

**Item 1: Cover Page**  
**Part 2A of Form ADV: Firm Brochure**  
**March 2023**



**Date: March 22, 2023**

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**Centennial, Colorado 80111**  
**<https://dechtmanwealth.com/>**

**Firm Contact:**  
**Linda Roberts**  
**Chief Compliance Officer**

This brochure provides information about the qualifications and business practices of Dechtman Wealth Management, LLC. If clients have any questions about the contents of this brochure, please contact us at (303) 741-9772. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about our firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #308183.

Please note that the use of the term "registered investment adviser" and description of our firm and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise clients for more information on the qualifications of our firm and our employees.

## Item 2: Material Changes

Dechtman Wealth Management, LLC (the “Firm”) is required to notify clients of any information that has changed since the last annual update of the Firm Brochure (“Brochure”) that may be important to them. Clients can request a full copy of our Brochure or contact us with any questions that they may have about the changes.

Since our last filing on March 31, 2022, and as disclosed below, the Firm has made the following material changes to this Brochure:

Our firm has ended our wrap program, and removed references to the program.

**ANY QUESTIONS:** Our Firm’s Chief Compliance Officer, Linda Roberts, remains available to address any questions regarding the above changes, or any other issue pertaining to this Brochure.

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## Item 4: Advisory Business

Our firm is dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed under the laws of the State of Colorado in 2018 and has been in business as an independent investment adviser since August 2020. Our firm is wholly owned by Jordan Dechtman.

The purpose of this Brochure is to disclose the conflicts of interest associated with the investment transactions, compensation and any other matters related to investment decisions made by our firm or its representatives. As a fiduciary, it is our duty to always act in the client's best interest. This is accomplished in part by knowing our client. Our firm has established a service-oriented advisory practice with open lines of communication for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. Working with clients to understand their investment objectives while educating them about our process, facilitates the kind of working relationship we value.

### **Types of Advisory Services Offered**

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Our firm provides discretionary investment advisory services on a fee basis as discussed at Item 5 below. Before engaging our firm to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement with our firm setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. To commence the investment advisory process, our firm will ascertain each client's investment objective(s) and then allocate the client's assets consistent with the client's designated investment objective(s). Once allocated, our firm provides ongoing supervision of the account(s).

Our firm's annual investment advisory fee shall generally (exceptions can occur-*see below*) include investment advisory services and financial planning and consulting services for all individual clients. In the event that the client requires extraordinary planning and/or consultation services (to be determined in our firm's sole discretion), our firm may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

### **Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.**

To the extent requested by the client, the Firm will generally provide financial planning and related consulting services regarding matters such as tax and estate planning, insurance, etc. The Firm will generally provide such consulting services inclusive of its advisory fee set forth at Item 5 below (exceptions could occur based upon assets under management, extraordinary matters, special projects, stand-alone planning engagements, etc. for which Firm may charge a separate or additional fee). **Please Note**. The Firm believes that it is important for the client to address financial planning issues on an ongoing basis. The Firm's advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with the Firm. **Please Also Note**: The Firm **does not** serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same. Accordingly, the Firm **does not** prepare legal documents, prepare tax returns, or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e., attorneys, accountants, insurance, etc.), including our representatives in their separate individual licensed capacities-*see below*. The client is not under any obligation to engage any such professional(s). The client retains absolute discretion over all such implementation decisions and is

free to accept or reject any recommendation from the Firm and/or its representatives. If the client engages any professional (i.e., attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional[s] (i.e., attorney, accountant, insurance agent, etc.), and **not** the Firm, shall be responsible for the quality and competency of the services provided.

As indicated below in Item 10, to the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e., attorneys, accountants, insurance, etc.), including the Firm's representative Jordan Dechtman in his separate individual capacity as registered representative of Purshe Kaplan Sterling Investments, Inc. ("PKS"), a SIPC and FINRA member broker-dealer, and as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. **Please Note-Conflict of Interest:** The recommendation that a client purchase a securities or insurance commission product from a Firm representative in his/her individual capacity as a representative of PKS and/or as an insurance agent, presents a ***conflict of interest***, as the receipt of commissions may provide an incentive to recommend investment and/or insurance products based on commissions to be received, rather than on a particular client's need. The fees charged and compensation derived from the sale of such insurance and/or securities products is separate from, and in addition to, the Firm's investment advisory fee. No client is under any obligation to purchase any securities or insurance commission products from any of the Firm's representatives. Clients are reminded that they may purchase securities and insurance products recommended by the Firm's representatives through other, non-affiliated broker-dealers and/or insurance agents. **ANY QUESTIONS: The Firm's Chief Compliance Officer, Linda Roberts, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

#### **Participation in Wrap Fee Programs**

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Our firm does not participate in a Wrap Fee Program.

#### **MISCELLANEOUS**

**Please Note: Cash Positions.** The Firm continues to treat cash as an asset class. As such, unless determined to the contrary by our firm, all cash positions (money markets, etc.) shall continue to be 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 positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, the Firm's advisory fee could exceed the interest paid by the client's money market fund.

**ANY QUESTIONS: Our Firm's Chief Compliance Officer, Linda Roberts, remains available to address any questions that a client or prospective may have regarding the above fee billing practice.**

**Please Note: Retirement Rollovers-Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If our firm recommends that a client roll over their retirement plan assets into an account to be managed by our firm, such a recommendation creates a conflict of interest if our firm will earn new (or increase its current) compensation as a result of the rollover. If our firm provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), our firm is acting as a fiduciary 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. **No client is under any obligation to roll over retirement plan assets to an account managed by our firm, whether it is from an employer's plan or an existing IRA. Our firm's Chief Compliance Officer, Linda Roberts, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Please Note - Use of Mutual and Exchange Traded Funds:** Our firm utilizes mutual funds and exchange traded funds for its client portfolios. In addition to our firm investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).

**Portfolio Activity.** The Firm has a fiduciary duty to provide services consistent with the client's best interest. The Firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when the Firm determines that changes to a client's portfolio are neither necessary, nor prudent. Clients remain subject to the fees described in Item 5 below during periods of account inactivity.

**Client Obligations.** In performing our services, the Firm shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, it remains each client's responsibility to promptly notify the Firm if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Firm) will be profitable or equal any specific performance level(s).

## ERISA Plan and 401(k) Individual Engagements

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**Trustee Directed Plans.** Although not currently engaged to do so, the Firm may be engaged to provide discretionary investment advisory services to ERISA retirement plans, whereby the Firm shall manage Plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, the Firm will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("ERISA"). The Firm will generally provide services on an "assets under management" fee basis per the terms and conditions of an *Investment Advisory Agreement* between the Plan and the Firm.

**Participant Directed Retirement Plans.** Although not currently engaged to do so, the Firm may also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a *Retirement Plan Services Agreement* between the Firm and the plan. For such engagements, the Firm shall assist the Plan sponsor with the selection of an investment platform from which Plan participants shall make their respective investment choices (which may include investment strategies devised and managed by the Firm), and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision-making process.

**Client Retirement Plan Assets.** If requested to do so, the Firm can provide investment advisory services relative to 401(k) plan assets maintained by the client in conjunction with the retirement plan established by the client's employer. In such event, the Firm shall allocate (or recommend that the client allocate) the retirement account assets among the investment options available on the 401(k) platform. The Firm's ability shall be limited to the allocation of the assets among the investment alternatives available through the plan. The Firm will not receive any communications from the plan sponsor or custodian, and it shall remain the client's exclusive obligation to notify the Firm of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account. Unless expressly indicated by the Firm to the contrary, in writing, the client's 401(k) plan assets shall be included as assets under management for purposes of the Firm calculating its advisory fee. **Please Note:** The Firm does not maintain custody or possession of any client passwords for 401(k) plans.

## Regulatory Assets Under Management

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Our firm manages \$551,563,110.48 as of December 31, 2022.

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## Item 5: Fees & Compensation

### Compensation for Our Advisory Services

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#### Asset Management:

Our Firm discontinued our wrap fee program on September 30, 2022. As of April 1, 2022, all new clients will engage the Firm on an unbundled basis (i.e., transaction fees will be in addition to the Firm's advisory fee herein) based on a new fee schedule as outlined below. Existing client accounts were managed under the current wrap program engagement until September 30, 2022 or after the existing client signs a new Investment Advisory Agreement, whichever occurs first, at which time the engagement will be transitioned to an unbundled basis. Existing clients will have signed a new Investment Advisory Agreement by September 30, 2022.

However, existing clients will be grandfathered under their current fee schedules rather than be transitioned to the new fee schedule referenced below.

#### Fee Structure

Initial \$750,000	1.25%
Next \$2,250,000	1.00%
Over \$3,000,000	0.80%

The Firm's annual fee for investment management services shall be based upon a percentage (%) of the market value of the assets under management in accordance with the fee schedule above. This annual fee shall be prorated and paid monthly, in arrears, based upon the average daily market value of the assets during the previous month. No increase in the annual fee percentage shall be effective without prior written notification to the client.

**Example:** If a client has \$2,000,000 in assets under management, the client will pay 1.25% on the initial \$750,000 (\$9,375) and 1.00% on the next \$1,250,000 (\$12,500) for a total of \$21,875.

Non-managed assets and client directed holdings that are opened in accommodation accounts with our chosen custodian are not reviewed. Our firm will not make recommendations, accept liability for, nor bill on these types of assets, and the client will be responsible for any custodial transaction charges on such accounts. These accounts will be documented in the appendix of the signed advisory agreement as applicable.

**Fee Dispersion.** The Firm, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** The Firm's Chief Compliance Officer, Linda Roberts, remains available to address any questions that a client or prospective client may have regarding advisory fees.

Our firm does not require a minimum account balance to engage our investment advisory services.

**Retirement Plan Consulting.** Our Retirement Plan Consulting services are billed as a percentage of Plan assets under management. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. Fees based on a percentage of managed Plan assets will not exceed 1.25% annually. The fee arrangement will be determined on a case-by-case basis and will be disclosed in the *Retirement Plan Services Agreement*. If there are constraints relating to the plan sponsor and/or third-party administrator's billing methods, we may agree to bill monthly or quarterly in advance or in arrears, and we may deduct our fee directly from the Plan's Assets or Directly Invoice depending on the limitations present.

#### Other Types of Fees & Expenses

**Custodian Charges-Additional Fees.** As discussed in Items 5 and 12, the Firm generally recommends that *Charles Schwab* ("Schwab") serve as the broker-dealer/custodian for client investment management assets.

Broker-dealers such as *Schwab* charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians do not currently charge fees on individual equity transactions, including ETFs, others do). **Please Note:** there can be no assurance that *Schwab* will not change its transaction fee pricing in the future. These fees/charges are in addition to the Firm's investment advisory fee above. The Firm does not receive any portion of these fees/charges. **ANY QUESTIONS: The Firm's Chief Compliance Officer, Linda Roberts, remains available to address any questions that a client or prospective client may have regarding the above.**

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### **Termination & Refunds**

Either party may terminate the advisory agreement signed with our firm for Asset Management service in writing at any time. Upon notice of termination pro-rata advisory fees for services rendered to the point of termination will be charged. If advisory fees cannot be deducted, our firm will send an invoice for due advisory fees to the client.

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### **Commission Securities and Insurance Sales**

As indicated in Item 4 above, to the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e., attorneys, accountants, insurance, etc.), including the Firm's representative Jordan Dechtman in his separate individual capacity as registered representative of Purshe Kaplan Sterling Investments, Inc. ("PKS"), a SIPC and FINRA member broker-dealer, and as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. **Please Note-Conflict of Interest:** The recommendation that a client purchase a securities or insurance commission product from a Firm representative in his/her individual capacity as a representative of PKS and/or as an insurance agent, presents a ***conflict of interest***, as the receipt of commissions may provide an incentive to recommend investment and/or insurance products based on commissions to be received, rather than on a particular client's need. **The fees charged and compensation derived from the sale of such insurance and/or securities products is separate from, and in addition to, the Firm's investment advisory fee.** No client is under any obligation to purchase any securities or insurance commission products from any of the Firm's representatives. Clients are reminded that they may purchase securities and insurance products recommended by the Firm's representatives through other, non-affiliated broker-dealers and/or insurance agents. **ANY QUESTIONS: The Firm's Chief Compliance Officer, Linda Roberts, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

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## **Item 6: Performance-Based Fees & Side-By-Side Management**

Our firm does not charge performance-based fees.

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## **Item 7: Types of Clients & Account Requirements**

Our firm has the following types of clients:

- Individuals and High Net Worth Individuals;

- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, Limited Liability Companies and/or Other Business Types

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

### Methods of Analysis

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We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Fundamental Analysis:** The analysis of a business's financial statements (usually to analyze the business's assets, liabilities, and earnings), health, and its competitors and markets. When analyzing a stock, futures contract, or currency using fundamental analysis there are two basic approaches one can use: bottom-up analysis and top-down analysis. The terms are used to distinguish such analysis from other types of investment analysis, such as quantitative and technical. Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts. There are several possible objectives: (a) to conduct a company stock valuation and predict its probable price evolution; (b) to make a projection on its business performance; (c) to evaluate its management and make internal business decisions; (d) and/or to calculate its credit risk; and (e) to find out the intrinsic value of the share.

When the objective of the analysis is to determine what stock to buy and at what price, there are two basic methodologies investors rely upon: (a) Fundamental analysis maintains that markets may misprice a security in the short run but that the "correct" price will eventually be reached. Profits can be made by purchasing the mispriced security and then waiting for the market to recognize its "mistake" and reprice the security; and (b) Technical analysis maintains that all information is reflected already in the price of a security. Technical analysts analyze trends and believe that sentiment changes predate and predict trend changes. Investors' emotional responses to price movements lead to recognizable price chart patterns. Technical analysts also analyze historical trends to predict future price movement. Investors can use one or both of these different but complementary methods for stock picking. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Modern Portfolio Theory ("MPT"):** A mathematical framework for assembling a portfolio of assets such that the expected return is maximized for a given level of risk, defined as variance. Its key insight is that an asset's risk and return should not be assessed by itself, but by how it contributes to a portfolio's overall risk and return. MPT assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists that has better expected returns.

The risk, return, and correlation measures used by MPT are based on expected values, which means that they are mathematical statements about the future (the expected value of returns is explicit in the above equations, and implicit in the definitions of variance and covariance). In practice, investors must substitute predictions based on historical measurements of asset return and volatility for these values in the equations. Very often such expected values fail to take account of new circumstances that did not exist when the historical data were generated. Mathematical risk measurements are also useful only to the degree that they reflect investors' true concerns—there is no point minimizing a variable that nobody cares about in practice. MPT uses the mathematical concept of variance to quantify risk, and this might be justified under the assumption of elliptically distributed returns such as normally distributed returns, but for general return distributions other risk measures (like coherent risk measures) might better reflect investors' true preferences.

**Qualitative Analysis:** A securities analysis that uses subjective judgment based on unquantifiable information, such as management expertise, industry cycles, strength of research and development, and labor relations. Qualitative analysis contrasts with quantitative analysis, which focuses on numbers that can be found on reports such as balance sheets. The two techniques, however, will often be used together in order to examine a company's operations and evaluate its potential as an investment opportunity. Qualitative analysis deals with intangible, inexact concerns that belong to the social and experiential realm rather than the mathematical one. This approach depends on the kind of intelligence that machines (currently) lack, since things like positive associations with a brand, management trustworthiness, customer satisfaction, competitive advantage and cultural shifts are difficult, arguably impossible, to capture with numerical inputs. A risk in using qualitative analysis is that subjective judgment may prove incorrect.

### **Investment Strategies We Use**

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We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Asset Allocation:** The implementation of an investment strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio according to the investor's risk tolerance, goals and investment time frame. Asset allocation is based on the principle that different assets perform differently in different market and economic conditions. A fundamental justification for asset allocation is the notion that different asset classes offer returns that are not perfectly correlated, hence diversification reduces the overall risk in terms of the variability of returns for a given level of expected return. Although risk is reduced as long as correlations are not perfect, it is typically forecast (wholly or in part) based on statistical relationships (like correlation and variance) that existed over some past period. Expectations for return are often derived in the same way.

An asset class is a group of economic resources sharing similar characteristics, such as riskiness and return. There are many types of assets that may or may not be included in an asset allocation strategy. The "traditional" asset classes are stocks (value, dividend, growth, or sector-specific [or a "blend" of any two or more of the preceding]; large-cap versus mid-cap, small-cap or micro-cap; domestic, foreign [developed], emerging or frontier markets), bonds (fixed income securities more generally: investment-grade or junk [high-yield]; government or corporate; short-term, intermediate, long-term; domestic, foreign, emerging markets), and cash or cash equivalents. Allocation among these three provides a starting point. Usually included are hybrid instruments such as convertible bonds

and preferred stocks, counting as a mixture of bonds and stocks. Other alternative assets that may be considered include: commodities: precious metals, nonferrous metals, agriculture, energy, others.; Commercial or residential real estate (also REITs); Collectibles such as art, coins, or stamps; insurance products (annuity, life settlements, catastrophe bonds, personal life insurance products, etc.); derivatives such as long-short or market neutral strategies, collateralized debt, and futures; foreign currency; venture capital; private equity; and/or distressed securities.

There are several types of asset allocation strategies based on investment goals, risk tolerance, time frames and diversification. The most common forms of asset allocation are: strategic, dynamic, tactical, and core-satellite.

- **Strategic Asset Allocation:** The primary goal of a strategic asset allocation is to create an asset mix that seeks to provide the optimal balance between expected risk and return for a long-term investment horizon. Generally speaking, strategic asset allocation strategies are agnostic to economic environments, i.e., they do not change their allocation postures relative to changing market or economic conditions.
- **Dynamic Asset Allocation:** Dynamic asset allocation is similar to strategic asset allocation in that portfolios are built by allocating to an asset mix that seeks to provide the optimal balance between expected risk and return for a long-term investment horizon. Like strategic allocation strategies, dynamic strategies largely retain exposure to their original asset classes; however, unlike strategic strategies, dynamic asset allocation portfolios will adjust their postures over time relative to changes in the economic environment.
- **Tactical Asset Allocation:** Tactical asset allocation is a strategy in which an investor takes a more active approach that tries to position a portfolio into those assets, sectors, or individual stocks that show the most potential for perceived gains. While an original asset mix is formulated much like strategic and dynamic portfolio, tactical strategies are often traded more actively and are free to move entirely in and out of their core asset classes
- **Core-Satellite Asset Allocation:** Core-Satellite allocation strategies generally contain a 'core' strategic element making up the most significant portion of the portfolio, while applying a dynamic or tactical 'satellite' strategy that makes up a smaller part of the portfolio. In this way, core-satellite allocation strategies are a hybrid of the strategic and dynamic/tactical allocation strategies mentioned above.

**Fixed Income:** Fixed income is a type of investing or budgeting style for which real return rates or periodic income is received at regular intervals and at reasonably predictable levels. Fixed-income investors are typically retired individuals who rely on their investments to provide a regular, stable income stream. This demographic tends to invest heavily in fixed-income investments because of the reliable returns they offer. Fixed-income investors who live on set amounts of periodically paid income face the risk of inflation eroding their spending power.

Some examples of fixed-income investments include treasuries, money market instruments, corporate bonds, asset-backed securities, municipal bonds and international bonds. The primary risk associated with fixed-income investments is the borrower defaulting on his payment. Other considerations include exchange rate risk for international bonds and interest rate risk for longer-dated securities. The most common type of fixed-income security is a bond. Bonds are issued by federal governments, local municipalities and major corporations. Fixed-income securities are recommended for investors seeking a diverse portfolio; however, the percentage of the portfolio dedicated to fixed income depends on your own personal investment style. There is also an opportunity to diversify the fixed-income component of a portfolio. Riskier fixed-income products, such as junk bonds and longer-dated products, should comprise a lower percentage of your overall portfolio.

The interest payment on fixed-income securities is considered regular income and is determined based on the creditworthiness of the borrower and current market rates. In general, bonds and fixed-income securities with longer-dated maturities pay a higher rate, also referred to as the coupon rate, because they are considered riskier. The longer the security is on the market, the more time it has to lose its value and/or default. At the end of the bond term, or at bond maturity, the borrower returns the amount borrowed, also referred to as the principal or par value.

**Long-Term Purchases:** Our firm may buy securities for your account and hold them for a relatively long time (more than a year) in anticipation that the security's value will appreciate over a long horizon. The risk of this strategy is that our firm could miss out on potential short-term gains that could have been profitable to your account, or it's possible that the security's value may decline sharply before our firm makes a decision to sell.

**Short-Term Purchases:** When utilizing this strategy, our firm may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). Our firm does this in an attempt to take advantage of conditions that our firm believes will soon result in a price swing in the securities our firm purchase.

### **Risk of Loss**

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Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and the account(s) could enjoy a gain, it is also possible that the stock market may decrease and the account(s) could suffer a loss. It is important that clients understand the risks associated with investing in the stock market, and that their assets are appropriately diversified in investments. Clients are encouraged to ask our firm any questions regarding their risk tolerance.

**Economic Risk:** The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

**Equity (Stock) Market Risk:** Common stocks are susceptible to general stock market fluctuations and, volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

### **Actively Managed Cash Balances**

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Our firm generally invests client cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, our firm tries to achieve the highest return on client cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a cash sweep account or equivalent program so that our firm may debit advisory fees for our services.

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## Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

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## Item 10: Other Financial Industry Activities & Affiliations

As indicated in Item 4 above, to the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e., attorneys, accountants, insurance, etc.), including the Firm's representative Jordan Dechtman in his separate individual capacity as registered representative of Purshe Kaplan Sterling Investments, Inc. ("PKS"), a SIPC and FINRA member broker-dealer, and as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. **Please Note-Conflict of Interest:** The recommendation that a client purchase a securities or insurance commission product from a Firm representative in his/her individual capacity as a representative of PKS and/or as an insurance agent, presents a ***conflict of interest***, as the receipt of commissions may provide an incentive to recommend investment and/or insurance products based on commissions to be received, rather than on a particular client's need. The fees charged and compensation derived from the sale of such insurance and/or securities products is separate from, and in addition to, the Firm's investment advisory fee. No client is under any obligation to purchase any securities or insurance commission products from any of the Firm's representatives. Clients are reminded that they may purchase securities and insurance products recommended by the Firm's representatives through other, non-affiliated broker-dealers and/or insurance agents. **ANY QUESTIONS: The Firm's Chief Compliance Officer, Linda Roberts, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

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

- A. The Firm maintains an investment policy relative to personal securities transactions. This investment policy is part of the Firm's overall Code of Ethics, which serves to establish a standard of business conduct for all of the Firm's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Firm also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Firm or any person associated with the Firm.

- B. Neither the Firm nor any related person of the Firm recommends, buys, or sells for client accounts, securities in which the Firm or any related person of the Firm has a material financial interest.

- C. The Firm and/or representatives of the Firm may buy or sell securities that are also recommended to clients. This practice may create a situation where the Firm and/or representatives of the Firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Firm did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed before those of the Firm’s clients) and other potentially abusive practices.

The Firm has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Firm’s “Access Persons.” The Firm’s securities transaction policy requires that an Access Person of the Firm must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date the Firm selects.

- D. The Firm and/or representatives of the Firm may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Firm and/or representatives of the Firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, the Firm has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of the Firm’s Access Persons.

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## Item 12: Brokerage Practices

In the event that the client requests that the Firm recommend a broker-dealer/custodian for execution and/or custodial services, the Firm generally recommends that investment advisory accounts be maintained at Charles Schwab & Co., Inc. (“Schwab”). Prior to engaging the Firm to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with the Firm setting forth the terms and conditions under which the Firm shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Firm considers in recommending Schwab (or any other broker-dealer/custodian to clients) include historical relationship with the Firm, financial strength, reputation, execution capabilities, pricing, research, and service. Broker-dealers such as Schwab can charge transaction fees for effecting certain securities transactions (**See** Item 5 above). To the extent that a transaction fee will be payable by the client to Schwab, the transaction fee shall be in addition to the Firm’s investment advisory fee referenced in Item 5 above.

Our wrap fee program ended on September 30, 2022. Existing client accounts will continue to be managed under the current wrap program engagement until September 30, 2022 or after the existing client signs a new Investment Advisory Agreement, whichever occurs first, at which time the engagement will be transitioned to an unbundled basis (i.e., the client will commence paying the transaction fees).

Existing clients will be requested to sign a new Investment Advisory Agreement by September 30, 2022. However, existing clients were grandfathered under their current fee schedules rather than be transitioned to the new fee schedule referenced at Item 5 above. In addition, if/when requested, all individual clients who engage the firm for investment management services, will receive financial planning and consulting advice as part of their advisory fee. Additional information about our Firm's fees and compensation is disclosed at Item 5 above.

To the extent that a transaction fee is payable, the Firm shall have a duty to obtain best execution for such transaction. However, that does not mean that the client will not pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where the Firm determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although the Firm will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions.

**Research and Benefits.** Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, the Firm can receive from Schwab (or another broker-dealer/custodian, investment manager, platform sponsor, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist the Firm to better monitor and service client accounts maintained at such institutions. Included within the support services that can be obtained by the Firm can be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services (including those provided by unaffiliated vendors and professionals), discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support (including client events), computer hardware and/or software and/or other products used by the Firm in furtherance of its investment advisory business operations. Certain of the benefits that could be received can also assist the Firm to manage and further develop its business enterprise and/or benefit the Firm's representatives.

The Firm's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as the result of this arrangement. There is no corresponding commitment made by the Firm to Schwab, or any other any entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**ANY QUESTIONS: The Firm's Chief Compliance Officer, Linda Roberts remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest presented by such arrangements.**

**Directed Brokerage.** The Firm recommends that its clients utilize the brokerage and custodial services provided by Schwab. The Firm generally does not accept directed brokerage arrangements (but could make exceptions). A directed brokerage arrangement arises when a client requires that account transactions be effected through a specific broker-dealer/custodian, other than one generally recommended by the Firm (i.e., Schwab). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Firm will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by

the Firm. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Please Note:** In the event that the client directs the Firm to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through the Firm. **Please Also Note:** Higher transaction costs adversely impact account performance. **Please Further Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**Order Aggregation.** Transactions for each client account generally will be effected independently, unless Firm decides to purchase or sell the same securities for several clients at approximately the same time. The Firm may (but is not obligated to) combine or "batch" such orders for individual equity transactions (including ETFs) with the intention to obtain better price execution, to negotiate more favorable commission rates, or to allocate more equitably among the Firm's clients differences in prices and commissions or other transaction costs that might have occurred had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. In the event that the Firm becomes aware that a Firm employee seeks to trade in the same security on the same day, the employee transaction will either be included in the "batch" transaction or transacted after all discretionary client transactions have been completed. The Firm shall not receive any additional compensation or remuneration as the result of such aggregation.

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### **Item 13: Review of Accounts or Financial Plans**

For those clients to whom Advisor provides investment supervisory services, account reviews are conducted on a periodic basis by the Advisor's Principals, at least annually. All investment supervisory clients are advised that it remains their responsibility to advise the Advisor of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Advisor on an annual basis.

The Advisor may conduct account reviews on an other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts.

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

#### **Schwab**

As indicated at Item 12 above, the Firm can receive from Schwab (and others) without cost (and/or at a discount), support services and/or products. The Firm's clients do not pay more for investment transactions effected and/or assets maintained at Schwab (or any other institution) as result of this arrangement. There is no corresponding commitment made by the Firm to Schwab, or to any other

entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as the result of the above arrangement. **ANY QUESTIONS: The Firm's Chief Compliance Officer, Linda Roberts, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest presented by such arrangement.**

If a client is introduced to the Firm by either an unaffiliated or an affiliated promoter, the Firm may pay that promoter a referral fee in accordance with the requirements of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Firm's investment management fee and shall not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated promoter, the promoter, at the time of the promotion, shall disclose the nature of his/her/its promoter relationship, and shall provide each prospective client with a copy of the Firm's written Brochure, together with a copy of a separate written disclosure statement from the promoter to the client disclosing the terms of the promoter arrangement between the Firm and the promoter, including the compensation to be received by promoter from the Firm.

### **Product Sponsors**

Our firm occasionally sponsors events in conjunction with our product providers in an effort to keep our clients informed as to the services we offer and the various financial products we utilize. These events are educational in nature and are not dependent upon the use of any specific product. While a conflict of interest may exist because these events are at least partially funded by product sponsors, all funds received from product sponsors are used for the education of our clients. We will always adhere to our fiduciary duty in recommending appropriate investments for our clients.

Representatives of our firm will occasionally accept travel expense reimbursement provided by product sponsors in order to attend their educational events. The reimbursement is not directly dependent upon the recommendation of any specific product. Although we may be incentivized to recommend products from product sponsors that reimburse our travel, our representatives will always adhere to their fiduciary duty in recommending appropriate investments for our clients.

**ANY QUESTIONS: The Firm's Chief Compliance Officer, Linda Roberts, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest presented by such arrangements.**

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### **Item 15: Custody**

The Firm shall have the ability to deduct its advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., Schwab, etc.) at least quarterly. **Please Note:** To the extent that the Firm provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Firm with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of the Firm's advisory fee calculation.

In addition, certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from the Firm to transfer client funds or securities to third parties. These arrangements are disclosed at Item 9 of Part 1 of Form ADV. However, in accordance

with the guidance provided in the SEC's February 21, 2017 *Investment Adviser Association* No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination. **ANY QUESTIONS: The Firm's Chief Compliance Officer, Linda Roberts, remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

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### Item 16: Investment Discretion

The client can determine to engage the Firm to provide investment advisory services on a discretionary basis. Prior to engaging the Firm to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with the Firm setting forth the terms and conditions under which the Firm shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Clients who engage the Firm on a discretionary basis may, at any time, impose restrictions, **in writing**, on the Firm's discretionary authority (i.e., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Firm's use of margin, etc.).

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### Item 17: Voting Client Securities

Our firm does not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, our firm will forward them to the appropriate client and ask the party who sent them to mail them directly to the client in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

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### Item 18: Financial Information

Our firm is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1,200 in fees when services cannot be rendered within 6 months.
- Our firm does not take custody of client funds or securities.
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- Our firm has never been the subject of a bankruptcy proceeding.

**ANY QUESTIONS:** The Firm's Chief Compliance Officer, Linda Roberts, remains available to address any questions regarding this Part 2A.