

# Wealth Management Consultants Colorado, LLC

## Form ADV Part 2 Brochure

This Brochure (the “Brochure”) provides information about the qualifications and business practices of Wealth Management Consultants Colorado, LLC (“WMCC,” the “Adviser,” the “Firm,” “we,” “us” or “our”). If you have any questions about the contents of this Brochure, please contact us at (720) 938-6436. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Additional information about WMCC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for WMCC is 226545.

*WMCC is registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Recipients of this Brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser’s skill or expertise. Further, registration does not imply or guarantee that a registered adviser has achieved a certain level of skill, competency, sophistication, expertise, or training in providing advisory services to its Clients.*

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**Brochure prepared on March 23, 2023**

## **ITEM 2 - MATERIAL CHANGES**

### **Summary of Material Changes**

This Brochure contains updated information about Wealth Management Consultants Colorado, LLC's business since the last annual update dated March 5, 2022. This section of the Brochure will address only those "material changes" that have been incorporated since the last annual delivery of this document on the SEC's public disclosure website (IAPD). The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure. Since our last filing we have amended our Brochure to include the following:

- We amended Item 5 to clarify fee ranges for hourly fees and flat-rate fees.
- We amended Item 12 to describe WMCC's relationship with Charles Schwab & Co.

Additional information about WMCC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with WMCC who would be required to be notice filed as investment adviser representatives of WMCC. If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our CCO Mark Marquez at (720) 938-6436 or [mmarquez@wmcco.com](mailto:mmarquez@wmcco.com). We encourage you to read this document in its entirety.

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## **ITEM 4 - ADVISORY BUSINESS**

This Disclosure document is being offered to you by Wealth Management Consultants Colorado, LLC. in connection with the investment advisory services, we provide. It discloses information about the services we provide and the manner in which those services are made available to you, the Client. WMCC is headquartered in The Woodlands, Texas. Since March 2016, the Firm has been registered with the SEC pursuant to the Advisers Act. Registration of an investment adviser does not imply any level of skill or training. The Firm specializes in holistic investment advisory services for high-net-worth individuals and trusts. The sole owner of WMCC is Mark Marquez. He established the firm in April 2015.

We are committed to helping Clients build, manage, and preserve their wealth, and to provide assistance to Clients to help achieve their stated financial goals. We offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and WMCC execute an engagement letter or Client agreement.

Wealth Management Consultants Colorado, LLC offers discretionary and non-discretionary investment advisory services to advisory Clients (each a “Client” and collectively, the “Clients”). WMCC offers our clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, assets allocation, portfolio monitoring, and the overall investment program will be based on the below factors.

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

### **Types of Planning Services**

WMCC provides a broad range of financial and investment counseling services to individuals. Those counseling services include:

- Estate Planning
- Income Tax Planning
- Cash Planning
- Debt Management
- Compensation and Employee Benefit Review
- Investment Allocation
- Personal Insurance Planning
- Financial Security Planning for Retirement and Death

### **Financial Counseling Advice to Corporate Executives**

Comprehensive financial planning is prepared and available for Clients who have retained WMCC for investment, tax, estate, employee benefit, insurance, cash management and other advice. WMCC frequently works with corporations and their respective executives who have perquisites available to them. A perquisite is a special benefit for executives and directors that are usually

non-cash items. It is something gained over and above the ordinary salary or fixed wages for services rendered. The corporate reimbursement program dictates the fee to be paid to WMCC.

### **Financial Planning Services**

Financial advisory services provided by us includes the analysis of your situation and assistance in identifying and implementing appropriate financial planning and investment management techniques to help you meet your specific financial objectives. Such services include a written financial analysis and specific or general investment and/or planning recommendations.

Our specific financial planning services may include:

- Review and clarification of your financial goals.
- Assess of your overall financial position including cash flow, balance sheet, investment strategy, risk management and estate planning.
- Create of a unique plan for each goal you have including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, and other personal goals.
- Develop of a goal-oriented investment plan around tax suggestions, asset allocation, expenses, risk, and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention.
- Design a complete risk management plan including risk tolerance, risk avoidance, mitigation, and transfer, including liquidity as well as various insurance and possible company benefits.
- Craft and implement, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.
- Generate a retirement plan and risk management plan, if applicable.

### **Consulting Services**

We also provide Client's investment advice on a more limited basis on one or more isolated areas of concern such as investment strategy/allocation, retirement planning, or any other specific topic. Additionally, we may provide advice on non-securities matters in connection with the rendering of estate planning, insurance, real estate, and/or annuity advice. The client has the right to select their own investment managers, broker-dealer and/or insurance companies for the implementation of consulting recommendations. However, if client requests assistance in locating brokerage and/or other financial services, Consultant may recommend the use of one of several investment managers, brokers, banks, custodians, insurance companies or other financial professionals ("Firms"). Then Client must independently evaluate these firms before opening an account or transacting business and has the right to effect business through any firm they choose.

### **Investment Management and Supervision Services**

We offer discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. These services include investment

analysis, allocation of investments, quarterly portfolio reports and ongoing monitoring services for the portfolio.

We determine your portfolio composition based on your needs, portfolio restrictions, if any, financial goals, and risk tolerances. We will work with you to obtain necessary information regarding your financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This enables us to determine the portfolio best suited for your investment objective and needs.

In performing our services, we shall not be required to verify any information received from you or from other professionals. If you request, we will recommend and/or engage the services of other professionals for implementation purposes. You have the right to not engage the services of any such recommended professional.

Once we have determined the types of investments to be included in your portfolio, and allocated them, we will provide ongoing portfolio review and management services. This approach requires us to review your portfolio at least quarterly.

We will rebalance the portfolio, as we deem appropriate, to meet your financial objectives. We will trade these portfolios and rebalance them on a discretionary basis.

Our advisory services are tailored to meet your individual needs. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities. These standing instructions are delineated in the Investment Management Agreement.

While our advisory services are tailored to you as an individual, when using mutual funds this multi fund manager approach makes it difficult for us to ensure that your portfolio will not invest in a particular industry or security. However, we are happy to discuss your preferences regarding socially responsible investment concerns and, we'll try as much as possible, to accommodate them.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the custodian to deduct investment advisory fees, but only with the appropriate prior written authorization from you.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that may adversely affect an account's performance. This could result in capital losses in your account.

### **Third Party Managers ("TPM")**

We provide investment recommendations on the investment strategies of TPMs. All selected TPMs are evaluated by our Firm for Client use. Our services include assisting you in identifying your investment objectives and matching personal and financial data with a select list of TPMs. The intent of this service is to have a selected list of high quality and recognizable third-party investment management firms from which you select one or more TPMs to handle the day-to-day

management of your account(s). Our Firm will assist you in completing appropriate documents for the TPM.

We assist Clients with identifying their risk tolerance and investment objectives. We will recommend TPMs in relation to the Client's stated investment objectives and risk tolerance. A Client may select a recommended TPM based upon the Client's needs. Clients will enter an Agreement directly with the TPM.

TPMs selected for your investments need to meet several quantitative and qualitative criteria established by our Firm. Among the criteria that may be considered are the TPM's experience, assets under management, performance record, Client retention, the level of Client services provided, investment style, buy and sell disciplines, capitalization level, and the general investment process. Our Firm shall be available to answer questions the Client may have regarding their account and act as the communication conduit between the Client and the TPM. TPMs may take discretionary authority to determine the securities to be purchased and sold for the Client.

For accounts managed by the selected TPM, the TPM will take discretionary authority of the trading within the account. Our Firm will not have any discretionary trading authority with respect to such accounts. Additionally, if selected and agreed upon in the Client Agreement, our Firm does have the ability to terminate the TPM on behalf of the Client.

Information collected by our firm regarding TPMs is believed to be reliable and accurate, but we do not independently review or verify it on all occasions. All performance reporting will be the responsibility of the respective TPM. Such performance reports will be provided directly to you and our Firm. We do not audit or verify that these results are calculated on a uniform or consistent basis as provided by a TPM directly to our Firm or through the consulting service utilized by the TPM.

Third-party managed programs generally have account minimum requirements that will vary from investment advisor to investment advisor. Account minimums are generally higher on fixed income accounts than equity-based accounts. A complete description of the TPM's services, fee schedules and account minimums will be disclosed in the TPM's Form ADV or similar Disclosure Brochure which will be provided to Clients prior to the time an agreement for services is executed and account is established.

### **Wrap Fee Programs**

We do not place Client assets into a wrap fee program.

### **Assets**

As of December 31, 2022, WMCC had \$252,860,626 in assets under management.

## **ITEM 5 - FEES AND COMPENSATION**

### **Planning Fees**

#### **Financial Counseling Advice to Corporate Executives**

Many corporations offer Financial Counseling as a perquisite to their senior executives. WMCC (through its consultants) has experience in, and a history of participation in these programs. Generally, an Executive Financial Counseling program offers different levels of re-imbursement for financial counseling from pre-approved providers based on the level of the executive. They can be paid to the financial planning provider either directly or via reimbursing the executive for fees incurred.

Currently WMCC is involved in one such arrangement with annual reimbursement limits of \$7,500 or \$11,500.

#### **Financial Planning Fee**

Your fee for the designated planning services is a fixed fee. Under a fixed fee arrangement, any fee will be agreed in advance of services being performed. The fee will be determined based on factors including the complexity of your financial situation, agreed upon deliverables, and whether or not you desire WMCC to collaborate with other independent professionals of your choosing.

The type of fee and -- in the case of a fixed fee -- the amount must be agreed to prior to the signing of the financial planning agreement. The agreed upon fee is billed in arrears either quarterly, semiannually, or annually. Annual fees range between \$3,000 and \$30,000 based on a negotiated flat fee.

In no case are our fees based on, or related to, the performance of your funds or investments.

We will not require prepayment of more than \$1,200 in fees per Client, six (6) or more months in advance of providing any services.

You may terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any earned portion of the fee will be invoiced to you based on an hourly rate of \$350.00.

As a financial planning Client, you have the right to not to act upon any of our recommendations or effect the transaction(s) through us if you decide to follow the recommendations.

### **Consulting Services**

The fee for general consulting services is a fixed fee. Under a fixed fee arrangement, any fee will be agreed upon in advance of services being performed. The fee will be determined based on factors of the consulting project and fully detailed in our agreement. The fee is payable upon completion of the services. The average consulting fee typically ranges between \$2,000 and \$5,000 based on an hourly fee of \$350-400.



Client may request subsequent, additional, special reviews, or requests for consulting services. These additional services may be subject to an additional charge. Additional services will be based on an agreed annual fee of a percentage of assets under advisement or a fixed fee. Fees are disclosed in the Consulting Agreement, Exhibit B.

You may terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any earned portion of the fee will be invoiced to you based on an hourly rate of \$350.00.

### **Investment Management Fees and Compensation**

WMCC charges a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account maintenance activities. The custodian charges custodial fees, transaction costs, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below.

The fees for portfolio management are based on an annual percentage of assets under management and are applied to the account asset value on a pro-rated basis, billed quarterly in arrears. The fee will be based on the account value at the last trading day of the calendar quarter. The market value will be determined as reported by the Custodian. Fees are assessed on all assets under management, including securities, cash, and money market balances.

Our investment advisory fees shall not exceed 0.75%. The specific advisory fees are set forth in your Investment Advisory Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the Client. In certain circumstances, our fees and the timing of the fees may be negotiated.

You authorize us to debit your account quarterly for our fee. The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us.

You will provide written authorization permitting the fees to be paid directly from your account held by the independent qualified custodian who holds your funds and securities to us. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. Prior to our debiting your account, you will be provided an invoice with the fee calculation. See Item 15 for details. You are encouraged to review your account statements for accuracy. At our discretion, you may pay the advisory fees by check.

Either Wealth Management Consultants Colorado or you may terminate the management agreement, upon 30 day written notice to the other party. The management fee will be pro-rated to the date of termination, for the quarter in which the cancellation notice was given and earned fees billed to you. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

### **Third Party Management (“TPM Program” or “TPM”) Fees**

Fees and billing methods are outlined in each respective TPM’s Brochure and Advisory Contract. The Client pays an on-going fee directly to the TPM based upon a percentage of your assets under management with respect to each TPM. You will receive disclosure of all fees by the TPM, which include the terms of the compensation arrangement and a description of the compensation paid, at the time of signing an advisory agreement with the TPM. Our firm’s advisory fee is in addition to the fee billed by the TPM.

The minimum account size for participating in a TPM Program will vary from TPM to TPM. All such minimums will be disclosed in the respective TPM’s Brochure. Our Firm may have the ability to negotiate such minimums for you.

You may terminate your relationship in accordance with the respective TPMs’ disclosure documents. A TPM relationship may be terminated at your or your IAR’s discretion. If indicated by the Client in your Agreement, our Firm may at any time terminate the relationship with a TPM that manages your assets. Our Firm will notify you of instances where we have terminated a relationship with any TPM you are investing with. We will not conduct on-going supervisory reviews of the TPM following such termination.

Factors involved in the termination of a TPM may include a failure to adhere to their stated management style or your objectives, a material change in the professional staff of the TPM, unexplained poor performance, unexplained inconsistency of account performance, or our decision to no longer include the TPM on our list of approved TPMs.

TPM programs may have higher or lower fees than other programs available through our firm or available elsewhere. Investment management programs may differ in the services provided and method or type of management offered, and each may have different account minimums. Because managers pay different fees to the referring party, there is a conflict of interest when referring Clients to various TPMs. We recognize the fiduciary responsibility to act in your best interest. Our firm will always act in your best interest. We have established policies in this regard to mitigate any conflicts of interest. You, the Client, always has right to decide whether to engage the TPM that our firm recommends to you.

### **Additional Fees and Expenses**

WMCC may provide advice regarding investment company securities (mutual funds and ETFs). You should be aware that, in addition to the advisory fees you pay WMCC each Investment Company also pays its own separate investment advisory fees and other expenses (internal management fees). Such fees and expenses are disclosed in the mutual fund’s and ETF’s prospectus. In addition, Clients should be aware that they have the right to purchase mutual funds and ETFs separately and independent of the investment management services of WMCC.

Our fees do not include out of pocket costs associated with travel, special projects, printing, or other extraordinary expenses. Travel time and related expenses for the on-site will be invoiced to the firm as follows: All out of pocket travel costs (i.e., airfare, hotels, rental cars, tolls, fuel, meals,

etc.) incurred in a reasonable manner (e.g., coach fares on flights, etc.) and will be invoiced to the Client with the subsequent quarterly invoice. Travel expenses shall be disclosed to Client prior to their being incurred. Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your Account(s). The following list of fees or expenses are what you may pay directly to third parties, whether a security is being purchased, sold, or held in your Account(s) under our management.

- Brokerage commissions;
- Transaction fees;
- Exchange fees;
- SEC fees;
- Advisory fees and administrative fees charged by Mutual Funds (MF) and Exchange Traded Funds (ETFs)
- Custodial Fees;
- Transfer taxes;
- Wire transfer and electronic fund processing fees;
- Commissions or mark-ups / mark-downs on security transactions;

Please refer to the “Brokerage Practices” below for discussion of WMCC’s brokerage practices

## **ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a Client account (i.e., performance-based fees). Our advisory fee compensation is charged only as disclosed above in Fees and Compensation.

## **ITEM 7 - TYPES OF CLIENTS**

We provide investment advice to corporate executives, high net worth individuals and trusts. Currently, WMCC is not accepting any new clients.

## **ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

WMCC develops investment strategies based upon the individual needs, goals and objectives developed in conjunction with the Client. The starting point is a long-term analysis designed to determine a level of return the Client needs to be financially secure. Utilizing an asset allocation software, we then work with the Client to determine an allocation of assets that provides a reasonable probability of meeting this target return, but also falls within the Clients risk tolerance. This discipline allows us to identify an appropriate mix of cash, fixed income, equity, real property,

and low correlation assets for the Client's target return and risk tolerance level. This analysis is reviewed at least annually, and the allocations are revised as necessary.

We emphasize a long-term view in the acquisition of a diversified portfolio of investments intended to provide a target after-tax, inflation-adjusted, economic return. We explain to our Clients that investing is inherently risky, and risks exist that we may not be able to foresee and investing in securities involves risk of loss that they must be prepared to bear.

Our investment strategies may include any of the following types of investments:

- Cash or near-cash instruments
- Corporate debt securities (other than commercial paper)
- Certificates of Deposit
- Municipal securities
- United States government securities
- Investment company securities, Mutual Fund shares
- Exchange Traded Funds ("ETFs")

In most cases we use passively managed ETFs and mutual funds to implement the investment strategy; primarily through Vanguard, Dimensional Fund Advisors, Avantis and BlackRock (iShares); in some cases, we will also use actively managed funds. In certain cases, WMCC may recommend third party managers. These recommendations are developed with the objective of selecting a well-diversified fund with good historical performance and a level of volatility (risk) determined to be appropriate for each Client based upon data provided by Morningstar Investor Services or other performance surveys. We believe that minimizing costs is an important part of investment success and thus mutual funds and managed products are selected at least partially on the basis of what fees are charged.

While WMCC believes that its investment program and research techniques mitigate risk through the development of an appropriate allocation and a careful selection of mutual funds and other financial instruments, no assurance can be given that the investment program will be successful. A client should be aware that it may lose all or part of its investment. While investments in mutual funds or companies in certain industries offer the opportunity for significant capital gains, such investments involve a high degree of business, financial, technological, and regulatory risk which can result in substantial losses.

### **Risks**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective Clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective Clients should be prepared to bear investment loss including loss of original principal.

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

WMCC.

*You should be aware that your account is subject to the following risks:*

- **Asset Allocation and Rebalancing Risk** – The risk that a Client accounts asset may be out of balance with the target allocation. Any rebalancing of such assets by WMCC may be limited by several factors and, even if achieved, may have an adverse effect on the performance of the Client account's assets.
- **Stock Market Risk** – The value of securities in the portfolio will fluctuate and, as a result, the value may decline suddenly or over a sustained period of time.
- **Managed Portfolio Risk** – The manager's investment strategies or choice of specific securities may be unsuccessful and may cause the portfolio to incur losses.
- **Industry Risk** – The portfolio's investments could be concentrated within one stock (generally that of a Client's employer) with pre-existing or mandatory portfolio concentrations. Any factors detrimental to the performance of such industries will disproportionately impact your portfolio. Investments focused in a particular stock are subject to greater risk and can be more greatly impacted by market volatility than less concentrated investments.
- **Non-U.S. Securities Risk** – Non-U.S. securities are subject to the risks of foreign currency fluctuations, generally higher volatility, and lower liquidity than U.S. securities, less developed securities markets and economic systems and political and economic instability.
- **Emerging Markets Risk** – To the extent that your portfolio invests in issuers located in emerging markets, the risk may be heightened by political changes and changes in taxation or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- **Competition: Availability of Investments** – Certain markets in which WMCC invest or may invest Client assets are extremely competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns. There can be no assurance that WMCC will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles, the public equity markets and other investors may reduce the availability of investment opportunities. There has been significant growth in the number of firms organized to make such investments, which may result in increased competition to WMCC in obtaining suitable investments.
- **Currency Risk** – The value of your portfolio's investments may fall as a result of changes in exchange rates.
- **Interest Rate Risk** – The value of fixed income securities rises, or falls based on the underlying interest rate environment. If rates rise, the value of most fixed income securities could go down.
- **Credit Risk** – Most fixed income instruments are dependent on the underlying credit of the issuer. If we are wrong about the underlying financial strength of an issuer, we may purchase securities where the issuer is unable to meet its obligations. If this happens, your portfolio could sustain an unrealized or realized loss.

- **Inflation Risk** – Most fixed income instruments will sustain losses if inflation increases, or the market anticipates increases in inflation. If we enter a period of moderate or heavy inflation, the value of your fixed income securities could go down.
- **Illiquid Investments** – Under certain market conditions, such as during volatile markets or when trading in an interest or market is otherwise impaired, the liquidity of Client investments may be reduced. In addition, a Client may from time to time hold large positions with respect to a specific type of investment, which may reduce the Client's liquidity. During such times, the Client may be unable to dispose of certain assets, which would adversely affect the Client's ability to rebalance its portfolio or to meet withdrawal requests. In addition, such circumstances may force the Client to dispose of assets at reduced prices, thereby adversely affecting the Client's performance. If there are other market participants seeking to dispose of similar assets at the same time, the Client may be unable to sell such assets or prevent losses relating to such assets. Furthermore, if a Client incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In conjunction with a market downturn, the Client's counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Client's credit risk to them. Many non-U.S. financial markets are not as developed or as efficient as those in the U.S., and as a result, liquidity may be reduced for Client investments.
- **ETF and Mutual Fund Risk** – When we invest in an ETF or mutual fund for a Client, the Client will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients may also incur brokerage costs when purchasing ETFs.
- **Management Risk** – Your investment with us varies with the success and failure of our investment strategies, research, analysis, and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- **Limited Diversification and Risk Management Failures** – At any given time, Client assets may not be diversified to any material extent and, as a result, Clients could experience significant losses if general economic conditions, and, in particular, those relevant to the issuers whose securities are owned by WMCC Clients decline. In addition, Client portfolios could become significantly concentrated in a limited number of issuers, types of financial instruments, industries, strategies, countries, or geographic regions, and any such concentration of risk may increase losses suffered by Clients. This limited diversity could expose Clients to losses disproportionate to market movements in general. Other investment funds pursue similar strategies, which creates the risk that many funds may be forced to liquidate positions at the same time, reducing liquidity, increasing volatility, and exacerbating losses. Although WMCC attempts to identify, monitor, and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Many risk management techniques are based on observed historical market behavior, but future market behavior may be entirely different. Any inadequacy or failure in WMCC's risk management efforts could result in material losses for Clients.
- **Force Majeure** - A "Force Majeure Event" means any act of God, terrorist act, failure

of utilities or other similar circumstance not within the reasonable control of WMCC, but only if and to the extent that (i) such circumstance, despite the exercise of reasonable diligence, cannot be, or be caused to be, prevented, avoided or removed by WMCC, and (ii) such circumstance materially and adversely affects the ability of WMCC to perform its obligations to its Clients, and WMCC has taken all reasonable precautions, due care and reasonable alternative measures in order to avoid the effect of such event on WMCC's ability to perform its obligations to its Clients and to mitigate the consequences thereof. WMCC shall be excused from performance and shall not be in default in respect of any obligation hereunder to the extent that the failure to perform such obligation is due to a Force Majeure Event.

- **Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues.** Our business activities could be materially adversely affected by pandemics, epidemics, and outbreaks of disease in Asia, Europe, North America and/or globally or regionally, such as COVID-19, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome (SARS), and/or other epidemics, pandemics, outbreaks of disease, viruses and/or public health issues. Specifically, COVID-19 has spread (and is currently spreading) rapidly around the world since its initial emergence in China in December 2019 and has severely negatively affected (and may continue to affect materially adversely) the global economy and equity markets (including, in particular, equity markets in Asia, Europe and the United States). Although the long-term effects or consequences of COVID-19 and/or other epidemics, pandemics and outbreaks of disease cannot currently be predicted, previous occurrences of other pandemics, epidemics and other outbreaks of disease, such as H5N1 flu, H1N1 flu, SARS and the Spanish flu, had a material adverse effect on the economies and markets of those countries and regions in which they were most prevalent. Any occurrence or recurrence (or continued spread) of an outbreak of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally (or cause the global economy to enter into a recession or depression), which would adversely affect the business, financial condition and operations of the Adviser. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to spread or materially impact the day to day lives of persons around the globe), the Adviser could be adversely affected by more stringent travel restrictions, additional limitations on the Adviser's operations or business and/or governmental actions limiting the movement of people between regions and other activities or operations (or to otherwise stop the spread or continued spread of any disease or outbreak).
- **Geopolitical Risk:** Geopolitical and other events (e.g., war or terrorism) may disrupt securities markets and adversely affect global economies and markets, thereby decreasing the value of an account's investments. Sudden or significant changes in the supply or prices of commodities or other economic inputs such as oil may have material and unexpected effects on both global securities markets and individual countries, regions, sectors, companies, or industries, which could significantly reduce the value of an account's investments. War, terrorism, and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally.

## **ITEM 9 - DISCIPLINARY INFORMATION**

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment advisor and each investment advisor representative providing investment advice to you.

There are no reportable material legal or disciplinary events related to WMCC. In the ordinary course of its business, WMCC and its management persons have in the past been, and may in the future be, subject to periodic audits, examinations, claims, litigation, formal and informal regulatory inquiries, subpoenas, employment-related matters, disputes, investigations, and legal or regulatory proceedings, involving the SEC, other regulatory authorities, or private parties. Such audits, investigations, and proceedings have the potential to result in findings, conclusions, settlements, charges, or various forms of sanctions against WMCC or its management persons, including fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions and may increase the exposure of clients, and WMCC to potential liabilities and to legal, compliance and other related costs. In addition, such actions or proceedings may involve claims of strict liability or similar risks against Clients in certain jurisdictions or in connection with certain types of activities.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

WMCC or any of our investment advisors do not have any other financial industry activities or affiliations to report in this section.

## **ITEM 11 - CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

WMCC and its staff are allowed to invest for their own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for your account and may own or transact in open ended mutual funds that are the same as or different than the funds recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our Clients by deterring misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of WMCC, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical



principles.

If a related person recommends securities to Clients, or buys or sells securities for Client accounts, at or about the same time that the related person buys or sells the same securities for their own (or the related person's own) account, WMCC must find the best deal for the Client.

A pre-clearance process described in the WMCC's Code of Ethics is used to prevent a conflict of interest. If a conflict of interest does arise, then the Client account always comes first. In an instance of allocation, better prices will always be given to Client accounts.

You may request a complete copy of our Code of Ethics by contacting us at the address, telephone, or email on the cover page of this Part 2; Attn: Chief Compliance Officer.

## **ITEM 12 - BROKERAGE PRACTICES**

We participate in the Charles Schwab & Co, Inc. Institutional program. ("Schwab") member FINRA/SIPC/NFA. Schwab is an independent and unaffiliated SEC-registered broker-dealer. Schwab offers to WMCC services which include custody of securities, trade execution, clearance, and settlement of transactions. We receive certain additional economic benefit "(Additional Services" or soft dollars) that may or may not be offered to retail Clients of Schwab. Examples of the Additional Services may include newsletters, industry conferences and research provided to those who participate in the Schwab Advisor Program.

Schwab provides the Additional Services to advisor in its sole discretion and at its own expense, and advisor does not pay any fees to Schwab for the Additional Services. advisor and Schwab have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Advisor's receipt of soft dollars raises conflicts of interest. In providing Additional Services or soft dollars to advisor, Schwab most likely considers the amount and profitability to Schwab of the assets in, and trades placed for, Advisor's Client accounts maintained with Schwab. Schwab has the right to terminate the Additional Services Addendum with Advisor, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from Schwab, Advisor has an incentive to recommend to its Clients that the assets under management by Advisor be held in custody with Schwab and to place transactions for Client accounts with Schwab. Advisor's receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including to seek best execution of trades for client accounts.

### **Directed Brokerage**

In the event you request us to recommend a broker-dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at Schwab. We may recommend that you establish accounts with Schwab to maintain custody of your assets and to effect trades for your accounts. You have the right to not act upon any recommendations, however we do not accept directed brokerage. Our recommendation is generally based on the broker's cost and fees, skills,

reputation, dependability, and compatibility with the Client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker-dealer or the reasonableness of their commissions.

### **Charles Schwab Relationship**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like WMCC. Through Schwab Advisor Services, Schwab provides us and our clients, both those enrolled in the Program and our clients not enrolled in the Program, with access to its institutional brokerage services – trading, custody, reporting and related services – many of which are not typically available to Schwab's 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 described below are generally available on an unsolicited basis (we do not have to request them) and at no charge to us. The availability to WMCC with respect to Schwab products and services is not based on our firm giving investment advice, such as buying securities for our clients. Here is a more detailed description of Schwab's support services:

Schwab's Advisor 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 the client and the client's account.

Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or its 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.

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. While as a fiduciary we try to act in our clients' best interests, we may recommend that clients maintain their assets in accounts at Schwab in part because of the benefit to WMCC of the foregoing products and services, and not solely due to the nature, cost or the quality of the custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

For our clients' accounts Schwab maintains, Schwab does not charge you separately for custody services but is compensated by charging you commissions on bond trades, non-U.S. Stock trades, mutual funds, margin interest or other fees on trades that it executes or that settle into your Schwab account. For clients that hold a non-publicly traded security, Schwab charges \$250 per year for holding a security.

We do not select or recommend broker-dealers based upon receiving Client referrals from a broker dealer or third party. We do not routinely recommend, request, or require that you direct us to execute transaction through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage.

We place trades for your account subject to our duty to seek best execution and other fiduciary duties. We may use broker-dealers other than your custodian to execute trades for your account, but this practice may result in additional costs to you so that we are more likely to place trades through your custodian rather than other broker-dealers. Your custodian's execution quality may be different than other broker-dealers.

We do not aggregate trades.

As a matter of policy and practice, we do not utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a commission basis.

### **Trade Errors**

Trade errors may occur either in the investment decision-making process (e.g., a purchase of a security or an amount of security that violates a Client's investment restrictions) or in the trading process (e.g., a buy order executed as a sell, the purchase or sale of a security other than what was intended or trading an incorrect quantity of securities). Internal or clerical mistakes that affect the investment or trading process and have a financial impact to a Client will also be treated as trade errors.

A "trade error" will generally be defined as a transaction that is executed in a manner that was not intentional and results in a corrective action being taken. Any mistakes that do not affect the investment decision-making or trading process or cause a violation of a Client's investment policies or restrictions, and do not cause gain or loss to the Client, will not be treated as trade errors.

WMCC's traders will be responsible for notifying the Firm promptly of the circumstances of any trade error. Traders will discuss any action taken to correct a trade error (e.g., selling a security in the open market) and/or any other corrective action with the Firm prior to its implementation as to whether such action is appropriate.

If a third party creates the error, WMCC will look to the third party to take corrective action. Broker dealers may be held responsible for a portion of any loss resulting from a trade error if actions of such broker-dealer contributed to the error or the loss. WMCC will require broker-dealers to assist in rectifying a trade error on favorable terms if their actions or inactions contributed to the error or the resulting loss. A broker may absorb the loss from a trade error caused by the broker. WMCC will not direct brokerage commissions to brokers, or to enter into other reciprocal arrangements with brokers, in order to induce a broker to absorb a loss from a trading error caused by WMCC. No soft dollars may be used to satisfy any trade errors. In addition, WMCC may not use the securities in one Client's account to settle the trade error in another Client's account.

Furthermore, we have implemented procedures designed to prevent trade errors; however, trade errors in Client accounts cannot always be avoided. In all situations where the Client does not cause the trade error, the Client will be made whole, and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

## **ITEM 13 - REVIEW OF ACCOUNTS**

### **Account Reviews and Reviewers**

The frequency and nature of the reviews varies from Client to Client, depending upon the contractual arrangement, the Client's request, the changing circumstances of the Client's affairs and the level of assets currently held. A complete assessment of each Client's accounts is reviewed at the discretion of WMCC at least annually. Generally, all matters relevant to the Client's situation including income, balance sheet, state and federal income taxes, long-term cash flow projections and company benefits, and compensation plans are reviewed.

The underlying securities within the investment supervisory services, for clients for which WMCC charges based on a percentage of assets under management, are monitored at least quarterly. These reviews are made by Mark Marquez. Client meetings are typically held at least annually and are conducted in person or by telephone.

The purpose of all these reviews is to ensure that the investment plan continues to be implemented in a manner which matches your objectives and risk tolerances. More frequent reviews may be triggered by material changes in variables such as your individual circumstances, or the market, political or economic environment. You are urged to notify us of any changes in your personal

circumstances.

### **Statements and Reports**

Reports are provided at account review meetings with Clients. Communication to Clients will be done on an as-needed basis with a minimum of one contact per calendar quarter for clients for which WMCC charges based on a percentage of assets under management. The Client receives a written report for all account review meetings.

The custodian will provide quarterly statements of the assets in your Account, the purchase date, the cost, and the current market value for the period (or since the opening of the Account). The quarterly fee will be reflected on the periodic account statement provided by the custodian. The custodian will make available to you a statement no less than quarterly showing all amounts paid from the account including all management fees paid by custodian to WMCC. In case of an error in such reports, you shall notify WMCC promptly, and WMCC will use good faith efforts to make corrections to such reports in a timely manner. Additionally, WMCC will send the Client a notice of amount invoiced as part of its quarterly reporting. You are urged to compare the reports and invoices provided by WMCC against the statements you receive directly from your account custodian.

### **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

WMCC does not receive any economic benefits from someone who is not a Client, and WMCC does not compensate Clients or third parties for Client referrals.

### **ITEM 15 – CUSTODY**

Custody means holding, directly or indirectly, client funds or securities or having any authority to obtain possession of them.

WMCC does not have direct custody of any client funds and/or securities. WMCC will not maintain physical possession of client funds and securities. Instead, clients' funds and securities are held by a qualified custodian.

While WMCC does not have physical custody of client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds client funds pursuant to the client's account application.

In certain jurisdictions, the ability of WMCC to withdraw its management fees from the client's account may be deemed custody. Prior to permitting direct debit of fees, each client provides written authorization permitting fees to be paid directly from the custodian.

As part of the billing process, WMCC is responsible for calculating the fee and instructing the custodian to deduct fees from the Client's account. On at least a quarterly basis, the custodian is

required to send to the client a statement showing all transactions within the account during the reporting period. WMCC will also send the Client an invoice itemizing the fee. Itemization shall include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee. The custodian does not calculate the amount of the fee to be deducted and does not verify the accuracy of WMCC's advisory calculation. Therefore, it is important for clients to carefully review their custodial statements and compare them to the invoices prepared by WMCC to verify the accuracy of the calculation. Clients should contact WMCC directly if they believe that there may be an error in their statement.

The custodian WMCC currently utilizes is Charles Schwab.

#### **ITEM 16 - INVESTMENT DISCRETION**

As a general rule, WMCC accepts, but does not require, discretionary authority to manage securities accounts on behalf of clients. WMCC has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, WMCC consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given. The client approves the custodian to be used and the commission rates paid to the custodian. WMCC does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

See *Item 12 – Brokerage Practices* of this Brochure for more information.

#### **ITEM 17 - VOTING YOUR SECURITIES**

WMCC does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent. When assistance on voting proxies is requested, WMCC will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

#### **ITEM 18 - FINANCIAL INFORMATION**

This item is not applicable to this Brochure. We do not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to Clients. Finally, we have not been the subject of a bankruptcy petition at any time.