



# HARTMANN TAYLOR

WEALTH MANAGEMENT

## Hartmann Taylor Wealth Management, LLC

IARD#310334

4347 W. Northwest Hwy Suite 130-345  
Dallas, TX 75220  
(214) 732-4243

[www.hartmantaylor.com](http://www.hartmantaylor.com)

### Form ADV Part 2A Firm Brochure March 6, 2023

This Brochure provides information about the qualifications and business practices of Hartmann Taylor Wealth Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (214) 732-4243, or via e-mail at .

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.

Hartmann Taylor Wealth Management, LLC is a registered investment advisory firm. Registration of an investment advisory firm does not imply a particular level of skill or training.

Additional information about Hartmann Taylor Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**ITEM 2****Material Changes**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of our Firm Brochure. This Item discusses only specific material changes made to this Brochure and provides our clients with a summary of such changes.

**Material Changes since the Last Update**

Since our last filing on May 23, 2022, there were the following material changes:

Item 4: Assets Under management have been updated

**Full Brochure and Additional Information**

Full Brochure and additional information about Hartmann Taylor Wealth Management, LLC are available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with us who are registered or are required to be registered as investment adviser representatives ("IAR").

## Table of Contents

<a href="#"><u>ITEM 1</u></a>	<a href="#"><u>Cover Page</u></a> .....	1
<a href="#"><u>ITEM 2</u></a>	<a href="#"><u>Material Changes</u></a> .....	2
<a href="#"><u>ITEM 3</u></a>	<a href="#"><u>Table of Contents</u></a> .....	3
<a href="#"><u>ITEM 4</u></a>	<a href="#"><u>Advisory Business</u></a> .....	4
<a href="#"><u>ITEM 5</u></a>	<a href="#"><u>Fees and Compensation</u></a> .....	6
<a href="#"><u>ITEM 6</u></a>	<a href="#"><u>Performance-Based Fees and Side-By-Side Management</u></a> .....	8
<a href="#"><u>ITEM 7</u></a>	<a href="#"><u>Types of Clients</u></a> .....	8
<a href="#"><u>ITEM 8</u></a>	<a href="#"><u>Methods of Analysis, Investment Strategies, and Risk of Loss</u></a> .....	9
<a href="#"><u>ITEM 9</u></a>	<a href="#"><u>Disciplinary Information</u></a> .....	11
<a href="#"><u>ITEM 10</u></a>	<a href="#"><u>Other Financial Activities and Affiliations</u></a> .....	11
<a href="#"><u>ITEM 11</u></a>	<a href="#"><u>Code of Ethics, Participation in Client Transactions and Personal Trading</u></a> .....	11
<a href="#"><u>ITEM 12</u></a>	<a href="#"><u>Brokerage Practices</u></a> .....	12
<a href="#"><u>ITEM 13</u></a>	<a href="#"><u>Review of Accounts</u></a> .....	14
<a href="#"><u>ITEM 14</u></a>	<a href="#"><u>Client Referrals and Other Compensation</u></a> .....	15
<a href="#"><u>ITEM 15</u></a>	<a href="#"><u>Custody</u></a> .....	15
<a href="#"><u>ITEM 16</u></a>	<a href="#"><u>Investment Discretion</u></a> .....	16
<a href="#"><u>ITEM 17</u></a>	<a href="#"><u>Voting Client Securities</u></a> .....	16
<a href="#"><u>ITEM 18</u></a>	<a href="#"><u>Financial Information</u></a> .....	16

## Advisory Business

### FIRM INFORMATION

Hartmann Taylor Wealth Management, LLC (“HTWM,” “we,” “us,” “our”), a Limited Liability Company formed in June 2020, is a registered investment advisory firm located in Dallas, TX. We have been a registered investment advisory firm since October 2020.

### PRINCIPAL OWNERS

HTWM is owned and controlled by William Taylor, its Managing Member and Chief Compliance Officer.

### INVESTMENT ADVISORY SERVICES

#### Asset Management Services:

We provide asset management services in which we manage your custodial accounts and provide you with continuous and ongoing supervision of your custodial accounts. Our services provide additional investment opportunities among stocks, bonds, mutual funds, exchange-traded funds (ETFs), Real Estate Investment Trusts (REITs), options, and additional securities.

HTWM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. HTWM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

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

#### Financial Planning and Consulting Services:

HTWM can be engaged to provide sensible and objective financial planning analysis and recommendations in the following areas:

- Cash flow planning
- Financial independence and retirement
- Education planning
- Risk management planning
- Investment planning
- Estate planning and wealth transfer

- Tax planning
- Insurance planning
- Debt/Credit planning
- Retirement planning

The above fee-only services can be undertaken either on a comprehensive or modular basis. All services and fees are outlined in a written Agreement. Typically, after the free consultation to determine the scope of the financial planning and a review of the provided financial documents, we determine the cost to provide the requested service(s), communicate the proposed fee to you, and finalize, upon receiving your affirmation to move forward, a written agreement.

Once the written agreement is in place, we provide you with a list of the financial documents we will require to supplement what you already provided to us as part of the free consultation. This information typically includes everything necessary to create a personal balance sheet and income statement and may include tax returns, bank and credit card statements, mortgage statements, insurance policies, employee benefit information, brokerage statements, and any trust or estate documents.

The next step in HTWM's financial planning process is to evaluate your current financial situation with the aid of financial planning software and other research tools. HTWM considers various scenarios to determine alternatives for achieving your financial objectives and potential problem areas requiring further discussion.

HTWM's present HTWM's findings with you and discuss whether we need to refine any of HTWM's assumptions and/or recommendations. Ultimately the objective is to prioritize a set of goals and help you chart a course for attaining those goals. HTWM believes that a financial plan must be properly implemented and consistently monitored. Therefore, we remain available to coordinate HTWM's services with those of your other advisors (accountant, attorney, insurance agent, business manager, agent, etc.).

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

Families with significant net worth face complex issues that require multiple areas of expertise. This complexity is in addition to the same concerns shared by most of HTWM's clients – namely, who can we trust, and is the advice we receive truly objective?

For a select group of families, we provide services on a daily basis that we call "Family Office Services". Each of HTWM's families receiving Family Office Services considers us to be their primary trusted advisor, and we typically have one or more full-time employees dedicated to serving each family's needs. Together with other professionals, we help clients create, implement, and monitor strategies and reporting related to estate planning, income taxes, investments, philanthropy, generational wealth transfer, and cash management.

HTWM's Family Office Services are offered under a separate Limited Consulting Agreement. Services are tailored to the family and include one or more of the following:

- Personal Financial Coordination
- Investment Strategy Consultation

- Debt, Risk Management and Asset Protection Consultation
- Overall Financial Integration
- Proactive Management of Client Affairs

### **TAILORED INVESTMENT ADVISORY SERVICES AND RESTRICTIONS**

HTWM offers the same suite of services to all our clients; however, specific recommendations and their implementation are dependent upon the individual client's current financial situation such as income, net worth, and risk tolerance levels.

On a case-by-case basis, our clients may impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent us from properly servicing the client's account, or if the restrictions would require us to deviate from our standard suite of services, we reserve the right to end the relationship.

We may request additional information and documentation, such as current investments, tax returns, insurance policies, and estate plan. We will discuss your investment objectives, needs, and goals, but you must inform us of any changes. Unless directed by you, we do not independently verify any information provided to us by you or your attorney, accountant, or other professionals.

### **WRAP FEE PROGRAMS**

HTWM does not participate in, recommend, or offer wrap fee programs.

### **ASSETS UNDER MANAGEMENT**

As of December 31, 2022, HTWM manages \$ 130,281,084 on a discretionary basis.

## **ITEM 5**

# **Fees and Compensation**

### **ANNUAL FEES FOR ADVISORY SERVICES**

HTWM is compensated for providing asset management services by charging a negotiable fee based on the total assets under management. The fees and billing will be pre-determined in writing in the Investment Advisory Agreement executed by you and HTWM.

The fees charged for financial planning and Family services are negotiable and vary depending on the complexity of the process undertaken, the types of issues addressed, the scope of services provided, and the frequency with which the services are rendered. All fees are agreed upon before entering into the Financial Planning and Consulting Agreement you sign.

The below ranges are the standard fee ranges that are typically charged. We may waive the agreed-upon financial planning fees if you engage our asset management services.

Asset Management Fee Schedule		
First	\$1,000,000	0.90%
Next	\$1,000,000	0.80%

Next \$3,000,000	0.70%
Next \$5,000,000	0.60%
Over \$10,000,000	0.50%

#### Financial Planning and Consulting Fee Schedule

Hourly	\$250 to \$500 per hour
Fixed Fee	\$1,000 - \$10,000

#### Family Office Services Schedule

Fixed Fee	Negotiable
-----------	------------

## FEE BILLING & PAYMENT

Our asset management fees are annual fees and may be negotiable. Asset management fees are paid quarterly in advance. Payments are due on the first day of the calendar quarter and are based on the account's asset value as of the last business day of the prior calendar quarter multiplied by the applicable annual rate and divided by four (4). The fee for the subsequent quarter is billed and payable within ten (10) days after the end of the prior quarter. We will deduct our asset management fee only when in receipt of your written authorization by executing an investment advisory agreement permitting the fees to be paid directly from your account. We will send a copy of your invoice to the custodian at the same time that we send a copy to you. The qualified custodian will deliver an account statement to you at least quarterly, which will show all disbursements from your account. We urge you to review all statements for accuracy. Your account at the custodian may also be charged for certain additional assets managed for you by us but not held by the custodian (i.e., variable annuities, mutual funds, 401(k)s).

Financial planning and consulting fees may be assessed on an hourly basis, as a one-time project fee,. An estimate for total hours will be determined at the start of the relationship in order to determine whether hourly planning or a project-based plan is in the Client's best interest. Hourly fees will be invoiced upon completion of the financial plan or the rendering of consulting services with a thirty (30) day written notice. For one-time projects, the Client agrees to pay one-half of the total fee upon signing the Financial Planning Agreement and the remaining fee upon delivery of the plan. We will not require a fee of \$1200 or more to be paid six months or more in advance. Financial planning and consulting fees are paid via check, direct invoicing via an electronic payment processor, or other mutually agreed upon payment method

Family office services fees are withdrawn directly from the client's accounts with the client's written authorization on a quarterly basis, or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. Fees are paid in advance.

You are responsible for all third-party fees (i.e., custodian fees, mutual fund fees, transaction fees, etc.). These fees are separate and distinct from the fees and expenses charged by HTWM.

## **TERMINATION OF AGREEMENT**

Either party may terminate the agreement by providing 30-day advance written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable up to and including the effective date of termination.

Notwithstanding the above, if we do not deliver the appropriate disclosure statement to you at least 48 hours prior to you entering into any written or oral advisory contract with us, then you have the right to terminate the contract without penalty within five (5) business days after entering into the contract.

## **OTHER EXPENSES AND FEES**

The fees discussed above include payment solely for the investment advisory services provided by us and are separate from certain fees or charges that are imposed by third parties in connection with investments made on your behalf for your account. Third-party fees may include markdowns, markups, brokerage commissions, other transaction costs, and/or custodial fees.

All fees paid to us for asset management services are separate from the expenses charged by exchange-traded funds and mutual funds to their shareholders. These fees and expenses will be used to pay management fees for the funds, other fund expenses, account administration, and a possible distribution fee. Exchanged traded funds and mutual funds can be invested in directly by you without our services. However, you would not receive our services to assist you in determining which products or services are most suitable for your financial situation and objectives. You should review both the fees we charge and the fees charged by the fund(s) to understand the total fees to be paid fully.

Please refer to Item 12 of this brochure for a more detailed explanation of brokerage practices.

## **OTHER COMPENSATION**

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

### **ITEM 6**

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

We do not charge any performance-based fees, which are fees based on a share of capital gains on or capital appreciation of your assets.

### **ITEM 7**

## **Types of Clients**

We provide our investment advisory services to:

- Individuals
- High Net Worth Individuals

We do not have a minimum account size for our asset management services.



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

### METHODS OF ANALYSIS

We use various methods of analysis and investment strategies, including the following:

**Modern Portfolio Theory** - Modern portfolio theory (MPT) is a risk-averse theory that involves the construction of portfolios to maximize and optimize expected return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward. According to the theory, it's possible to construct an "efficient frontier" of optimal portfolios offering the maximum possible expected return for a given level of risk.

MPT tries to understand the market as a whole and measure market risk in an attempt to reduce the inherent risks of investing in the market. However, with every financial investment strategy, there is a risk of a loss of principal. Not every investment decision will be profitable, and there can be no guarantee of any level of performance.

### INVESTMENT STRATEGIES

When formulating investment advice or managing client assets, we will use the following investment strategies. There are inherent risks associated with each of these strategies.

**Long-Term Strategy** - A long-term strategy may not take advantage of short-term gains or may experience more volatility over the life of the portfolio.

Your accounts are managed separately with your underlying investment strategies, restrictions, or investment limitations defined within the investment management agreement.

### POTENTIAL RISKS

Investing involves different levels of risk that can result in loss of any profits and/or principal you have not realized. We manage your account in a manner consistent with your pre-determined risk tolerance and suitability profile. However, we cannot guarantee that our efforts will be successful. Investing in securities involves the risk of loss clients should be prepared to bear.

**Investing involves the assumption of risk, including:**

**Financial Risk:** which is the risk that the companies we recommend to you perform poorly, which affects the price of your investment.

**Market Risk:** which is the risk that the stock market will decline, decreasing the value of the securities we recommend to you with it.

**Inflation Risk:** which is the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.

**Political and Governmental Risk:** which is the risk that the value of your investment will be affected by the introduction of new laws or regulations.

**Interest Rate Risk:** which is the risk that the value of the investments we recommend to you will fall if interest rates rise.

**Call Risk:** which is the risk that your investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.

**Default Risk:** which is the risk that the issuer is unable to pay the contractual interest or principal on the investment promptly or at all.

**Manager Risk:** which is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.

**Industry Risk:** which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.

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

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (iNAV), or price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that one of the typical benefits of ETFs. Additionally, regular trading to beneficially "time the market" is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities in particular are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking errors. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another and losses may be magnified if no liquid market exists for the ETF's shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

**Hedge funds:** often engage in leveraging and other speculative investment practices that may increase the risk of loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

**Private equity:** funds carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

**Venture capital:** funds invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

## ITEM 9

### Disciplinary Information

As of the date of this brochure, we have not been subject to any disciplinary, legal, or regulatory events related to past or present investment clients. There have been no disciplinary, legal, or regulatory events related to us or any of our management persons.

## ITEM 10

### Other Financial Activities and Affiliations

#### FINANCIAL INDUSTRY ACTIVITIES

Neither HTWM nor its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither HTWM nor its management persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or commodity trading advisor.

#### AFFILIATIONS

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

#### SELECTION OF OTHER INVESTMENT ADVISERS

We do not recommend or select other investment advisers for our clients.

## ITEM 11

### Code of Ethics, Participation in Client Transactions and Personal Trading

#### CODE OF ETHICS

HTWM has developed a code of ethics that will apply to all of our supervised persons. We and our IARs must act in a fiduciary capacity when providing investment advisory services to you. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely

in the best interest of each of our clients at all times. HTWM has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle of our code of ethics, which also covers our insider trading and personal securities transactions policies and procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will acknowledge that they have read, understand, and agree to comply with our Code of Ethics.

Our Code of Ethics is available to clients and prospective clients upon request.

### **RECOMMENDATIONS INVOLVING A MATERIAL FINANCIAL INTEREST**

Neither we nor any related person recommend to clients or buys or sells for clients' accounts securities in which we or a related person has a material financial interest.

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

There may be instances where an IAR will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which an IAR, its affiliates, or other clients may also have a position or interest. Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis. Generally, in such circumstances, the affiliated and client accounts will share execution costs equally. Completed trade orders will be allocated according to the instructions from the initial trade order. Partially filled trade orders will be allocated on a pro-rata basis. Any exceptions will be explained in the trade order.

### **PERSONAL TRADING**

Employees are permitted to have personal securities accounts as long as personal investing practices are in line with fiduciary standards and regulatory requirements and do not conflict with their duty to HTWM and our clients. HTWM monitors and controls personal trading through pre-approval of all personal securities transactions or blackout periods imposed upon employees trading in the same securities as HTWM. We forbid any officer or employee, either personally or on behalf of others, to trade on material, nonpublic information or communicate such information to others in violation of the law.

## **ITEM 12**

## **Brokerage Practices**

We recommend broker-dealers for our clients to use in order to custody their accounts. The firms we recommend will be independent SEC-registered broker-dealers and members of FINRA and SIPC.

As fiduciaries, we are obligated to seek out the best execution of client transactions for accounts that we manage. In general, the execution of securities transactions is at a total cost to process each transaction and is the most favorable under the circumstances. However, we do not limit the best execution to the lowest available price. Additional factors are taken into consideration when determining the arrangement and services in the selection of a broker-dealer or qualified custodian. Our review consists of reviewing the commission and fee structures of various broker-dealers, research platforms, and execution services. Accordingly, while we consider competitive rates, we do not necessarily obtain the lowest possible commission rates for account transactions. Therefore, the overall services provided by unaffiliated broker-dealers and qualified custodians are evaluated to determine the best execution. You may pay trade execution charges and higher commissions through the trading platforms approved by us than through platforms that have not been approved by us.

## **RESEARCH AND OTHER BENEFITS**

We receive soft dollar benefits in that certain custodians may make available to us other products and services such as trade execution software, investment research, pricing information, market data, recordkeeping, publications, and conferences in return for effecting transactions through them. Such arrangements will be pursuant to Section 28(e) of the Securities and Exchange Act of 1934 and are available to all of the retail and professional clients of the custodians on an unsolicited basis.

### **Products & Services Available to Us from Schwab**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like ours. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis and at no charge to us as long as we maintain a total of at least \$10 million of our clients' assets in accounts at Schwab.

### **Services that Benefit Client**

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

### **Services that May Not Directly Benefit Clients**

Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or their account(s). 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:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocates aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists 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.

Irrespective of direct or indirect benefits to our client through Schwab, we strive to enhance the client's experience, help reach their goals and put their interests before that of our firm or its associated persons.

#### **BROKERAGE FOR CLIENT REFERRALS**

We do not receive client referrals from broker-dealers.

#### **DIRECTED BROKERAGE**

Clients will be permitted to select any broker-dealer of their choosing. In these situations, we are unable to achieve the most favorable execution for client transactions. Directing brokerage can cost clients more money in that the client can pay higher brokerage commissions because we are not able to aggregate orders to reduce transaction costs, or the client can receive less favorable prices.

#### **TRADE AGGREGATION**

We do not aggregate trade orders.

### **ITEM 13**

## **Review of Accounts**

#### **PERIODIC REVIEWS**

We review asset management accounts no less than annually. These accounts will be reviewed by supervisory or designated person(s). Accounts are reviewed to evaluate asset allocation, investment strategy and objectives, cash balance, and performance, as well as the general economic outlook and current investment trends.

Project-based financial planning clients are provided a one-time plan or consulting session and receive no additional reviews unless a new financial planning and consulting agreement is executed.

Our ongoing family office services will be reviewed monthly or quarterly by Investment Advisor Representative. We may make adjustments to the Client's financial plan and/or the Client's objectives.

#### **REVIEW TRIGGERS**

We conduct periodic reviews to evaluate the current market, economic and political events and how these may affect client accounts. Additional reviews may be triggered by these events or by events in the client's financial or personal status.

#### **REGULAR REPORTS**

Asset management and family office clients will receive advisory account reports no less than annually. These reports show asset value by cash balances, security, unit cost, total cost, current per share values, etc. Clients are urged to review the quarterly reports provided by us with those provided by their custodian and notify us of any differences. Clients are encouraged to phone or e-mail us as often as they deem necessary to receive information regarding the investment tactics and strategies being followed.

Financial plans created utilizing our ongoing financial planning services will receive status updates and/or reports during their plan reviews. Project-based financial planning and consulting clients are provided a one-time written financial plan concerning their financial situation. After the presentation of the plan, there are no further reports.

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

We do not pay a referral fee to third-party solicitors.

## **ITEM 15** Custody

We are deemed to have custody of client funds and securities due to our ability to deduct management fees from clients' accounts. We will not take physical custody of clients' funds and will not assign or transfer trading authorization to another advisor. Clients will receive account statements from the qualified custodian(s) holding their funds and securities at least quarterly. The custodian's account statements will indicate the amount of our advisory fees deducted from the clients' account(s) each billing period. These statements should be carefully reviewed by the client for accuracy. Item 5 – Fees and Compensation has additional information regarding our ability to deduct management fees from clients' accounts.

While we do not maintain physical custody of client assets, HTWM is deemed to have custody for a limited number of clients. HTWM provides bill paying services to certain acquired clients. HTWM maintains access to client log-in information for certain acquired clients. Because of these actions, HTWM is deemed by regulation to have custody of client assets. Therefore, in accordance with the securities regulations, the firm must undergo an independent verification by examination at least once during each calendar year by an independent public accountant, pursuant to a written agreement between the firm and the accountant, at a time to be determined by the accountant without prior notice or announcement and that is irregular from year to year.

We are deemed to have custody as a result of our Standing Letters of Authorization ("SLOA(s)") to transfer funds from their account to third parties. In such instances where we act under such an SLOA, it is our policy to only initiate these transactions when directed by the client to transfer funds to a third party the client designates for a designated amount and at a designated time, all of their choosing. A surprise examination is not required in this circumstance where we are deemed to have custody due to SLOAs as we are relying on the conditions set forth in the No-Action letter issued by the Securities and Exchange Commission on February 21, 2017. Pursuant to the conditions set forth in the No-Action Letter, we confirm that in those situations

- you provide an instruction to the qualified custodian, in writing, that includes your signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed;

- you authorize us, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time;
- the qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify your authorization, and the qualified custodian provides a transfer of funds notice to you promptly after each transfer;
- you have the ability to terminate or change the instruction to the qualified custodian;
- we have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in your instruction;
- we maintain records showing that the third party is not a related party of HTWM or located at the same address as HTWM; and
- the qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## ITEM 16 Investment Discretion

### DISCRETIONARY AUTHORITY FOR TRADING

If you are participating in our asset management services, upon receiving your written authorization via our executed investment advisory agreement, we will maintain trading authorization over your designated account and may also implement trades on a discretionary basis.

When discretionary authority is granted, we will have the limited authority to determine the type of securities to be purchased, sold, or exchanged and a number of securities that can be bought, sold, or exchanged for your portfolio without obtaining your consent for each transaction.

On a case-by-case basis, you may place reasonable restrictions on the types of investments that may be purchased or sold in your account so long as the restrictions are explicitly set forth or included as an attachment to the investment advisory agreement.

## ITEM 17 Voting Client Securities

We do not have the authority to vote proxies as it pertains to the issuers of securities held in your account. The responsibility for voting your securities places increased liability to us and does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting your securities.

Therefore, you are responsible for voting all proxies for securities held in accounts managed by us. Typically, our qualified custodian will forward you your proxy information. Although we do not vote your proxies, you can contact us if you have a question about a particular proxy.

## ITEM 18 Financial Information

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 our clients.

We are currently not in, nor have been historically in a financially precarious situation or the subject of a bankruptcy petition.