables the firm to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.



As part of the arrangement, Fidelity also makes available to Drive Wealth Advisers, at no additional charge, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by us (within specified parameters). These research and brokerage services presently include services such as economic surveys, data and analyses, financial publications, recommendations or other information about particular companies and industries (through research reports and otherwise).

Without this arrangement, Drive Wealth Advisers might be compelled to purchase the same or similar services at its own expense. Drive Wealth Advisers has also received certain hard dollar benefits from Fidelity such as assistance from Fidelity to cover certain start-up costs, software, and compliance services.

As a result of receiving such services for no additional cost, Drive Wealth Advisers has an incentive to continue to use or expand the use of Fidelity's services. We have examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and we have determined that the relationship is in the best interests of our clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

#### **Best Execution**

In recommending a broker dealer, Drive Wealth Advisers will endeavor to select those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, the broker's reputation, experience, and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. In addition, Drive Wealth Advisers may have an incentive to recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving most favorable execution.

The receipt of additional benefits from the custodians may be useful in servicing all Drive Wealth Advisers clients, and may not be used in connection with any particular account that may have paid compensation to the firm providing such services. While Drive Wealth Advisers may not always obtain the lowest commission rate, Drive Wealth Advisers believes the rate is reasonable in relation to the value of the brokerage and research services provided.

#### **Recommendation of Prime Broker**

We generally recommend broker-dealers capable of acting as a "prime broker." In such cases, we will consider, among other things, the clearance and settlement capabilities of the broker-dealer where other broker-dealers execute transactions, the broker-dealer's ability to provide effective and efficient reporting to the client and our firm, the broker-dealer's reliability and financial stability, and the likelihood that the broker-dealer will often be chosen as executing broker-dealer on the basis of the considerations described above, including the prospects that the broker-dealer will provide valuable research services and products.

Under "prime broker" arrangements, the firm will, on a transaction-by-transaction basis, select broker-dealers other than the client's primary custodian, such as Schwab or Fidelity, that will execute transactions for settlement into the client's "prime brokerage" account with the client's primary custodian. The practice of one brokerage

firm executing an order on behalf of a client, but giving credit (and part of the commission) to another brokerage firm is commonly known as "trading away," "stepping-out," or "step-out" trading. Typically, these transactions are assessed additional commissions (a small mark-up) incurred for transferring and allocating the shares in your account with your primary custodian.

Trading away is generally limited to situations such as seeking best execution for fixed income securities (e.g., bonds, etc.), where another broker-dealer has more or different inventory of certain securities or types of securities, or has larger blocks of certain securities available to be allocated across multiple clients' accounts for an average share price (see also "Trade Aggregation/Block Trading" disclosures below in this section of our brochure).

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers and custodians in which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for client referrals.

#### **Directed Brokerage**

Clients may direct our firm to use a specified broker-dealer other than one recommended by our firm. In these situations, our firm may not be authorized to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct our firm to use a particular broker/dealer and those who do not.

#### **Trade Aggregation/Block Trading**

Drive Wealth Advisers may aggregate transactions in equity and fixed income securities for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. Drive Wealth Advisers may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades and the liquidity of the securities. If the firm does not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money. Drive Wealth Advisers and/or its Associated Persons may participate in block trades with clients; However, Drive Wealth Advisers and/or its Associated Persons will not participate on a pro rata basis for partial fills.

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

#### **Portfolio Management Account Reviews**

Drive Wealth Advisers monitors client accounts on a continuous basis and conducts formal account reviews at least annually. Accounts are reviewed by Lowell Crabb or the Associated Person delegated to the client relationship.

Additional reviews may be offered in certain circumstances. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the client's financial situation or investment objectives, or a client's request.

A financial plan is a snapshot in time and no ongoing reviews are conducted. We recommend clients engage us on an annual basis to update the financial plan.



Drive Wealth Advisers provides clients a quarterly performance report. Additionally, clients will receive statements directly from their account custodian(s) on at least a quarterly basis. We encourage our clients to compare custodial account statements with statements prepared by our firm for accuracy.

Clients are encouraged to notify our firm if changes occur in their personal financial situation that might adversely affect their investment plans.

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

As disclosed in Item 12 above, we receive economic benefits from account custodians in the form of the support products and services they make available to us and other independent investment advisors that have their clients maintain accounts at such custodians. 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 such products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Drive Wealth Advisers is affiliated with Drive Insurance Services, an insurance agency licensed in the State of Utah, through common ownership. Investment Adviser Representatives of Drive Wealth Advisers may also be licensed insurance agents. Drive Insurance Services and our dually licensed Investment Adviser Representatives can effect transactions in insurance products and earn commission-based compensation for these activities. Clients should be aware that a conflict of interest is inherent in such an arrangement. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned by Drive Insurance Services and our dually licensed Investment Adviser Representatives. Clients of Drive Wealth Advisers are not required to purchase insurance products from Drive Insurance Services or the firm's dually licensed Investment Adviser Representatives and can purchase insurance products from any insurance agency and agent of their choice.

##### **Cash Payment for Client Solicitations**

Non-employee (outside) consultants, individuals, and/or entities, who are directly responsible for bringing a client to Drive Wealth Advisers, may receive compensation from the firm. Such arrangements will comply with the requirements set forth in Rule 206(4)-1 of the Investment Advisers Act of 1940, including the requirement that the relationship between the promoter and the investment adviser be disclosed to the client at the time of the referral. In addition, all applicable state laws will be observed. Under these arrangements, the client does not pay higher fees than Drive Wealth Advisers' normal/typical advisory fees.

As part of our overall wealth management services, we may recommend various insurance strategies and clients have the option of implementing these strategies through a licensed insurance provider who may promote our firm. Clients should note that such promoters will be compensated for the sale of any insurance products. However, clients are under no obligation to purchase insurance products through any individual recommended by us and are free to purchase insurance products through any insurance agent or company they choose. Similar products may be available through other sources for a higher or lower commission from individuals with whom we have no referral relationship. Neither we nor our supervised persons will share in the commissions paid to such individuals for the purchase of insurance products.

##### **Recommendation of Other Advisors**

We may recommend that you engage a Sub-Adviser as part of our asset allocation and investment strategy for your account. We may share in the compensation received by the recommended Sub-Adviser(s) for their role in managing your account. Shared compensation arrangements with any recommended Sub-Adviser, presents a conflict of interest, insofar as they create a financial incentive for our firm to recommend the services of Sub-

Adviser(s) that share their compensation with us, over those of Sub-Advisers with whom we have no such arrangements. You are not required to use the services of any Sub-Adviser we recommend.

#### Item 15 - Custody

Drive Wealth Advisers is deemed to have custody of client assets because of the fee deduction authority granted by the client in the investment advisory agreement and in certain situations where we accept standing letters of authorization from clients to transfer assets to third parties. We maintain safeguards in accordance with regulatory requirements regarding custody of client assets.

In addition, certain Associated Persons of Drive Wealth Advisers serve as trustees to certain accounts for which we provide investment advisory services. This practice gives us custody. These accounts will be held with a bank, broker-dealer, or other independent, qualified custodian. If any Associated Person acts as trustee for any of your advisory accounts, you will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. You should carefully review account statements for accuracy. In addition, we have engaged an independent certified public accountant to verify by actual examination, the client funds and securities of which we have custody, on at least an annual basis. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact Lowell C. Crabb at (801) 901-6150 or [lcraab@drivewealthmanagement.com](mailto:lcraab@drivewealthmanagement.com).

We are also deemed to have custody of assets of clients who are members of Yama Point. Yama Point, LLC provides each investor with audited financial statements on an annual basis. If investors have questions regarding the financial statements or if investors did not receive a copy of the financial statements, they should contact Lowell C. Crabb at (801) 901-6150 or [lcraab@drivewealthmanagement.com](mailto:lcraab@drivewealthmanagement.com).

We do not otherwise have physical custody or access to any of your funds and/or securities. Your funds and securities will be held with an independent, qualified custodian. Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Clients are urged to review custodial account statements for accuracy.

#### Item 16 - Investment Discretion

Drive Wealth Advisers offers Portfolio Management Services primarily on a discretionary basis. Clients must grant discretionary authority in the Advisory Agreement. Discretionary authority extends to the types and amounts of securities to be bought and sold in client accounts. Apart from the ability to instruct the custodian to withdraw advisory fees from client accounts, Drive Wealth Advisers does not have the ability to withdraw funds or securities from client accounts.

In a non-discretionary account, Drive Wealth Advisers recommends the purchase or sale of securities for review and approval by the client. Drive Wealth Advisers will only purchase or sell securities, which have been approved by clients in advance.

If you wish, you may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

#### Item 17 - Voting Client Securities

##### **Proxy Voting**

Drive Wealth Advisers does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

#### Item 18 - Financial Information

We are required in this Item to provide you with certain financial information or disclosures about Drive Wealth Advisers', financial condition. Drive Wealth Advisers does not require the prepayment of over \$500, six or more months in advance. Additionally, Drive Wealth Advisers has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

#### Item 19 - Requirements of State-Registered Advisers

Our firm is registered with the SEC; therefore, this section is not applicable.

#### Miscellaneous

##### **Class Action Lawsuits**

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. Drive Wealth Advisers has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the firm has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where the firm receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials, to the client. Electronic mail is acceptable where appropriate, and the client has authorized contact in this manner.

##### **Trade Error Correction Procedures**

On infrequent occasions, an error may be made in a client account. For example, a security may be erroneously purchased for the account instead of sold. In these situations, the firm generally seeks to rectify the error by placing the client account in a similar position as it would have been had there been no error. Depending on the circumstances, various corrective steps may be taken, including among others canceling the trade or adjusting an allocation. Any losses resulting from error correction will be placed in Drive Wealth Advisers' error correction account. Typically, gains will be credited to the client.

However, for accounts held at TD Ameritrade, if a profit results from correcting a trade error, we will not retain the profit as all net gains (positive error account balances resulting from trade corrections) will be moved to a TD Ameritrade error account and subsequently donated to charity.

**Confidentiality**

Drive Wealth Advisers views protecting its customers' private information as a top priority; and, pursuant to the requirements of the Gramm-Leach-Bliley Act, the firm has instituted policies and procedures to ensure that customer information is kept private and secure. Drive Wealth Advisers does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client account, Drive Wealth Advisers may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

Drive Wealth Advisers restricts internal access to nonpublic personal information about its clients to those employees who need to know that information in order to provide products or services to the client. Drive Wealth Advisers maintains physical and procedural safeguards that comply with state and federal standards to guard a client's nonpublic personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be the firm's policy never to sell information about current or former customers or their accounts to anyone. It is also the firm's policy not to share information unless required to process a transaction, at the request of the client, or as required by law.

A copy of the firm's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the Advisory Agreement. Thereafter, the firm will deliver a copy of the current privacy policy notice to its clients on an annual basis. If you have any questions on this policy, please contact Lowell Crabb, CCO, at (801) 901-6150.